



**Expansion of Shanghai Cooperation Organization (SCO):
Implications for Pakistan**

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Abstract:

Shanghai Cooperation Organization (SCO) is a Eurasian political, economic and security grouping aimed to promote regional peace. In 2017, SCO was expanded and membership was granted to Pakistan and India. Growing status of China, expansion of SCO and its relations with Pakistan has definite implications for Pakistan. The article seeks to analyze the various economic and strategic advantages that Pakistan can achieve through SCO. China-Pakistan Economic Corridor (CEPC) also provides great opportunity to the SCO member states to get fruitful advantages from it. The study employs a qualitative research and descriptive method. The study finds out that SCO is gradually becoming an important organization and more so after the inclusion of two nuclear powers of South Asia, Pakistan and India. Full membership of SCO provides enabling environment to Pakistan to enhance its economic and strategic ties with other member states but at the same time, the other member states would also get advantage from Pakistan's geographic location for regional connectivity to enhance economic and trade activities.

Key Words: Pakistan, China, Shanghai Cooperation Organization, cooperation, economic, strategic implications, counter terrorism strategy

INTRODUCTION

In the beginning of last decade of the twentieth century, the world saw a paradigm shift in the international political system. After the disintegration of the Union of Soviet Socialist Republics (USSR), the international political system changed from bi-polar to unipolar and the United States of America (USA) became the sole superpower of the world. Under the emerging world scenario, various regional organizations emerged and gradually became important actors in world affairs. These organizations played an important role to resolve various conflicts among the member states and to improve the economic and strategic ties. The Shanghai Cooperation Organization (SCO) is one of such important regional organizations.

China, Russia and three Central Asian Republics (CARs) formed Shanghai Five in 1996 which was expanded and renamed as SCO in 2001. The main objective of SCO was to resolve border and other mutual disputes. It represents a quarter of the world population. Geographically, SCO covers a very

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extensive and heterogeneous region, it is not only connecting three important Asian regions i.e. Central, South, and East Asia but also provides the connection from East Asia to Europe through South and Central Asia. To meet its energy requirement Central Asian region got special significance for China. Although mostly SCO member states had no intention to allow new membership in the Organization but several geo-political and geo-economic realities compelled the member states to consider the inclusion of Pakistan and India in SCO in 2017. This expansion is ultimately beneficial for Pakistan and India as well as other member countries (Zeb, 2006, p. 52). Pakistan and India are two important countries in South Asia. Pakistan is situated on a strategically important location and can provide the shortest route to China for import of energy requirements and to Russia and CARs to enhance their economic activities through Pakistani ports. India is an emerging economy and a big consuming market.

The available literature, there are a range of discourses about creation, development, scope and purposes of SCO. Most of studies consider the expansion of SCO as a struggle between China and Russia to get the dominance within the organization. A considerable portion of literature portrayed SCO expansion as an attempt to counter US presence in the region, and a number of analysts labeled it as NATO of the East. A group of scholars focused on India-Pakistan rivalry and its implications for SCO and its member states in the wake of SCO expansion but there is a dearth of literature focusing on aspects of the expansion of SCO and its economic and strategic implications for Pakistan.

The article analyzes the economic and strategic implications of the expansion of the SCO for Pakistan. The paper focuses on creation, growth and expansion of SCO along with its implications for the other states particularly for Pakistan. In order to study the economic and strategic implications descriptive and analytical methods have been used.

SHANGHAI COOPERATION ORGANIZATION (SCO): ORIGIN AND GROWTH

China, Russia and three CARs, i.e. Kazakhstan, Kyrgyzstan, and Tajikistan established Shanghai Five in 1996. With the inclusion of Uzbekistan, Shanghai Five was renamed as SCO in 2001. In 2002, at its second summit, the Charter of SCO was signed by the six members. According to its Charter, the aims and objectives of SCO are: to build trust among the members for settlement of their mutual disputes; removal of military threats; economic cooperation; and combined efforts for regional peace and stability; Cooperation to control cross border crimes mainly human trafficking, drug and weapon smuggling. Efforts against "Three Evils" terrorism, extremism and separatism are also the part of its objectives. The core objective of the Organization was set by the member states to promote effective collaboration in the field of politics, economic trade, science, culture, technology energy, transport, environmental protection among its member countries. Work for enhancement in friendly relations, mutual trust, and friendly neighbourhood among its member countries.

In 2005, Pakistan joined SCO as an observer state. In the very next year Pakistan applied for permanent membership in SCO, however, it took almost one decade because there were many suspicions between Pakistan and other members of the SCO. Since the Cold War period, CARs had concerns on the connections of Afghanistan and Pakistan based Jihadi elements with the militant groups like Islamic Movement of Uzbekistan and Hizb-ul-Tahrir involved in various unlawful activities in their countries and showed the apprehensions on the training of Uzbeks, Uighurs, Chechens and Tajiks terrorists in the terrorist camps of Pakistani border areas (Roy 2006, 818).

World had witnessed that during the Cold War period, Soviet Union and its predecessor Russian Federation was great supporter of Indian stance on Kashmir issue. In 1993, while his visit to India, Russian President declared 'Kashmir as an integral part of India' (Mahapatra 2004, 129-30). Pakistan had reservations on Indo-Russian military, and economic cooperation and Russian support to Indian stance on Kashmir issue along with other political issues at the international level. On the other hand, Russian had doubts about Pakistan's alliance with Western bloc and joining two anti-communist treaties CENTO and SEATO. Russia considered these Pakistan's engagements with anti-communist bloc as containment measures against Soviet Union. Soviet Union invaded in Afghanistan in 1979; Pakistan strongly opposed Soviet attack, become US ally and supported Afghan Mujahedeen about ten years from 1979 to 1989 against Soviet occupation which made Pak-Russia relations more hostile (Hanif 2013, 68).

However, in 2015 heads of SCO member states agreed on the expansion of the Organization and granted full membership status to Pakistan and India. Next year in Tashkent Summit both countries signed memorandum of obligations and finally, in July 2017 Pakistan and India participated in Astana Summit as a full-fledged member of the SCO. Full membership in the SCO provides opportunities much to gain and little to lose, it endows with chances for both India and Pakistan a platform to solve conflicts including burning Kashmir issue and enhances their mutual trust.

On 9th June 2017, after getting the status of a full-fledged member in SCO, then Pakistan's Prime Minister Nawaz Sharif highlighted the importance of SCO as a 'sheet anchor' for regional stability and vital link between the Asia Pacific, East Asia, West Asia and the Atlantic region in future. He stated that:

The SCO goals resonate with Pakistan's national ethos, and so do the core values of the Shanghai spirit and the SCO charter with our own quest for peaceful neighbourhood. It is destined to become a cornerstone of global politics and economics, with economics gaining primacy.... The SCO gives us a powerful platform for partnerships to promote peace, build trust and spur economic development for shared prosperity. Moreover, it helps us all combat terrorism, reduce arms race, eliminate poverty... deal with natural disasters, tackle climate change and assure water security. In Pakistan, we are diligently implementing the China-Pakistan Economic Corridor, which is a flag of the OBOR, what is more, these megaprojects will benefit the entire SCO community (Dawn, June 9, 2017).

After the inclusion of Pakistan and India SCO has become the largest regional organization of the world, now it represents about half of the world population with 25 percent of world GDP (Maduz 2018, 21). Since its inception, SCO is gradually enhancing its repute on the global arena, playing an important role in boosting economic activities in the region regionally connectivity and combating with security challenges (Tian, 2018).

Soon after its independence, Pakistan joined the Western bloc and Pakistani Prime Minister, Liaquat Ali Khan visited the USA instead of the USSR. During the whole Cold War era, Pakistan remained in US-led alliances and joined SEATO and CENTO (Hanif 2013, 65). Pakistan supported the US stance on the 1979 Soviet invasion in Afghanistan and became the frontline state in the Afghan war. But at the end of the Cold war, Washington revisited its Cold war foreign policy and a new era of Indo-US strategic cooperation started (Hanif 2013, 84). In changing the global environment to fulfill its economic and security requirements Pakistan has been reshaping and

improving its ties on the regional level especially with two important regional power i.e. China and Russia and SCO is the best forum for the purpose.

Strategic and Economic Opportunities for Pakistan

SCO provides opportunities to Pakistan to improve its economic and strategic relations with other member states. Developing countries like Pakistan have always with a dire need to become a member of regional forms and establish their relations with powerful and technologically advanced states for the fulfillment of its economic and security requirements. After various economic and military sanctions from the USA and its new strategic alignments in South Asia, Pakistan also re-examined its regional policies and trying to improve its ties with regional power including Russia (Dar 2018, 219). Arshad Iqbal Dar quoted a Pakistani missile and nuclear analyst Adil Sultan as he stated “if this existential threat from its large eastern neighbor is strengthened due to its strategic partnership with U.S. and becomes difficult to manage, it (Pakistan) could be compelled to exercises all available options including a possible strategic realignment with other big powers in the region. Russia is one obvious choice because it is one of the big powers” (Dar 2018, 219). To improve its relations with regional powers SCO could be a best forum.

Before going into the details of opportunities, there is need to look into the challenges, Pakistan has been facing a number of economic and security challenges at international as well as regional level, economic stability and security issues are the main concerns. Energy crisis and load shedding negatively affecting the economic activities in the country, industrial production is in worse condition, foreign investors are hesitating to invest in Pakistan even Pakistani businessmen shifting their business to other countries. To overcome the energy crisis SCO will be a podium for Pakistan, through which it can strengthen its ties with rich energy resource CARs and Russia. It is an established fact that there are no permanent friends or permanent foes on the global political stage and under the principle in the post-Cold War period both Pakistan and Russia revisited the Cold War policies (Khan 2019, 218).

However, by acknowledging the changing power dynamics, Russia supported Pakistan’s permanent membership in SCO which is a positive sign for future cordial relations. To meet its military needs Pakistan is intended to import various military equipment including radar systems, helicopters, armored vehicles, drones, ships from Russian. On April 24, 2018, while Pakistani Army Chief, General Qamer Javed Bajwa’s visit to Kremlin Palace, the Commander Russian Federation Ground Forces expressed his views toward Pakistan in these words “Pakistan is a geo-strategically important country and Russia is keen to expand its existing bilateral military to military cooperation” (Jaspal, 2018).

To get potential economic benefits from SCO as a permanent member, Pakistan is intensifying to highlight the importance of Gwadar Port for economic activities in the region. Gwadar Port provides a short transit route to all SCO countries. China is big consumer of oil and gas, almost 80 percent of its energy exports comes from Central Asian and Middle Eastern countries through Persian Gulf via Straits of Malacca, which is a time consuming and expensive route. On the other hand, Gawadar Port provides China direct access to the Arabian Sea and reduce about 12,000 Kilometers distance (Athwal 2008, 66-7).

On 18th June, 2018, while addressing at a seminar in New Delhi, Mr. Luo Zhaohi, Chinese ambassador in India, made a suggestion that on the lines of Russia, China and Mongolia trilateral, there may have a summit among China, Pakistan and India on the sidelines of a meeting of SCO to solve border disputes, enhance trade and economic activities through regional connectivity and for peace and stability in the region. However, India denounced the suggestion and urged that “Matters related to India-Pakistan relations are purely bilateral in nature and have no scope for involvement of any third country” (Ali, 2018). However, it is a good proposal made by an important and founding member of SCO and Pakistan has considered this effect will be helpful to bring India on the negotiation table.

The first time in history since their independence, two nuclear armed neighboring states of South Asia, Pakistan and India, participated in the joint counter terrorism military exercises from 22nd to 29th August 2018 in Russia under the framework of the SCO. From eight SCO member countries, almost 3000 troops including 110 from Pakistan and 200 troops from India took part in these exercises “Peace Mission 2018.” These exercises were considered as signal of mutual confidence, interoperability and sharing of personal experiences and capability of every state with each other, helpful to counter insurgency and terrorism (Nation, 2018). On the other hand, SCO exercises can play an important role in improving confidence building mutual trust and positive interaction between Pakistan and India which will be helpful to ease tensions and resolving their mutual disputes. While expressing his views about the prospects of the exercises Sun Zhuangzi, professor at the Chinese Academy of Social, told that “It is a rare opportunity for Pakistan and India, which have long been involved in military conflict, to enhance military exchanges and trust. This could improve regional stability” (Hui, 2018). SCO military exercises TSENTR 2019 was conducted from 9 to 23 September 2019 in Russia, all SCO member states including Pakistan in these exercises.

Fight Against the Menace of Terrorism

Terrorism has become a common enemy for the world peace and stability, on the regional level all SCO member countries are facing terrorism, extremism and separatism threats. The SCO initially constituted under the principle of combating against three evils “terrorism, separatism and extremism” (SCO Charter and Declaration on the Establishment of the SCO, 2002).

In 2002 at Bishkek, Regional Anti-Terrorist Structure (RATS) was established under the framework of SCO, in 2004 its headquarters was shifted to Tashkent. Now the Regional Anti-Terrorist Structure (RATS) is working very effectively, it provides the specialized training, organize seminars on tackling terrorism and coordinate with other international security organizations. RATS become a center of intelligence sharing among the member state regarding terrorist organizations and their outfits in the region (Rehman 2014, 70).

Pakistan has been facing menace of terrorism and extremism since 1979 Afghan war especially in the aftermath of 9/11. Thousands of civilians, personnel of law enforcement agencies (LEAs) sacrificed their lives in war against terrorism. After the US attack on Afghanistan many Arab, Uzbek, Chechen elements fled from Afghanistan and took shelter in Pakistan’s border areas. CARs and Russia have been showing their reservations on their alleged activities in Pakistan. To meet the challenges of the 9/11 incident, Pakistan espoused its foreign policy in the pragmatic way, it joined the war against terror as frontline state and denounced terrorism in any shape in any part of the

world. Pakistan's efforts and contributions were recognized globally as well as on the regional level which paved the way to eliminate the hurdles and mistrust between Pakistan and SCO member states (Rahman 2007, 221-3). Some SCO member countries and Pakistan signed anti-terrorism agreements on bilateral level, however, Pakistan's full-fledged member status in SCO would provide opportunities on large scale to "institutionalize anti-terrorism cooperation in a more comprehensive manner", particularly SCO's Regional Anti-Terrorism Structure (RATS) would strength Pakistan's capabilities against terrorism (Zeb 2006, 56).

Pakistan is trying to clear border areas from criminal elements through certain military operations. All efforts made by Pakistan against terrorism and extremism are resonated with the main objects of SCO. While addressing the 19th SCO Summit, Prime Minister Imran Khan condemned all types of terrorism including unlawful occupation and state terrorism. He articulated Pakistan's commitment to fighting against the threats of terrorism, extremism, narcotics and climate change. He stated that "we are among the few countries to have successfully turned the tide against terrorism and Pakistan remains ready to share its experience and expertise in counter terrorism." He assured the SCO member states that Pakistan "will also remain actively engaged in SCO's counter-terrorism initiatives" (Dawn, June 13, 2019).

On the diplomatic front, the SCO permanent membership provides an effective platform to eradicate Indian propagation against Pakistan. Because to divert the international attention from its misdoings and human rights violation in Indian held Kashmir (IHK), India has been trying to depict Pakistan as 'state sponsoring terrorism'. However, the SCO member states, especially two main regional actors China and Russia recognize Pakistan's dedication against the menace of terrorism (Fayyaz, 2019).

Besides other certain opportunities of interaction between Pakistan and India, the expansion of SCO can provide an opportunity to resolve Kashmir Issue, which is an unresolved agenda of the partition of the subcontinent and remained a bone of contention between Pakistan and India since the seventy-three years. During the Qingdao SCO Summit, leaders of member states warmly welcomed the accession of Pakistan and India to SCO and expressed their hope that both countries will contribute to the peace, prosperity and sustainable development of their nations, member state and the region (Hui, 2018). The insertion of Pakistan in SCO as a permanent member. Pakistan as well as other members can transform these challenges into opportunities through joint efforts with other member states.

SCO and China-Pakistan Economic Corridor (CPEC)

In the emerging global economic scenario, economic interest got significant importance, there is tight competition among the manufacturers in the international market. In this competitiveness, transportation cost affects the purchasing power of consumers and the profit of the manufacturer. To minimize transportations charges, short and safe trade routes have always been important. Pakistan has very important geostrategic location and China is trying to utilize this important junction and interested to make it a hub of regional connectivity.

China-Pakistan Economic Corridor (CPEC) in one of the six corridors of the Chinese One Belt, One Road (OBOR) initiative. In 2015, Pakistan and China signed crucial and strategic venture which includes construction of infrastructure, roads and railway networks, airports, fiber optic, Special

Economic Zones (SEZs) and industrial units in various parts of Pakistan. Initially China was committed to provide an investment of \$ 46 billion which has been escalated to \$ 60 billion.

CPEC has been divided into three phases; first of them has been completed while second is underway. Besides the completion of energy projects, various infrastructure projects have also been completed, particularly to connect the Chinese northwest province Xinjiang with Pakistan's Gwadar Port. Along with work on construction of railway tracks, 3,000 kilometer roads network and pipelines has been started. Through CPEC, China wants the revival of the ancient trade routes during the Han Dynasty which connected three continents Asia, Africa, and Europe. The CPEC will provide great opportunities to connect trans-continental overland connectivity through Gwadar Port, which will not only pave the way of rapid economic development and trade activities but also will increase Pakistan's effective participation in regional (Jaffer 2016, 14).

India has reservations on the project and has been its concerns on the project since its inception. In May 2017, China organized a summit "Belt and Road Forum" which was attended by 30 world leaders and more than 30 senior officials from various countries in Beijing. In the summit, China flaunted his idea regarding extensive trade routes across the world through a new "Silk Road." However, India did not send its official delegation to participate in the "Belt and Road Forum," India openly criticized China's initiative and expressed an "unsustainable debt burden" of countries involved. India has concerned on One Belt One Road projects because of CPEC is one of the key project of OBOR that passes through some part of Kashmir which will affect Indian territorial integrity (Dawn, June 9, 2017).

CPEC is not only advantageous for Pakistan and China but also it would accommodate all the SCO member states. It is an excellent opportunity for the development of regional trade and economic activities and regional connectivity. The CPEC project has potential to become a game changer in the region, to boost trade and economic activity, to enhance industrial and agriculture production. Due to geographical proximity almost all SCO member states are neighbours and CPEC can be beneficial for all of them.

CONCLUSION

The first ever expansion of the SCO has implications for Pakistan as well as the other members. In 2017, two observer states Pakistan and India were granted full-fledged membership of the SCO. Now it represents one-half of the world population with 25 percent of world GDP. Being a part of the august Organization, Pakistan can utilize its ideal strategic locations as a natural link between SCO member states. It is situated at the crossroad of South Asia, South West Asia and Central Asia, connecting these regions through land routes and providing access to the land locked countries of Central Asia towards Arabian Sea, Pakistan can become hub of trade and economic activities in the region. It is worth mentioning that the full-fledged membership in SCO has more positive implications than negative implications. It provides a platform to Pakistan for improving its economic and strategic ties with other member states. It will also provide Pakistan and India a vital opportunity to solve their bilateral disputes on this platform by using the experiences of Russia, China and the CARs as they resolved their borders conflicts on the platform of the SCO. Being a member of SCO, Pakistan intends that the SCO member states especially China and Russia two

dominant powers in the Organization will play their role for resolution of various issues between Pakistan and India.

Pakistan has been struggling against the menace of terrorism and extremism since long. After gaining full membership of SCO, Pakistan could get help from SCO Regional Anti-Terrorism Structure (RATS) in combating the threats of terrorism and extremism effectively. The expansion of the SCO is not only beneficial for Pakistan but also provides great opportunities to all the members of SCO. Pakistan's geographic location and CPEC will play important role in regional peace, stability and connectivity, which will improve and strengthen economic stability and will enhance economic and trade activities in the region.

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