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EXTERNAL FACTORS AND ITS ROLE IN THE CONVERGENCE OF THE ECO

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ABSTRACT

After formation of the United Nations Conference of Trade and Development (UNCTAD) on 23rd March 1964 and determination of 1960s as the decade of development, in order to improve their internal situations, developing countries came to take part in regional cooperation. Regional Cooperation for Development (RCD) in June 1964 was formed by membership of three countries of Iran, Turkey and Pakistan. After suspension of RCD, the Economic Cooperation Organization (ECO) was formed in 1985 between the three countries so that it could improve economic and social conditions of the region. At present, this organization with its 10 members among the countries of the region has not yet been so successful in achieving its objectives. Therefore this research, in terms of its subject, will deal with study of the main reasons for lack of integration between ECO members. This problem will be looked upon through this perspective that foreign powers have played roles and been influential in both economic as well as political aspects.

KEYWORDS: ECO, regional integration, foreign powers.

INTRODUCTION

Since the formation of modern governments, existence of competition among governments has always been one of the decisive factors in diplomatic relationships. This competition was usually on factors which could lead to empowerment of one nation and weakness of the other. In the meantime, one of the elements which have frequently led to competitions between governments is specific geographical location. It was because geopolitics was considered as an element of power for governments. Dominance and control over important geographical regions by a government could increase power of that specific government which in turn would lead to that government increase security its government against its rivals.

Specialists of geographical politics have always provoked politicians to dominate and gain authority over certain important regions in the world so that the government could have superiority over other governments. Diplomatic history of great powers includes lots of examples in which great powers have had competitions, conflicts and eventually wars to win dominance over these important geographical regions. Therefore we could say that: geography has turned governments of ECO into historical network for trade, competition and in some cases for conflicts. Traditionally, the foreign powers have considered the region as an economic and strategic gateway for other regions of the world. Since the time of independence in some of these

powers and their gaining ability to produce energy, they have also developed new foundations to their foreign interests.

It is apparent nowadays that foreign competition over energy is only one component of the complicated balance in short-term and long-term economic and strategic objectives. Therefore, there is the possibility of competition between foreign powers in coming years as well, and strategic and economic interests will cause the foreign governments to increase their diplomatic economic as well as military activities in the region.

THEORETICAL BACKGROUND OF THE RESEARCH

In evaluating the performance of Economic Cooperation Organization (ECO), it could be discussed that the process of integration in this organization during the elapsed time since its formation has not seen remarkable achievements (Koolae, 2009). Because in order to reach integration, differentiating factors such as national faithfulness, nationalistic sensitivities, political tendencies and pure attention to economic interests has to be decreased. On the contrary, through developing different technical, economic and business cooperation, the basis must be prepared for stability and tendency for unity of different countries in the region. It is true that such a situation could not be observed among ECO members. In this regard, foreign commercial policies of the governments in the region are very decisive. Because intra-regional commercial attitudes of the members will lead to increase in the possibility for integration in the region; whereas, their extra-regional attitudes will not lead to possibility of integration. A glance at the intra-regional trades of ECO reveals that these trades have had fluctuations in different years and totally, they have formed 5% to 7% of gross trade rate in these countries. This is while the amount of extra-regional trade of ECO has been approximately 16 times more than its intra-regional trade. This amount is very low in comparison to those of organizations like ASEAN or EU. Member countries of ASEAN do almost 20% to 30% and members of EU almost 65% of their trade exchanges in the region. The amount of business among members which is one of the main determinants of regional integration is very low among members of this organization and considering vastness and population of this organization, it is not acceptable at all. (Omidi, 2009)

Considering the stated issues, the question that rises here is that:

WHAT IS THE MOST INFLUENTIAL FACTOR FOR LACK OF INTEGRATION AMONG ECO MEMBERS?

American researchers who in their views on integration mention four “patterning variants” as the most influential intra-regional elements which are helpful for determining the amount of integration in a region. These four elements are:

- 1) Nature and amount of correlation
- 2) Nature of relationships
- 3) Level of power
- 4) Structure of relationships

According to these researchers, despite the four intra-regional variants, role and influence of extra-regional and foreign powers as “influential systems” have great influences on the process of regional integration. Every kind of analysis about every region shows that it is not only

countries of that region that play roles, but in an international system, the governments of other regions also engage themselves in international policies of regions.

Participation and performing roles by foreign powers in a region could be divided into two categories depending the influence they have. First one is the role which is politically regarded as unimportant and second, the role which is politically counted as important. “Politically unimportant engagement” includes provision of commercial material assistances, economic investments and cultural-educational efforts. “Politically important engagement” refers to that kind of participation which appears as economic and military aids, formal allegiance or sending troops and it might influence the balance of power in the region and might change it. Therefore, the main purpose of this research is studying the role and influence of foreign powers in the economic and political dimensions in ECO region. This is because only by relying on intra-regional elements and without paying attention to external factors which could influence policies of the region it is not possible to draw a desired conclusion from study of integration.

Foreign powers could influence the level of unity, relationships, power and structure of relationships in that region through their interferences. This article deals with analysis of ECO members’ economic and political relations with foreign and extra-regional powers such as Russia, the U.S, members of EU and China (Koolae, 2005).

PERSPECTIVES OF FOREIGN ELEMENTS

RUSSIA

In this part, we will study the amount of economic relations that republics of Central Asia and Caucasia have with Russia as a regional power and their political relations with the U.S as an extra-regional power. According to centralistic attributes of Russia which is the evolved form of nationalism, provision of national interests of Russia is the priority and it is believed that every possible struggle must be taken to defend national interests and national security of Russia. Realistic and practical attributes are the two major elements of this idea in the realm of foreign policies. Economics in the logic of centralists is more important than politics, and regarding the economic problems of Russia, they try to increase economic power of Russia by attracting towards investments and transfer of technology. Therefore, centralists have made the region of commonwealth republics as their top priority in foreign policies and they try to keep and reinforce monopoly of Russia in these regions. In October 2004, Russia joined the union of Central Asia which had been formed three years ago by four members namely Kazakhstan, Uzbekistan, Kirgizstan and Tajikistan. President of Kazakhstan called joining of Russia to this union as a great event which would elevate the organization to a new level (Central Asia Quarterly, 2007).

Generally, monopoly of Russia in these regions is confined to three categories of energy, communication and transportation. Of course, these republics themselves also due to weak economic foundations inherited from Soviet Union; show a lot of tendency towards economic cooperation with Russia. As an example, the agreement between Russia and Kazakhstan could be mentioned which was for cooperation across borders since 1999 till 2007 and it can lead to development of more joint efforts (Olga, 2003).

Relationships of Russia with Kirgizstan also develop successfully. According to policies of President of Kirgizstan, Russia was, still is and will be an economically support to Kirgizstan. In July 2000, Russia and Kirgizstan issued a manifesto of eternal friendship and signed an agreement on economic cooperation since 2000 till 2009. Through implementation of this agreement, a lot of facilities in relation to development of trade, cooperation of productive fields and other forms of integration in important economic fields were provided. Increasing dominance of Russian corporations in the industries of central Asian countries gives Russia more supremacy over the economy of these governments and acts as a replacement for Russia's missing of exclusive control over routes of energy export.. In June 2004, owner of the Russian corporation, Luck Oil signed an agreement on oil and gas of Uzbekistan. According to this agreement, the Russian oil corporation would remain there to have control over gas of Uzbekistan. This corporation would manage the affairs of Turkmenistan gas resources for the coming 35 years and would invest a maximum sum of \$ 1 billion over it (Rasoli, 2010).

Foreign trade of Russia in 2006 has totally reached \$ 436,100 million. In a report from customs of this country, trades of Russia with Central Asian Republics have been \$ 14,700 million which in comparison to 2005 has had 25.4% increases. From the total amount of this country's trade in 2006, almost 14.8% has been with these republics.

UNITED STATES

About political relationships of these countries with the U.S , dissolution of Soviet Union and its separation into independent countries could be mentioned after which the U.S started comprehensive efforts to fill the geopolitical gap around the Russian federation. Lots of theorists and politicians of the U.S believe that the dominant power over Eurasia would gain dominance over the world. And in the views of elites, this idea has been formed that through dissolution of Russia, for the first time the U.S is able to dominate its political presence over the newly independent countries up to the borders of China and along with this political presence it could achieve success in other aspects as well. Because of this, after dissolution of Soviet Union and joining of the previous republics to it, Economic Cooperation Organization (ECO) has been very important for the U.S. This is because joining of these members is regarded by the U.S as an effort of Iran to develop its ideological penetration; and the U.S, through its political influence in these republics, has turned to a basic obstacle for development of relations between Iran and these republics (Laruelle, 2009).

The U.S has established embassies in all these countries and through political-scientific influence and propagation has made a firm decision to win an overall dominance over these republics. It must be mentioned that in this political influence, the U.S has made use of international organizations like UN, the International Monetary Fund, the European Conference of Security and Cooperation, the Union of Western Europe and NATO. After the September 11th attacks in 2001, by following the idea of soft revolutions, the U.S has been trying to exchange leaders in the region and bring such figures with whom the people are satisfied to some extent. In the meantime, these figures are dependent upon the U.S and are followers of Washington policies. From among the main centers of U.S security efforts to penetrate in these republics we could mention efforts to develop NATO towards east, support of westernized military contracts

in the region like that of Guam and granting economic, technological and military aids to these republics. The U.S provides these countries with separate military and economic aids every year or hands over its used military equipments to them. Therefore, by implementing joint military exercises with these countries bilaterally or multilaterally in the framework of coalition with NATO's plans for peace, performing training courses, sending military officers as counselors, etc., the U.S has established its penetration in these republics. As an example, in 2004, the U.S aided members of Guam with \$ 47 million to revive the Guam Treaty. One of the new duties in this treaty since that year was exporting color revolutions to republics in accordance with the interests of the U.S. Kirgizstan was the first republic of Central Asia which experienced color revolution of its tulip type in 2003.

Generally after the September 11th attacks, the U.S on one hand was able to follow military plans in the region like establishment of Rapid Reaction Forces, etc. On the other hand, through the formation of color revolutions in some countries of the region and through utilizing internal dissatisfaction of people due to poverty and unemployment, the U.S has been able to bring its dependent leaders to power (Shafiee, 2008).

EUROPE

With active presence of the U.S in the region, European governments preferred to wait and watch the changes in the region. They sent economic and humanitarian aids after natural disasters but their diplomatic presence is very much restrained. As the advantage of energy resources was realized, many of the European countries also came to this region. Although their governments are still very cautious, interference of these corporations will definitely change the benefits for Europe in this region. Moreover, with sustaining development of Europe, probably the European governments will be customers of oil and gas (although high transfer expenditure makes it unattractive) in the Caspian region. At the moment, European corporations are present in full force at Caspian oil projects and are cooperating with Russia (e.g. water-flow pipeline through Turkey) and also with Central Asian countries and Southern Caucasia. Therefore, it seems that their benefits and to a greater extent, benefits of their governments are based more on economic benefits rather than strategic benefits

Through expansion of EU foreign policies discovery and utilization of energy resources in Caspian region, perspective of European Union regarding the region will also change. This depends, to some extent, on provision of energy for Europe by the region and also on the routes of energy transfer. If these routes pass through Russia, European governments separately or as parts of EU will probably follow their present policies regarding provision of aids, economic cooperation and private sector investment, along with avoiding efforts to take strategic policies to penetrate in the region. Anyhow, if the routes do not pass through Russia, then Europeans would be more active in the region.

In any case, it is unlikely, that in the coming decade or two we would see interference of EU in the conflicts of the region; apart from NATO, led by the U.S or in any other international framework. Perhaps, European governments will attend as part of the multinational peacekeeping forces in the region and this possibility is also likely that in case conflicts occur in one or between some governments of the region, they may ask NATO to interfere, since all of

them are members of NATO Cooperation for Peace. Eventually, the U.S response for terrorist attacks of September 11th might lead European allies of this country to carry out anti-terrorist efforts and settle some of their forces around Central Asia. (Omid, 2009)

CHINA

China has also ethnic commonalities with Central Asia and hopes to benefit, like before, from development of energy resources and also business development in other goods.

Majority of the population in Sin Kiang Province in Northwestern China is Uyghur which is a Turkic tribe and some of them live in Kazakhstan and Kirgizstan (like Kazakhs and Kirgizes living in China). Government of China, having a multi-ethnic country, is afraid that Islamic and radical separatist movements might penetrate from Central Asia to Sin Kiang and that Central Asian countries might turn into a refuge for Uyghur revolutionists or that military aids might be transferred to them from these countries. Anyway, the range of expansion in these affairs is not much clear. At present, the separatist movement of Uyghur in Sin Kiang Province is visible and has apparent relations with Al-Qaida and there are also reports of the presence of the Uyghur Chinese citizens in Chechen War. Altogether, this movement is small and their area is under the intensive military control of China. China, as the second consumer of energy in the world with its rapid development of industries, is extensively worried about its long-term provision of oil and natural gas for its economic development.

Development and economic, industrial and military modernization in China has worried some countries in recent years. Powerful governments consider a powerful China as a potential rival; whereas, weak governments are afraid of its power but in the meantime they look at China as a powerful ally against more powerful governments. Developing economy of China also represents a huge profitable market. In the opinion of China itself, most important threats for national security originate in the country itself and in the dangers of separatism.

Economic development is the utmost priority in internal and external policies of China. Elimination of separatist ideologies is also in the canon of its internal policies. In ECO region, China is focusing on development of economic relations with its neighbors, such as purchase of energy and construction of pipeline routes for transfer (although these routes will be very long and their construction seems unlikely to happen). (Omidvar Nia, 1998) Good relations and cooperation with these governments to prevent separatist movements of Uyghurs will also make China reduce its military presence in western areas. China is also increasing its relations with Russia and buys weapons from this country; they share common opinions on some important foreign policies such as opposition to the development of national missile defense of America. The two countries of China and Russia hope that cooperation between them would be a balance against the power of U.S and against what leaders of these countries call “Hegemony” or “Unipolarity”.

CONCLUSION

There is a wide range of countries which have their own level of interest in ECO region. But without discussing about external forces and their interests in the region, we cannot have a

comprehensive analysis of external factors affecting the region. Regional Governments are politically and economically weak and they do not have a secure environment. Some of the threats are from external sources. In the recent years, threat from Russia has been accompanied with a fear from fundamentalist Islamic thoughts and chaos in Afghanistan. Furthermore, due to immigrants' invasion and their support to rebels, political, economic, ethnic and criminal problems have been worsened in such countries. Since these governments expect their economic and political weakness to continue, they look for foreign help to overcome upcoming threats. This is another reason for continual presence of foreign countries in the region. This presence causes the creation of new military-security structures which disturb balance of the region. It is necessary to know that geography has changed those governments into a historical network of trade, competition and discords. Traditionally, external forces consider this region as an economic, strategic gate to other parts of the world. Energy generation capability of these governments has led to creation of new fields for foreign interests. Today; it is obvious that external competition and greed for energy are only a small part of complicated balance in short-term and long-term economic and strategic goals. Therefore, there is likely to be a great competition between external forces to take over the resources of this region in the coming years, but it necessarily does not mean that there will be a conflict between them; however this will weaken convergence in the region.

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