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Issue Brief

Significance of the Shanghai Cooperation Organisation (SCO) for Pakistan

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Introduction

In the last few years, the Shanghai Cooperation Organisation (SCO) has emerged as an important actor on the international platform. It not only brings together the two Eurasian giants, China and Russia, but also comprises of members who have been granted either observer status or have been labeled as dialogue partners. Outside of its participant countries, the organisation has mainly attracted critics who question the organisation's viability and the democratic credentials of its members. A number of Western scholars view the SCO as a counter to American interests. Major Jefferson of the United States Air Force has described the SCO as an "enigma... a security organization, a regional forum, an anti-terrorism coalition" and "...as a Russian and Chinese led alliance created to counter U.S. hegemony". Some scholars have run parallels with the Warsaw Pact and even labeled the organization as a "NATO of the East".

However, the member states see the SCO as anything but a military alliance. Rather they view it as a platform for peace, security and economic development throughout the region. The SCO aims to be a conduit for connectivity in the region with regard to energy, transportation and communications. Chinese President Xi Jinping, stated as much when he said, "SCO members have created a new model of international relations – partnership instead of alliance".

This paper will briefly look at the evolution of the SCO and its structure. It will look at the various ways in which the organisation has promoted regional connectivity. Furthermore, it will assess the significance for Pakistan of gaining full membership in this organization and simultaneously shed light on the benefits and gains this membership holds.

Evolution and Structure

The Shanghai Cooperation (SCO) came into existence in June 2001. The group's origins go back to the border tensions between China and the Soviet Union. After the USSR broke down in 1991, this border issue took on a multi-lateral dimension. In 1996, China, Russia and the three Central Asian states bordering on China—Kazakhstan, Kyrgyzstan and Tajikistan—signed the Shanghai Agreement on Confidence Building in the Military Field in the Border Area, followed in 1997 by the Agreement on Mutual Reduction of Military Forces in the Border Areas. These shared security regimes called for military control and transparency along the borders and eventually lead to the formation of the Shanghai Five. Relations between these countries were further consolidated when they signed

agreements on trade and cooperation.

In June 2001, the same group of countries along with Uzbekistan set up the SCO as an institution. Members who have observer status are Iran, Mongolia, Belarus and Afghanistan. Recently, the organisation has expanded to include - India and Pakistan. This year, both countries will go from having an observer status to becoming full member states.

The SCO covers one of the largest geographical areas of any regional organisation. The member states occupy a territory of around 30 million 189 thousand square kilometers, which makes up about three fifths of the Eurasian continent. The region extends from Kaliningrad to Vladivostok and from the White Sea to the South China Sea. If its observer states are included, its dimension's extend to the Indian Ocean and the Middle East as well. Its members and observers collectively possess 17.5 per cent of the world's proven oil reserves, 47–50 per cent of known natural gas reserves and have a population of 1.5 billion, which makes up a quarter of the entire planet's population.

According to the SCO's charter, which was adopted in 2002, the main purpose of the organization is to strengthen mutual trust, cooperation, and further "good neighbourliness and friendship" among member states. It also encourages "efficient regional cooperation in such spheres as politics, trade and economy, defense, law enforcement, environment..." and endeavors to promote human rights and fundamental freedoms and rejects hegemony at all levels in international affairs.

China led the process of gradual institutionalization within the SCO and acted to strengthen the secretariat. In 2004, the SCO opened a secretariat in Beijing to regularize and coordinate the activities of different SCO bodies. However, policy making remains firmly under the control of the member states. This institutionalised process of discussion and debate between member states allows a favourable environment for difficult issues to be resolved. Based on the "Spirit of Shanghai", the SCO pursues an internal policy based on the principles of mutual trust, mutual benefit, equal rights, consultations, respect for the diversity of cultures and aspiration towards common development. The organisation's external policy is conducted in accordance with the principles of non-alignment, non- targeting anyone and openness. There have been 15 conferences, with the latest meeting held in Ufa in 2015. Russian and Chinese are the official working languages of the SCO. The Heads of State Council (HSC) is the highest decision-making body in the SCO. It holds annual meetings to discuss strategies and issues and the Organisation's yearly budget. Apart from these meetings there are also meetings at the level of Speakers of Parliament, Secretaries of Security Councils, Foreign Ministers, Ministers of Defense, Emergency

Relief, Economy, Transportation, Culture, Education, Healthcare, Heads of Law Enforcement Agencies, Supreme Courts and Courts of Arbitration, and Prosecutors General. The Council of National Coordinators of SCO Member States (CNC) is in charge of coordinating interaction within the SCO framework. The Organisation has two permanent bodies - the Secretariat in Beijing and the Regional Counter- Terrorism Structure (RCTS) in Tashkent.

The RATS

The Executive Committee of the Regional Anti-Terrorist Structure of the Shanghai Cooperation Organisation is the permanent body of the SCO.

The SCO prioritises the following security challenges: terrorism, separatism and religious extremism, but containment of Islamist rebel groups capable of acts of terror is the most relevant for all. To address the threat, the Regional Anti-Terrorist Structure (RATS) was established in 2004. The other threats that the SCO treat with increasing seriousness are drug trafficking, organised crime, energy security and health epidemic security.

The Regional Counter-Terrorism Structure operates in accordance with the SCO Charter, the Shanghai Convention on Combating Terrorism, Separatism and Extremism, the Agreement among the SCO member states on the Regional Anti-Terrorism Structure, as well as documents and decisions adopted in the SCO framework.

Its main tasks and duties are: to maintain working relations with competent institutions of the member states and international organizations tackling issues of fighting terrorism, separatism and extremism; to assist in interaction among the member states in preparation and staging of counterterrorism exercises at the request of concerned member states, preparation and conduct of search operations and other activities in the field of fighting terrorism, separatism and extremism; to jointly draft international legal documents concerning the fight against terrorism, separatism and extremism; to gather and analyze information coming to the RATS from the member states, along with formation and filling of RATS data bank; to jointly form a system of effective response to global challenges; and to prepare and hold scientific conferences and workshops and thus assist in sharing experiences in the field of fighting terrorism, separatism and extremism.

Regional Connectivity

Russian scholar Mikhail Troitsky describes the SCO as a platform for shared security concerns and a legitimate channel for influencing regional politics. It showcases that a viable Euroasian integration order is not just a fantasy. This 'integration' includes, among other things, development of infrastructure and possible coordination of regional politics. It also serves the purpose of maintaining the domestic status quo in the Central Asian countries.

According to the Stockholm International Peace Research Institute (SIPRI), the SCO has demonstrated rapid growth. This can be seen in the SCO's new networks and mechanisms. Its agenda is relatively tightly focused, it has set up networks and programmes that are logically geared to its priorities and the input- output balance of the SCO as an institution can be seen as positive. The fact that new issues are still being added to its agenda and the keenness of other states to join the club has led SIPRI to predict the organisation's further growth and increasing influence.

New Membership

The issue of granting membership to the SCO observers was an issue that instigated much debate. This could be explained by the fact that the observers – Iran, Pakistan, India and Mongolia – are all, with an exception of Mongolia, very problematic states and come with heavy political baggage. China has been pushing for expansion: in March 2007 President Hu Jintao announced that the SCO had been preparing ascension documents. However, Russia appeared to be disinclined to take this route, especially with regard to Iran and Pakistan.

In June 2005 Pakistan and India were recommended for observer status in the SCO and were granted this in the following July. The role of Iran, Pakistan and India as observer members in the SCO goes much farther than the position of observers in the Organization for Security and Co-operation in Europe (OSCE), as they were involved in political consultations and discussions about energy cooperation. This may well be due to the far smaller size of the SCO as compared to the OSCE. Some authors go as far as describing observer states as lower level members states. Although this seems to be an overstatement since there is no evidence of any influence of the observer states in decision making.

In Pakistan's case, its interest in the SCO was also driven by the rapid improvement of its relations with Uzbekistan in 2002-3, which opened the door to prospects of economic cooperation. Pakistani President

Musharraf widely promoted the idea of using Pakistan as an energy corridor for the SCO countries. Diplomatic concerns about projecting the SCO as a major forum in world affairs have also been invoked as a rationale for the granting of observer status to Pakistan, as well as to India, both of which are nuclear powers. Although Pakistan's motivations to bid for SCO membership might initially have included security considerations, it faced strong hostility from the Central Asian countries on this ground. Among the various issues were the unresolved problems of the presence of Central Asian (mainly Uzbek) Islamist activists in Pakistan and Pakistan's less than convincing effort to distance itself from Afghanistan's Taliban after 2001. These appear to have been the reasons for the initial rejection of Pakistan's bid for observer status and for the hostility of several SCO members towards its full membership. The unresolved Kashmir issue must also have acted as a reason for the delay.

On July 10, 2015 at the SCO Summit Conference in Ufa, Pakistan and India were granted member states status. In Ambassador Masood Khan's words "Pakistan's entry into the Organization is a high water mark in its diplomacy". Membership will work as a channel for enhancing Pakistan's strategic as well as economic position on the international stage. Membership would also "enhance Pakistan's stature in the diplomatic ranking in the region," argues East West Institute scholar Najam Abbas.

Full membership in the SCO means a lot of gains. On the security front, Pakistan offers China and the SCO a valuable partner in the fight against the "three evils". Furthermore, in light of its close relationship with China, Pakistan could use its reputation as a center of extremism, to petition for security and economic support from the SCO. Beijing fears extremism from Central Asia, Afghanistan and Pakistan. Within its own borders it faces extremist threat from members of the East Turkestan Islamic Movement (ETIM). Though Operation Zarb-e-Azab has been successful in wounding out these terrorists, the threat is not over as many have relocated to Afghanistan. Beijing has always had interests in adding to the SCO's security partners and building a more encompassing apparatus for regional integration because it has a keen desire to protect its economic interests in Central Asia and promote regional security.

Indo-Pak Relations

The SCO can provide an opportunity for India and Pakistan to be rational players in the present world order where both countries would have to learn to sideline contentious issues and cooperate on possible areas of mutual interests. The Summit at Ufa is a prime example of this- Prime Ministers Nawaz Sharif and Modi such meeting on the sidelines of this forum. Thus, the SCO can very well be a medium for dealing with outstanding issues such as Kashmir.

Furthermore, SCO frameworks can be used to discuss bilateral issues between the two rivals at multiple levels. Holding meetings on the sidelines of official events is a great way. Since the initial purpose of the Shanghai 5 was to resolve border issues between China and Central Asian states, the organisation has extensive experience in the resolution of boundary dispute. If made members of the SCO, India and Pakistan could study the framework used by China and the CARs for settling these types of problems and see if they can utilize it in resolving issues such as Sir Creek. Under the SCO framework, Pakistan could potentially expand its defence and security relations with Russia, which have remained underdeveloped due to the Indo-Russian strategic relationship and India- Pakistan hostility. The SCO could also function as a neutral arena for New Delhi and Islamabad where the two countries can discuss issues of mutual interest.

The Road Ahead

Security

Terrorism is global. The SCO already conducts joint military exercises against this heinous phenomenon. It also aims to eradicate illicit drug trade in Afghanistan. Furthermore, the SCO has already set up many mechanisms in Afghanistan to nudge it towards stability and peace. Pakistan is a vital part of this process.

The SCO may also contribute significantly to the further development of Pakistan's anti-terrorism capabilities, especially through the SCO Regional Anti-terrorism Structure (RATS). Although Pakistan has signed bilateral anti-terrorism cooperation agreements with some SCO member states, RATS could further help Pakistan to institutionalize anti-terrorism cooperation in a more comprehensive manner and on a much wider scale. Improvement in Pakistan-India relations and Pakistan-Afghanistan relations is also important, for a number of reasons. If Pakistan becomes an energy corridor, it has to have good relations with both countries. India also cannot extend its trade to Central Asia without a friendly Pakistan, and unless both Pakistan and India have a good working relationship, Afghanistan cannot become a stable and viable state. Bad relations between member states also have had a negative effect on the SCO's potential to grow beyond the Central Asian region.

Economy

The SCO's vast landmass gives Pakistan the opportunity to create new linkages in the world economy. As

Pakistan enters into the Organization and completes admission procedures, it should use its proven capabilities in exploration of hydrocarbon reserves and joint use of water resources and thus, establish its presence on forums such as the SCO Business Council, Inter-bank Consortium and Business Forum.

The China-Pakistan Economic Corridor (CPEC) is already in its implementation stage. This mega project will open up economic zones and build up networks of transportation throughout Pakistan. The CPEC will play the role of economic arteries. Increased trade and investment will pass through not only from China but through all SCO member states.

At present, Pakistan's overall trade with SCO member states (plus observers) is far below potential. Trade has so far not reached any notable levels despite relatively affable relations with the member countries. China is a time-tested friend, and Pakistan shares historical ties with the Central Asian states. With past misgivings fading away, these relationships are on a rise. Russia-Pakistan relations are also on a relatively good footing. Pakistan and Uzbekistan, in turn, have signed an extradition treaty and invested significant efforts in infrastructural connections. The Almaty-Karachi road via the Karakoram (Almaty-Bishkek-Kashgar-Islamabad-Karachi network) is functioning. The TAP (Turkmenistan-Afghanistan-Pakistan) pipeline project has been revived and top-level visits devoted to this issue are occurring on a regular basis. In addition, Pakistan's provision of deep-sea port access is also highly valuable for the CARs ability to ship their products to world markets. Pakistan provides the most expedient modern rail as well as road facilities with relatively short distances.

A number of other positive developments are underway. Recently, Pakistan, Kyrgyzstan and Tajikistan signed an agreement on electricity exports from Central Asian states in order to supply the present Pakistani shortage. The Russian President, Vladimir Putin, has also expressed his interest in the Iran-Pakistan-India (IPI) pipeline by announcing that Gazprom would be ready to participate in the project. Moreover, Pakistan, China, Kazakhstan and Kyrgyzstan have agreed to initiate a bus service that would not only enhance trade but also be an important tool to promote people-to-people contacts between the four countries. These positive developments together with the Gwadar project make Pakistan an indispensable link for SCO member states, and should be considered an ideal candidate for membership. Although the Gwadar port has been built for primarily for economic and trade purposes, its geo-strategic location cannot be overlooked, especially if seen through the spectrum of any future geo-political competition in the Indian Ocean.

Pakistan is also confronted with a severe energy crisis. Russia has already expressed its support in

material terms. Pakistan presently is also engaged in diversifying its exports and finding new and easily accessible markets for its products. The SCO membership could also pave the way for the completion of Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline and the Central Asia-South Asia Electricity Transmission and Trade Project, commonly known by its acronym CASA-1000. The materialisation of TAPI and other trans-regional power and gas projects will help ease Pakistan's energy problems significantly.

The SCO states, with almost one-fourth of the world's population not only have geographical proximity with Pakistan but also provide easy accessibility and thus make up a very profitable market for Pakistan's exports. Similarly Pakistan can attract the required investments in the energy and infrastructure sector in which some of the SCO countries have a comparative advantage. The strategic location of Pakistan in the region and its economic potential can also help the SCO members to exploit their economic potential. With the prospects of Afghanistan and Iran and possibly Turkey also joining the Organisation in the near future, SCO is likely to emerge as a very strong regional Organisation.

Conclusion

It would be fair to say that the SCO mandate is still evolving. It grew out of a necessity to solve tangible border issues and security problems in border zones, and evolved organically, capitalising on its success. Having started as an intergovernmental network led by annual summits and meetings between high officials it has become increasingly multi-dimensional. Analysts from the SCO region frequently present the SCO as an Asian OSCE. A 'track two' SCO Forum has been established to allow for informal discussions within the academic community on strategic issues regarding the evolution of the SCO. Expert group meetings take place frequently, as do parliamentary exchanges. Cooperation on energy security grows, prompted by Moscow. The idea of establishing an SCO Energy Club was proposed by President Putin at the Shanghai summit in June 2006, and at the August 2007 summit in Bishkek the SCO leaders agreed to create a 'unified energy market'. The Chinese side actively promotes cooperation in culture, sports, tourism, science and technology. Film festivals and cultural and educational exchanges involve more and more people from the member-states, raising the public profile of the regional organisation. Full permanent membership of the SCO is an encouraging development. The expansion of the SCO in Ufa is not only advantageous for Pakistan, but also caters to the interests of all the founding members of the organization. For Pakistan, this membership bolsters the country in combating the menace of terrorism and simultaneously operates as a boost for Pakistan's economy.