

# Pakistan and Regional Cooperation Organizations: Towards a Futuristic Approach

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## **Abstract**

[Pakistan is member of Economic Cooperation Organization (ECO) and South Asian Association for Regional Cooperation (SAARC) for past more than three decades. It is also an observer of the Shanghai Cooperation Organization (SCO) and expected to get full membership in June 2017. The track record so far and prospects ahead indicate that SAARC will remain hostage to Pak-India tensions, and India's quest for dominance. ECO, while not having recorded a desirable progress either, signals comparatively more potential. Cooperation with China and Russia from ECO's platform seems a bright possibility. SCO, with both security and economic cooperation in its scope, presents even brighter prospects for Pakistan for a broader regional level engagement. Besides, inter-organization cooperation and sub-regional initiatives can be explored and fostered. – *Author.*]

## **Introduction**

Regional groupings are considered an important instrument for promoting regional cooperation and integration. While the European Union (EU) and Association of South East Asian Nations (ASEAN) are generally highlighted as two of the most successful examples, such groupings have cropped up in all parts of the world, with varying degrees of successes.

The region Pakistan is part of, i.e., South, West and Central Asia, is not among the cherishable examples of integrated regions. Two organizations for regional cooperation have existed in this region for well over three decades now. Economic Cooperation Organization (ECO) and South Asian Association for Regional Cooperation (SAARC) have both completed thirty-one years of their existence at the end of 2016. Pakistan is founding member in both these organizations. Another organization that has emerged in this region over past one and a half decade (since 2001) is Shanghai Cooperation Organization. Pakistan is an observer at SCO and is on the way to get full membership, expectedly in the

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organization's coming summit in June 2017, to be held in Astana, the capital of Kazakhstan.

While discussing Pakistan's neighborhood and the country's relationship with its neighbors, it becomes pertinent to have an account of as to how these organizations have fared so far, and what are the prospects ahead. While the potential

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of cooperation is well documented and there can hardly be a second opinion that all the countries stand to gain immensely if this potential is truly realized, it is also a matter of fact that SAARC and ECO have so far fallen significantly short of even a desired pace to move towards this. It is particularly so the case with SAARC, which remains hostage to what the observers see as India's

dominant, rather hegemonic posture, and unresolved issues between Pakistan and India<sup>1</sup>, which determine the core of their relationship and also have their bearings on regional cooperation, overall, in South Asia. ECO, while seemingly more successful in terms of economic cooperation among its members, too finds a number of roadblocks – the most notable among them being perpetual instability in Afghanistan – along the way in its journey towards a closely integrated region. SCO is more of a success story when seen in comparison with these two above mentioned organizations, but in this case Pakistan is yet to experiment its full membership.

This brief paper takes a quick look at the progress these three organizations<sup>2</sup> have so far recorded and the prospects ahead in each case. Based on these prospects, the paper proposes a course of action that Pakistan may adopt, at policy level.

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<sup>1</sup> Please see footnote No. 5.

<sup>2</sup> While Pakistan is also a member of Organization of Islamic Cooperation (OIC) and Developing-8 (D-8), these are not typically 'regional cooperation organization' but their membership, respectively, spans over several geographical regions. While limiting the scope of this paper to SAARC, ECO and SCO, the primary consideration is that all these three groupings make up their membership from a single, connected geographic region. Similarly, Pakistan is also member of forums like Conference on Interaction and Confidence Building Measures in Asia (CICA) and Central Asia Regional Economic Cooperation (CAREC); the former being a forum, not yet an organization, and the latter being an ADB 'Programme' of economic cooperation are out of the scope of this paper.

## **Prerequisites for Regional Cooperation**

While regional cooperation and integration are desired goals for any region, experts have identified some prerequisites for a smooth sailing towards these goals. Javid Husain identifies 'community of interests', 'economic complementarities', 'geographic proximity', 'cultural affinities', 'absence of serious disputes' and 'non-existence of hegemonic designs' as prerequisites for success of regional cooperation initiatives.<sup>3</sup> Others have also pointed out factors like 'political sociology', 'political psychology', 'political culture', and 'authority structures (of the regional mechanisms) and influence patterns' as important for a closer regional cooperation.<sup>4</sup>

## **SAARC, ECO and SCO – A Brief Recap**

### **South Asian Association for Regional Cooperation (SAARC):**

SAARC was proposed by former Bangladeshi president Zia-ur-Rehman in 1980 and was initiated with its first summit in 1985, in Dhaka, which also adopted the SAARC Charter. The founding members included Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. In 2007, Afghanistan was admitted as the eighth member, in the New Delhi summit of the organization, a decision which came as surprise for many because Afghanistan is seen as a part of Central Asia more than South Asia, geographically. In the following years so far, Afghanistan has by and large been toeing the Indian line – especially so vis-à-vis Pakistan, and quite aggressively – from the platform of the organization.

Since its inception, the organization has recorded modest achievements such as South Asian Free Trade Area (SAFTA) agreement, and Framework Agreement for Energy Cooperation along with regional Standards Organization, agreements on avoidance of double taxation and customs, and establishing thematic regional centers in all the member countries as a few examples to note. However, the overall effort aimed at integration of the region remains mired in hostile relations between some of its members, especially Pakistan and India – the reasons of which can be traced to unresolved issues such as Kashmir. A reflection of this lack of any meaningful progress on part of SAARC, despite the agreements and arrangements mentioned above, is that intra-SAARC trade is less than 5% of the total international trade of its members. In services trade, this proportion is hardly, a negligible, 0.2%.

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<sup>3</sup> Javid Husain, *Pakistan and a World in Disorder: A Grand Strategy for the Twenty-First Century*, 2016.

<sup>4</sup> Werner Feld and Gavin Boyd, "The Comparative Study of International Regions," in *Comparative Regional Systems*, eds. Werner Feld and Gavin Boyd (New York: Pergamon Press, 1980.)

The lingering hostility between the two arch-rival neighbours, divergent opinions on issues like terrorism, and more so India's very visible hegemonic postures<sup>5</sup>, have also sabotaged some of the organization's summits – the highest decision-making forum – the recent most example of which is indefinite postponement of the summit that was scheduled to be held in Islamabad, in November 2016.<sup>6</sup>

It has been noted that South Asian region and its states have none of the prerequisites of regionalism outlined above, except geographic proximity.<sup>7</sup> The member

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states can easily find ways to dodge the responsibilities and obligations set-forth in the agreements and documents, not to come to terms with one another, and these remain just that, the documents. Another important aspect is that SAARC

Charter excludes bilateral contentious issues from being discussed at this forum, meaning minimal, rather no, progress towards confidence building. Even there is a feeling now that continuing to remain within SAARC in such an atmosphere means a gradual loss of a peculiar identity that Pakistan was supposed to maintain, and what was one of the basic reasons for the Muslims of the undivided India to seek a separate homeland for them, in 1947.<sup>8</sup>

Considering the evolving nature of Pak-India relations, tensions between Pakistan and Afghanistan and continuous anti-Pakistan postures in capitals such as Dhaka, any journey towards a positive atmosphere for SAARC to prosper seems invisible in the foreseeable future.

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<sup>5</sup> As Indian scholar Sunita Kaler notes: "India's neighboring countries have often felt insecure about India's designs." [Sunita Kaler, "Successes and Failures of SAARC" in *Indian Journal of Applied Research*, Vlm. 6, Issue 3, March 2016.] C. Raja Mohan and Ian Talbot, among others, have also pointed towards Indian hegemony. Noting tense relations, war and low intensity conflict across Line of Control lingering on between the two countries, Anne and Catia ask: "How a regional cooperation might work under such hostile condition is left to everybody's imagination." [W. P. Zingel, "The State of Food and Nutrition in South Asia" In *The Merits of Regional Cooperation: The Case of South Asia* ed. Siegfried O. Wolf et al. (Switzerland: Springer, 2014), 80.] S.D. Muni, the noted expert on Indian foreign policy, finds that SAARC is "characterized by political disharmony and strategic schism." [Lawrence Saez, *The South Asian Association for Regional Cooperation (SAARC) – An emerging collaboration architecture*, 2011, p.50.]

<sup>6</sup> In fact, the organization has been able to hold 18 summits, supposed to be an annual feature, in 31 years of its existence. It means that some 13 summits have been compromised.

<sup>7</sup> Besides bilateral hostilities, tension and the obvious presence of a hegemon, other issues are also at play. As Sunita *Op. Cit* says: "The pursuit of maintaining distinct cultural identity by every country, has not allowed the region to come together."

<sup>8</sup> Criterion Article by Javid Husain, "Pakistan's Option: SAARC or SCO", in *Criterion Quarterly*, Vlm. 7 No. 4 (2013).

**Economic Cooperation Organization (ECO):** The journey towards ECO of today started in 1964 when Pakistan, Iran and Turkey together established Regional Cooperation for Development (RCD), with its headquarters in Tehran. Launched with quite a bit of fanfare, RCD, while coming up with positive initiatives in a quick span of time that fostered trade and economic cooperation between the three members, met with serious challenges such as Pakistan's disintegration (fall of its eastern wing, that became Bangladesh) and emergence as a new country in 1971, and Iranian Revolution in 1979. Having then gone into a sort of dormant state during these turbulent years, the organization was revived by the three founding members in 1985, with Economic Cooperation Organization as its new name. The six Muslim majority states of Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan that emerged as independent nations after the disintegration of former Soviet Union, in 1991, along with Afghanistan, were given the membership in 1992. Thus, the total membership increased to 10.

ECO too, during this period of past more than three decades, has not been any notable success story, either. It is true that as compared to SAARC, intra-ECO trade as a proportion of total external trade of ECO members is rather higher at 8.7% in 2015. However, while this figure in itself is very low, there is hardly anything to note with regard to a region-wide infrastructural connectivity and any dependable regional mechanisms. At bilateral and sub-regional level, however, some of the ECO members are more integrated than the region as a whole, for instance Turkey-Azerbaijan, CARs amongst themselves, Uzbekistan-Afghanistan and Pakistan-Afghanistan cooperation.

As against SAARC, ECO owes its less than desired progress primarily to a continuous foreign involvement in Afghanistan, and resultant instability. However, with the latest ECO Summit held in Islamabad, on March 1, 2017 the interest of the member nations seems to be revived. The Declaration announced at this Summit, and the ECO Vision 2025 approved on this occasion are forward looking documents. And importantly, these come on the back of three important developments unfolding in recent years: 1) a noted upsurge in Turkish economy, making it an important member of the G-20 forum, 2) Iran-P5+1 deal that has started the process of gradual removal of sanctions from Iran, and more importantly, the advent of China-Pakistan Economic Corridor (CPEC), which, though a bilateral initiative between Islamabad and Beijing, has ignited the interest of all the ECO member countries.<sup>9</sup>

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<sup>9</sup> In addition to interest being expressed by Arab and European states as well as international institutions.

**Shanghai Cooperation Organization (SCO):** The leaders of China, Russia and three Central Asian Republics (CARs) sharing border with China namely Kazakhstan, Kyrgyzstan and Tajikistan started a cooperative process that was named as Shanghai Five, in 1996. The basic purpose as stated was to resolve boundary delimitations issues<sup>10</sup>, and to make joint efforts against what these nations saw as extremism, terrorism, and separatism. Uzbekistan joined in 2001, and the organization was formally renamed as Shanghai Cooperation Organization (SCO). In 2005, the organization gave observer status to Pakistan, India, Iran and Mongolia, thus starting formal interaction with these four countries.

In its 2015 Summit, SCO announced its willingness to initiate the process to admit Pakistan and India, as full members. The Summit the

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following year (2016) saw the two countries sign a Memorandum of Obligations with the organization, thus moving towards full membership. The membership of the two countries is expected to be formalized in the June 2017 Summit of SCO, scheduled in Astana, Kazakhstan. The membership takes

fulfilment of a few obligations by Pakistan and India. Pakistani officials dealing with the matter state that Islamabad has fulfilled all its obligations towards the membership and will abide by the requirements of its membership in future.<sup>11</sup>

During this period of around 16 years, SCO has evolved into a potent regional organization, so much so that some of the observers see it as NATO's equivalent in Asia/Eurasia, and others as emergence of a second pole in an otherwise unipolar world of the post-Soviet Union era. After achieving a notable semblance of regional stability, besides resolution of most of border/territorial disputes among its members, SCO is now geared towards closer economic cooperation, hence expansion, besides security and political cooperation remaining high on its agenda.

Analysts see bright prospects<sup>12</sup> for Pakistan as a full member of SCO (in addition to India), which include but are not limited to: provision

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<sup>10</sup> That have long plagued the relationship between former USSR, which these three newly emerging countries were a part of, and China.

<sup>11</sup> Email reply of Director General (China & SCO) at Ministry of Foreign Affairs, Pakistan in response to an IPS request, dated March 9, 2017.

<sup>12</sup> Please see Arhama Siddiq, Significance of the Shanghai Cooperation Organization (SCO) for Pakistan, *ISSI Issue Brief*, June 09, 2016.

of a regular forum of dialogue with all the members including India, raising hopes for resolution of issues; increased market access and diversified sources of energy, and an opportunity to capitalize upon Pakistan's transit potential.

While there are frictions and tension among the SCO members as well, the presence of two major powers of the world, China and Russia, makes it a balanced organization. It may be pointed out here that four of the ten ECO members are already SCO's member too, while Pakistan is on way to becoming the fifth such country having membership of both the groupings. Iran is an Observer and Turkey is a Dialogue Partner.

### **Possibilities and Policy Options**

The above discussion on the journey of the three regional organizations so far, and a glimpse of the prospects ahead that it gives, leads us to the following options for Pakistan to be examined, vis-à-vis its engagement with regional cooperation organizations:

The first option is that Pakistan lets the status quo prevail and remains engaged with these organizations, the way things have been in past decades and continue today. It is an overwhelmingly prevailing argument in Pakistan that despite its ostensible failures and bleak prospects, shunning SAARC, or for that matter any organization, is not a wise option. Leaving SAARC aside would mean giving a freehand to India to use the forum against Pakistan more aggressively and effectively. But at the same time there are now voices in/from other members of SAARC that call for, at least point towards the possibility of, a SAARC minus Pakistan.<sup>13</sup> Similarly, the trouble that India tried to create in the way of the Secretary General nominated by Pakistan, in early 2017, does not bode well for the future of the organization, either.

This takes us to the second option, i.e., Islamabad clearly defines its priorities and determines a course of action to work more aggressively with one, or more of these organizations, while remaining engaged with the other(s) as it is. This second option implies that the door to saying good bye to any grouping should also remain open. It is time to contemplate at national level that while regional cooperation is imperative, what region does Pakistan make a part of, more. The state of affairs of past seven decades tells us that while South Asia is a 'region of necessity', and a 'region by default', it is the West and Central Asia that becomes a 'region of choice' for Pakistan.

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<sup>13</sup> *The Hindu*, "Mission 'SAARC Minus Pakistan'", September 26, 2016.



The third option is to foster and facilitate inter-organization cooperation between any two, and if possible all three, to create a unified platform of regional cooperation between them, that would of course be with a much more expanded scope and scale. In this respect, ECO and SCO seem to be more synergetic and in sync with each other. However, considering that both Pakistan and India would soon be members of SCO

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too, the fear that a replay of the environment at SAARC – to some extent at least, because the organization undoubtedly would remain an outfit dominated by China and Russia together – becomes a kind of a concern. In view of this, it sounds more advisable to explore the possibility of ECO+1 (ECO and China) and ECO+2 (ECO plus China and Russia), on the lines of

ASEAN+1 and ASEAN+3 mechanisms. Such possibilities also exist at and may be explored from the SAARC platform. China desires, and countries such as Pakistan and Nepal support, China's full membership of SAARC. But India and other members under New Delhi's influence have been hesitant. Similarly, as far as the expansion in SAARC is concerned, inclusion of Iran, Myanmar and notions such as 'Greater South Asia' have also been brought forward, with little on-the-ground moves.

Similarly, the presence of the US, China, Japan, South Korea and the European Union as observers of SAARC has exhibited little meaningfulness so far. Considering that China shares direct land borders with 5 out of eight members of SAARC, an effective and result-oriented SAARC+1<sup>14</sup> (SAARC and China) mechanism may seriously be promoted on part of Pakistan.<sup>15</sup>

The fourth is to focus on sub-regional initiatives within one or more of these organizations to catalyze the rejuvenation of the very organization the countries engaging in targeted sub-regional initiative are part of and making the organization more effective by encouraging other members to engage in similar initiatives. Pakistan-Afghanistan-Iran, Pakistan-Afghanistan-Tajikistan, and Pakistan-Afghanistan-

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<sup>14</sup> This was also suggested by Khalid Rahman in his article "Regional Cooperation, Global Changes, SAARC and China" in *Policy Perspectives*, Vlm. 9, No. 1 (2012).

<sup>15</sup> This is not to say that similar arrangements with other observers are to be ruled out altogether. But considering China's vibrant and growing economic cooperation with the entire South Asia including India, in addition to geographic proximity/connectivity, the prospects of a SAARC plus China mechanism are rather brighter.



Uzbekistan present feasible examples of such potential sub-regional initiatives, from a Pakistani perspective.

In terms of sub-regional initiatives, though, it is not necessary to keep the focus within the membership of ECO. For instance, since August 2016, Pakistan, China, Afghanistan and Tajikistan have initiated a Quadrilateral Cooperation and Coordination Mechanism (QCCM) to counter terrorism. The scope of QCCM is limited to single point agenda, security threats emanating out of terrorist activities. A broad-based approach is possible, exploring the possibility of a Pakistan-Afghanistan-China-Tajikistan (PACT) sub-regional cooperation forum.<sup>16</sup>

The fifth option would be to initiate efforts for a new regional grouping with clearer scope and more effective agenda of action. One such idea can be Association of South-West Asian Nations (ASWAN) comprising Pakistan, Afghanistan, Iran, Turkey and GCC states as well as Iraq and Yemen. In view of the nature of relations between Iran on one side and GCC countries of the Arabian Peninsula on the other, the possibility of such an outfit seems farfetched, in the near future. Yet – as it of course will be the free will of the nations whether to opt to join such an organization or otherwise, considering their own interests – there is no harm in giving it a shot.

Closer interaction with Gulf Cooperation Council (GCC), which Pakistan has accelerated with the help of Oman, Kuwait and Qatar in recent months, is also feasible. In this connection, a cooperation mechanism on the lines of GCC+1 (GCC members and Pakistan) may also be explored.

Last but not the least, both SAARC and ECO will primarily remain focused on economic cooperation and security cooperation being brought into their ambit at the moment looks a far-fetched idea, SCO, provided that Pakistan's full membership gets through, will have more of a relevance as it combines the two spheres of cooperation at regional level.

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<sup>16</sup> The idea was first mooted by this author in a paper presented on behalf of the Institute of Policy Studies (IPS), Islamabad in a conference organized by Xinjiang Academy of Social Sciences (XASS) and Xinjiang University, at Urumqi in July 2013. The QCCM was initiated three years later.

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