The Expanding Role of Shanghai Cooperation Organization in the Context of Inter-Regional Integration between Central Asia and South Asia: Prospects and Challenges

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Abstract

This paper analyzes the role of Shanghai Cooperation Organization (SCO) as an effective instrument for regional security, cooperation and integration between Central and South Asia. It has the capacity to counter both traditional and non-traditional security threats. The presence of both Central Asian and South Asian states as members actually complement each other. As both face similar security issue i.e. terrorism. Energy Security of both regions is the biggest complementary factor and have bright prospects of cooperation under SCO. Moreover, the presence of China and Russia, two major regional powers having aspiration for regional integration makes it an attractive option for carrying out the regional stability and deeper integration. The role of SCO seems to be expanding in the wake of this regional integration, where cooperation between China and Russia have a spillover effect on the whole region further strengthening through cooperation in security, energy and other economic and trade matters.

Key Words: Central Asia, China, Energy security, Regional integration, Russia, South Asia, Shanghai Cooperation Organization

Introduction

Regional integration has become an inevitable consequence of globalization. It focuses on the establishment of institutions for cooperation in political, economy, and security matters. Formation of regional organizations has reshaped the state’s behavior and how they interact with each other. Political and economic integration has become a rapidly popular phenomenon among the developing nations. There is a great realization that regional approach is the best not only to enhance cooperation and achieving political and economic stability but its significance to meet the challenges of security and terrorism is undeniable. This paper mulls over the prospects of integration between Central Asia and South Asia, core regions adjacent to the heart of Asia, tied through religious, cultural, and historical bonds, sharing common security, energy trade, economic and political interests. All states in the region are facing common challenges and prospects for security and economic developments. Both regions have tremendous opportunities to jointly combat terrorism. Energy security has emerged as the biggest complementary factor. The hydrocarbon rich states of Central Asia like Kazakhstan, Turkmenistan and Uzbekistan has emerged as an easy to access energy market for Pakistan and India - the most energy deficient nations of South Asia. The commonality of interests and challenges can best be addressed through a common organizational platform. Shanghai Cooperation Organization has already developed a comprehensive mechanism for Central Asia region. Its membership has been extended to South Asian countries. SCO provides the best available plate form for meeting the challenges of cooperation and regional integration in this region.

The process of regional integration is going in different parts of the world. From the mid-20th century to present, regional cooperation and integration developed gradually in different parts of the world. Many political, economic regional organizations have been established, and multiple integration agreements have been signed during last 25 years (Rakhimov 2010). “West African Economic and Monetary Union” (UEMOA) was established

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in 1994. In 1997 ASEAN was established which included China, Korea and Japan (ASEAN+3) and Eurozone in late 1999. Union of South American Nation was formed in 2004. Eurasian Economic Community was established in 2000 and many more from every continent.

Central Asia region is not an exception in this regard. After getting independence in 1991, Central Asian states assiduously tried for regional cooperation and integration at multiple levels. Central Asian states joined United Nations’ Economic Cooperation Organization (UNECO), Organization of Islamic Conference (OIC), and Organization of Security and Cooperation in Europe (OSCE). The establishment of Central Asia Cooperation Organization and Shanghai Cooperation Organization (SCO) are major developments in the integration process of this region. Political, Economic, and security cooperation was the biggest motivation behind such efforts of integration. Similarly, South Asian states have been struggling to create a strong regional cooperation mechanism through South Asian Association for Regional Cooperation (SAARC).

The post–Cold War era has brought more realization and emphasis on cooperation between states and regional cooperation. While looking at geography of the Central and South Asia region, one cannot separate their political, economic and security dimensions of integration. In fact, they complement each other. Political integration is a precondition for economic integration. Central Asia South Asia enjoys cultural affinity and more than a thousand years of shared history. Both regions have been trying to meet the challenges of 21st century with cooperation. New millennium has brought new prospects of cooperation for them. The convergence of interests has developed on important issues and challenges faced by both region.

**Theoretical Framework.**

Regional Integration is not a new phenomenon for theoretical debates. The integration of Europe in the late 1950’s remained a good case to study the dynamic of integration. However, new cases have emerged during the post-cold war era, when the structure of international politics experienced a considerable change. Neo-Functionalism theory, developed in 1950’s to study this phenomenon of integration might be taken as a suitable theoretical framework to study the regional integration in Central and South Asia. Despite the fact that some experts declared this theory as obsolescent in the 1970’s. However, developments of the 21st century prove that it is still able to explain regional integration cases of the new century. Integration of ASEAN in late 1990’s, cases of African regional integration and more recent integration of Central Asia at inter and intra-regional level are good examples. In his study, “The Uniting of Europe” Ernst B Hass argues how European integration became possible due to cooperation in a specific policy sectors lead to greater regional integration (Haas, 1958). Another prominent author of European integration Jean Monnet believes that if states successfully achieve integration in one policy sector, it would lead to integrate them in more policy areas and more Spillover. In his view “Integration is a process of generating new goals” (Brinkely & Hackett 1991). This theoretical background perhaps provides the best explanation of an ongoing integration process in Asia. Where Central Asia, South Asia and other regions under the SCO provides promising prospects for integration.

The structural and policy aspects of regional institutions are the focus of neo functionalist debates. Regional integration is a continuous process. It gradually consolidates the structural and institutional aspects (Volz, 2011).
Consequently, minimizing the political economic and security vulnerabilities among political communities. While assuming Central Asia and South Asia, as distinguished political, economic and security communities at the same time. Which maintain commonality of issues and interests, opportunities, and threats. In such a condition, a strong institutional makeup and cooperation in one policy area like security might provide a spillover in energy, trade and other economic and political sectors. This spillover will enable all the members of SCO to closely cooperate with each other in different sectors.

Spillover is the main pillar of Neo Functionalist debate. It views compliance of states for cooperation provides a stimulus for other related sectors. The role of supranational bodies cannot be denied in the process of regional integration. Shanghai Cooperation Organization with its expanding role in regional matters has gained tremendous importance in this regard.

The Formation of SCO and Common Challenges

Shanghai Cooperation Organization was initially established as Shanghai Five in 1996. People Republic of China, Russia, Kyrgyzstan, Tajikistan, and Kazakhstan were the founding members. Shanghai Five is also called Shanghai Spirit because this forum helped the member states to solve their border issues peacefully and established cordial relations. The member states wanted to expand the scope and activities of Shanghai Five. Therefore, in 2001, they established Shanghai Cooperation Organization. Uzbekistan later joined the organization as full member which helped the member state to adopt a comprehensive policy for regional stability. Pakistan, India, Iran, and Mongolia first time attended its meeting in 2005. In 2017, Pakistan and India acquired full membership of the Organization (SCO 2017). While Iran and Afghanistan have attained observer status along with Mongolia.

The dissemination of SCO membership in all directions and all adjacent regions exhibits its growing importance. Now in term of population and military strength, SCO became very significant regional organization which faces similar challenges and play an active for regional peace and stability. The presence of Central Asia and South Asian states in this forum actually complement each other due to similar challenges. Both regions face acute security challenges due to terrorism and require joint efforts to curb this menace. Energy security of both regions become a major complementary factor for their cooperation. Central Asia states especially, Kazakhstan, Turkmenistan and Uzbekistan rich in hydrocarbon resources present an attractive market for the energy deficient states of South Asia.

SCO, within a short span of time, has developed an institutional framework for the regional stability and countering the three evils, namely, extremism, separatism, and terrorism (Tanrisever 2013). Established as a platform to solve the border issues, the organization’s role expanded rapidly into various areas such as security, economy, and cooperation in various social sectors. The member states successfully solved all the border issues and provided an environment for confidence-building measures paved the way for the greater role of the organization for regional stability and security. With its gradual expansion, the role of the organization is developing and expanding and has a greater impact on the regional stability.

In the 21st century, the role of the regional and international organization has acquired more significance due to various reasons such as the greater economic interactions and the rising traditional and non-traditional security threats. The over-burdened and less effective role of UNO in conflict solving has further increased the role of regional organizations in resolving the regional conflicts because regional issues and conflicts need regional solutions (Wulf, 2009).

New Geo-Political Realities for the Developing World and Inter-Regional Connectivity in the 21st Century

The Central Asia region located at the crossroad of Asia and Europe connects many parts of the region. Its geo-strategic location signifies tremendous importance attached to its role in regional connectivity in the 21st century. Regional integration is a product of globalization. It has its own pros and cons for developed and developing world (Collins, 2015). Developing world has learned many lessons from the globalization. A robust regional identity and integration are most important of them. Though, such connections have not been developed at large scale in Central Asia and South Asia. At the time of Asian financial crisis at the end of 20th century, it was expected that a new wave of regional integration would take off especially in South Asia and East Asia (Webber, 2010).
Central Asia region was in an infancy at that time and the adjacent regions in the grip of political and security turmoil. The events of 9/11 and later war on terrorism created new security threats at collective level for all regions of Asia.

The formation of Shanghai Cooperation Organization brought a qualitative change in the existing regional cooperation and connection patterns. It served as the first platform to deliberate and deliberate for regional security and economic cooperation. South Asia being the largest market possess enormous potential for the economic growth in recent decades (Banerjee, 2015). It has successfully maintained a healthy growth rate of GDP over 6% for many years. Geographical proximity to energy-rich but landlocked Central Asia and oil-rich Middle Eastern region presents a mammoth of opportunities for regional integration and economic development. Geographic proximity, cultural and religious bonds, resources, the potential for economic development and membership of a common organization like SCO make it a perfect combination for regional integration.

For a regional integration, Central Asia and South Asia must find common grounds for cooperation. Interestingly, they face quite similar traditional and non-traditional security threats. Security and economy are the two sectors which require a substantial cooperation mechanism as the first step to regional integration. They might take following steps in this regard:

1. Identification of traditional security threats like terrorism, religious fundamentalism, ethnic issues and non-traditional security threats to regional stability, like drug trafficking, smuggling, and cyber threats.
2. Development of a broader security mechanism like already developed between Central Asia and China under SCO
3. Improvement in security situation would have a spillover effect and bring a positive change for a more robust cooperation in the economic sector.

Prospects of SCO Expansion for Stability in South Asia and Central Asia

A lot of prospects for this regional integration are available. Role of the economy in this regard is of paramount importance. China’s One Belt One road policy presents a bright prospect in this regard. It has brought a mushroom growth in the regional connectivity projects. It rejuvenates the regional economies. The Belt and road initiative has the potential for connecting the whole Eurasian landmass. Multiple Corridors of BRI are generating robust economic opportunities between different regions and states especially between Central and Asia.

China Pakistan economic Corridor would not only connect China with Pakistan’s Gwadar Port but also provide port access to landlocked Central Asian states. Ostensibly this would create a web of roads and railways to connect three regions full of resources and huge consumer market.

During the 17th summit of SCO held in Astana, Kazakhstan, Pakistan, and India became full members of the organization. The inclusion of the two nuclear powers further increased and enhanced the role of the organization in regional and world politics. According to Sun Zhuangzhi (SCO research center secretary general), "The SCO has played an exemplary role in building a new type of international relations featuring win-win cooperation over the past 16 years since its founding," (Xinhua News agency, 2017). The geographical location, growing economic interaction, common issues such as terrorism and extremism are the major factors which brought the states of Central Asia,
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South Asia, China, and Russia under one platform. The Shanghai spirit approach may help Pakistan and India to solve their border issues which is vital for regional stability and economic prosperity in the region

Connecting South and Central Asia through CPEC

South Asia is the least integrated region in the world due to conflicts, border disputes, and arm race between its two biggest nations e.g. Pakistan and India. This intra-regional rivalry is the biggest impediment in the realization of South Asian economic integration. Intra-regional trade among South Asia is hardly 5 percent of total trade of the region, as compared to overall Asian intra-regional trade which is 57.3% of overall trade of the region (Asian Development Bank, 2017). With world second largest population in India, 5th largest in Pakistan and 7th largest in Bangladesh, South Asia market presents enormous prospects for intra-regional economic integration. Secondly, at inter regional level integration highly depend upon the geographic linkage between the regions spread out through infrastructure development. Pakistan’s role in this regard is very important.

First, Pakistan and India as members of SCO can take measures to boost their bilateral as well as multilateral trade in South Asia. For this purpose, they must pay attention to decrease tension on borders. Once this first step is taken then Pakistan could become a gateway for other south Asian nations to enter in Central Asia and Middle East due to its geography. China Pakistan economic corridor would fulfil the second pre-requisite of infrastructure in this regard.

Afghan security is of paramount importance for regional integration. Afghanistan needs peace and economic development. Peace efforts are already under way. However, peace cannot be sustained without economic development. China has recently pledged $50 billion under CPEC to Afghanistan in Bao Forum meeting held in 2017 (Irfan 2018). The extension of CPEC to Afghanistan will be of great geo strategic importance. It will open a way for Middle East as well as Russia another CAR would be able to carry out trade through Indian Ocean. In this Pakistan, Afghanistan and CPEC are Central to regional integration process.

SCO Cooperation with Other Regional Organizations

Over the one and half decade, SCO established close cooperation with other regional and international organizations to cooperate on common issues and threats. On the 50th anniversary of ASEAN, the secretary general of SCO and ASEAN meet in Manila and both agreed to enhance cooperation on key regional issues. Such kind of cooperation can be developed with other regional organization of Central Asia and South Asia in various sectors. This cooperation among regional organizations will be helpful for regional stability and economic cooperation. Regional problem needs regional solution so such kind of greater cooperation among various regional organization will help in bringing stability as well as economic prosperity to the region. Different regional organization are focusing on cooperation in different areas such as cooperation in promoting regional trade, restoring peace and stability and promoting social and cultural cooperation among the member states. Such kind of cooperation with other regional and international organization will further enhance the capabilities of SCO for regional cooperation in peace, stability and economic prosperity. Apart from the cooperation in ASEAN region, SCO members are keen to build corridor relations with South Asian states (Panda 2012).

Challenges for Integration

The process of globalizations and greater inter-regional connectivity on one hand brought prosperity and development while on the other hand complex issues arise with these developments such non-traditional security threats which include transnational crimes, information security and terrorism. Theses non-traditional security threats emerged very prominently in the 21st century with great consequences for social, political, and economic development around the world (Swanström, 2010). With the emerging traditional and non-traditional security threats, SCO has developed a mechanism to counter these threats. To counter traditional security threats the organization has developed a mechanism for close cooperation among the member state through joint military exercise. These joint military exercises helped to enhance the capabilities of the security forces of member states, particularly the Central Asian state.

Two kinds of problems can get in the way of this integration process. Terrorism is the most important and central issue for a vast region stretching from the Caspian Sea in the west to the Indian Ocean, covering whole
Central Asia, South Asia, and the Middle East. Security of this region has regional as well as global dimensions (Stewart and Frazier, 2012). The central location of Afghanistan has a great repercussion over the development prospects of the three regions. The whole region is prone to security threats from Taliban, al Qaeda, and ISIS. Afghanistan plays the role of a land bridge between the three regions. Its volatile security situation poses a great risk for regional cooperation for development (Warikoo, 2016).

The presence of multiple radical Islamist organizations in the region is one of the biggest destabilizing factors for both regions. Therefore, political stability and conducive security emerge as pre-requisite for the regional integration economically, with trade and economic opportunities to root out extremism and militancy before it escalate the length and breadth of the whole Eurasia. All SCO countries face three menaces of terrorism, extremism and separatism. China is keen to calm down the separatist Uighurs in its western region adjoining Central Asia. China is desparately trying to prevent the contact between Uighurs and extremist and separatist element from the Central Asian countries. In fact, the establishment of SCO was one of the prime causes for this issue. It aims at enhancing trust and confidence among regional states and to further the integration of the region and demilitarization of borders.

India Pakistan Rivalry: Regional rivalries are another stumbling block in the process of tri regional integration. Indian dissent to China’s BRI and China Pakistan Economic corridor along with other pending issues need to be resolved. BRI creates a network of roads and railways and tremendous opportunities to link Indian market with the whole region (Butt & Butt 2015). Connecting India with this transportation web would accelerate the pace of integration process. Although, it would be an uphill task to devise a strategy for south Asian full participation in this integration process with the rivalry between India and Pakistan the biggest nations of South Asia respectively. Perhaps, SCO has the capability to tranquilize their bilateral differences and explore full possibility of regional economic integration.

Connecting India with Iran and Afghanistan: Expansion of South Asian trade with the Middle East via land route is another stumbling block. The north-south corridor signed by India, Iran, and Russia back in 2000 envisioned for creating a connection between India via Iran towards Russia and Europe (Jha, 2017). This project is based on a bimodal network of transportation (land and sea). However, this could be made more effective if it would be an exclusively land route. Thus, it is contingent to connect Iran and India via Pakistan. This would also help India to traverse Afghanistan and Central Asia. There is a possibility to connect Indian proposed north-south corridor with the China Central Asia, West Asia Corridor of BRI and China Pakistan Economic corridor. The infrastructure in upper parts is already placed. Iran is already connected with Kazakhstan via Turkmenistan (Kemp & John, 2013). The building of connectors from India to Pakistan and Iran would one day bring the whole South Asia and Central Asia in one transportation trajectory.

Though, tradition animosity between Pakistan and India creates a hurdle in the way of economic integration, however, their joint entry in SCO would bring some ease. And it would compel them to set their bigotry aside and look for a joint platform for the furtherance of the inter-regional connectivity. This is an uphill task. Nevertheless, it can be achieved through a multilateral platform like SCO with a strong presence of China and Russia, SCO platform would be the best strategy available to keep the bilateral tension away from multilateral objectives (Pak-India, 2017). Should regional countries succeed in creating such a huge rail and road infrastructure would catapult in the geostrategic and geoeconomic implications.

SCO has been successful in resolving the border disputes between its Central Asian members to create peaceful conflict free area. Moreover, conflict between its members is against the spirit of Shanghai Cooperation Organization, which makes it more effective (Rafi, 2016).

**The Rise of ISIS in Afghanistan and Regional Security Challenges**

Such a lucrative integration plan is not without some drawbacks. The presence of extremism and terror networks have the potential to destabilize the whole integration efforts. Afghanistan’s presence at the heart of three region makes it a nerve center for all regional integration efforts. Paradoxically, it also represents the core of security threat for the region. Deteriorating security situation in Afghanistan, with the increased presence of ISIS in its territory, magnify the extent of the threat. Additionally, the presence of Taliban in adjacent northwestern regions of Pakistan and their cross-border terrorist activities adds to the problem. United Nation’s Security Council in a
report has admitted an increase in violence in Afghanistan in 2017 (Bhaduri, 2017). Security threat of such magnitude must have regional ramifications. Afghanistan shares 2800 km long border with Central Asian republics and 2250 km long border with Pakistan. A growing number of militants joining ISIS in Afghanistan to fight in Syria have raised the concerns of regional states (Bobokulov, 2016). Moreover, the presence of ISIS which claims for a global domination makes it a bigger threat than Taliban for the regional stability. This presence of ISIS is a direct threat to Afghanistan and Pakistan stability and indirectly to the entire region (Basit, 2017).

Terrorism is an issue which cannot be solved individually. It is a common threat for the economic, political, and social security of all the states around the world. It brought all the SCO members together as all of them were facing the same problem. Like China is facing terrorism and separatism in Xinjiang, Russian is receiving serious threats from the militant groups in Chechnya and other parts of the country. As a whole the Central Asian States are the victims of militant groups like the Islamic Movement of Uzbekistan. To make SCO more effective and pass new legislations for curbing terrorism, SCO member states has taken some steps to eradicate the extremist and terrorist forces from the regions by establishing a permanent body called the Regional Anti-Terrorism Structure within the framework of SCO. Regional Anti-Terrorism Structure (RCTS) is the standing body of SCO which is focusing on counter terrorism and close cooperation among the member states by sharing information of militant across the region and the by adopting various other mechanism to counter terrorism in the region. The Regional Anti-Terrorism Structure provides a legal foundation in fighting against terrorism for the member states. Under this body, the member states can exchange information and extradite any wanted terrorist to the country he belong to. SCO’s resolve to fight three evils extremism, separatism, and terrorism on the one hand and non-traditional security threats like human and drug trafficking, cyber threats have gained considerable success.

Afghanistan security has been a special focus area of SCO. The establishment of Afghan contact group to support Afghan efforts in combating terrorism proves the importance of Afghan peace in the development of this region. Members of Shanghai Cooperation Organization are facing great challenges from the militant and terrorist organization in the region. They are involved in cross border activities namely the Islamic Movement of Uzbekistan that is linked with other organization such ETIM operating in Xinjiang. The activities of such groups are common threat and individual state cannot fight effectively against them because they are using different territory of the different states. The basic idea of the Organization was to counter these groups in order to bring peace and security to the individual states as well as to the whole region. Many militant organizations have been declared terrorist and some others are banned in different countries of SCO such as Islamic Movement of Uzbekistan (IMU). Since 2001, the SCO members are adopting different mechanism in this regard. Apart from establishing the Regional Anti-Terrorism Structure, the member states agreed upon conduction of combined military exercises to train the security forces of the member states to fight effectively against the terrorism in the member states. The member states have conducted many joint military operations such as Peace Mission 2007, 2009, 2012 etc. These exercises were very helpful for the member states particularly for the Central Asian States in enhancing their fighting capabilities against such menaces (The Astana Declaration, 2017). Within the short span of a time, SCO has played a significant role for the eradication of terrorism but on the other hand there are some hurdles and there is a need for further enhancement of the policies to make the organization more effective against fighting terrorism.

Conclusion

One of the most important developments of the 21st century is the accelerated pace of regional integration, especially in Asia. The awareness among developing nations that their interests and benefits lay in their neighborhood has created a new wave of regionalism. The establishment of Shanghai Cooperation Organization in 2001 has given a new life to this approach. SCO along with some other regional organizations are capable of proving the 21st century as Asian century. However, multiple challenges have to be met in this regard. The gradual expansion of SCO from Central Asia to South Asia proves widening the scope and bright prospects of this organization. It provides the best platform for the regional integration. SCO is very well depicted by Chinese scholars as ‘a cart with two wheels’, rendering equal significance to security issues and economic development. (Qadir and Rehman 2016). The identification of common security threats like terrorism, extremism, separatism
and defining a comprehensive mechanism for combatting these evils is of paramount importance for SCO states. Eventually, such a mechanism would be having a spill over effect over other potential sectors, especially energy, trade and other economic sectors. The founding members of SCO has already devised a strategy for security issues along their borders. The establishment of Regional Anti terrorism structure has helped in improving the capability of Central Asian states in their fight against terrorism.

Similarly, Afghan security issue is a common security threat for all adjacent regions. The Central location of Afghanistan and increasing presence of ISIS has caused alarm in neighboring states. Such threats are a great threat for the regional integration and connectivity drive under One Belt One road initiative of OBOR. To fully explore the regional connections and trade potential it is a pre requisite to improve the security situation of the region. SCO’s developed strategy for Central Asia might be extended towards other integrating states. Secondly, the inclusion of India and Pakistan has created some challenges for SCO and regional integration efforts. The role of SCO would be very important in subsiding the Indo Pak rivalry and evolving new convergence among member states. Some recent developments such as the meeting of the representatives of member states in Islamabad held in May 2018 and the announcement of joint military exercise, where Pakistani and Indian forces will participate, shows gradual improvement in solving regional conflict and enhancing regional cooperation. Moreover, the energy deficient states of South Asia might get tremendous opportunities in energy rich Central Asia through developing a mechanism of regional energy trade. Such kind of development may have a positive impact on regional stability and prosperity in the future.
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