

PAKISTAN AND SHANGHAI COOPERATION ORGANIZATION

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Abstract

The Shanghai Cooperation Organization (SCO) is an important regional security organization consisting of Russia, China and the four central Asian countries — Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. It was initially established in 2001. Its ultimate objective was to compete with the growing influence of the United States (US) and North Atlantic Treaty Organisation (NATO) forces in the region. Its prime concern is the growing threats of terrorism, separatism, and extremism. Pakistan, which is currently an observer State, cannot remain aloof from such an important organization. Pakistan desires to acquire its full membership so that it can actively participate in the group's activities in the region. The policies and programmes of the SCO are in consonance with Pakistan's long-term objectives. Pakistan not only contributes to the preservation of peace and stability in the region, but more specifically, also to the development of the transport and energy corridor which will be helpful towards this end. More significantly, under the banner of SCO, Pakistan can improve its relations with Russia, China, and Central Asia, India, Iran, and Afghanistan.

Key Words: Shanghai Cooperation Organization, Pakistan, Economic, Political and Security Dimensions.

Introduction

The Shanghai Cooperation organization is an important regional organization. It owes its origin to “Shanghai Five” formed in April, 1996 by Russia, China, and three central Asian countries — Kazakhstan, Kyrgyzstan and Tajikistan. It was renamed as Shanghai Cooperation Organization (SCO) after the joining of Uzbekistan on 15 June, 2001. Its main objective is close collaboration and interaction among the member states in all fields. Mutual trust and confidence, mutual benefits, mutual consultation, respect for sovereignty and territorial integrity of each

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other, justice, equal rights and opportunities are some of the basic principles of the organization.

The importance of Pakistan and its active role in SCO cannot be underestimated. Pakistan, which currently is an observer, cannot remain aloof from an organization which has emerged as an important regional group that is now being viewed by a number of Western, and especially American scholars, as a new “Warsaw Pact” challenging American interests in the region. The ultimate goal of the SCO is to create “multilateral partnership” in order to defuse tension by developing confidence-building measures through mutual dialogue and interaction. Pakistan is among the first country to apply for “Observer Status” in the SCO. The emerging geo-political and geo-economical realities at the regional and global levels demanded that Islamabad joined this group. It would also help improve Pakistan’s relations with Russia. On the other hand, from SCO’s point of view Pakistan’s inclusion will provide a natural link to the member states to connect the Eurasian heartland with the Arabian Sea and South Asia.

To bring out its regional and political importance for Pakistan, the paper describes the various stages that led to the formation of SCO. It also seeks to examine the possibility of Pakistan joining the SCO as a full-fledged member as well as the emerging geo-strategic and economic interests of the country that warrant this considering the effect its active participation would have on its relations with Russia, China, and the Central Asian Republics (CARs). In conclusion the paper elaborates on the implications of Pakistan’s membership on the future direction of its foreign policy.

Evolution of SCO

The SCO has its root in the “Shanghai Five” process, which was initiated by China after the disintegration of the Soviet Union in order to resolve its boundary disputes with the Central Asian countries through mutual negotiations, consultation, and dialogue. China shares a long border with Russia, Kazakhstan, Kyrgyzstan and Tajikistan. China's prime concern was the preservation of complete peace and stability in the region. With the emergence of the independent states of Central Asia, China sought Russian assistance to create a regional framework to resolve the boundary disputes among these countries, and, to reduce troops in the border regions. Two committees were established for this purpose in 1993, on the basis of 4 (former Soviet Republics) +1 (China) formula; one committee for confidence building and arms reduction; and the second for joint boundary demarcation.¹ In the words

¹ Washita Akihiro, “The Shanghai Cooperation Organization and its Implications for Eurasian Security: A New Dimension of ‘Partnership’ after the Post-Cold War Period,”

of Dr. Aman Memon, the foremost objective of Shanghai was the settlement of border disputes among the neighbouring countries. The “Shanghai Five” group countries successfully resolved the border disputes and created a 7400 km long border of peace, prosperity, and stability.²

The “Shanghai Five” framework brought complete peace and stability in the region. It helped in resolving border disputes among the member states and ended the strategic and economic competition between Russia and China in Central Asia. The convergence of interests among the member states and common concerns have contributed a great deal in creating a sense of regional unity in the organization. The transformation of “Shanghai Five” to “Shanghai Cooperation Organization” resulted from a declaration signed by all five heads of states, and, also by Uzbekistan, on June 15, 2001, in Shanghai. In this landmark summit, there was a common consensus among all the leaders that “Shanghai Five” will be instrumental in developing mutual trust, good neighbourly and friendly relations among the member states, besides strengthening regional security and stability.³ This agreement was signed just three months before the 9/11 incident.⁴

On June 7, 2002, at a meeting of the heads of SCO member states at St. Petersburg, Russia, the Charter of the SCO was signed. The SCO has passed through several evolutionary stages to emerge as a strong organization. Li Zhao Xing, Chinese Foreign Minister, remarked on June 15, 2005, that “In the four years of its existence, the Shanghai Cooperation Organization has successfully complied with the task of institutional mechanism and launched close cooperation among the member states in every field, actively engaged in all kinds of external contacts; played a significant role in promotion of security, stability, and development of the member states, and the whole region; and achieved world-wide recognition from the international community.”⁵

https://docs.google.com/viewer?a=v&q=cache:5ek3Y5KgojAJ:src-h.slav.hokudai.ac.jp/coe21/publish/no2_ses/4-1_Iwashita.pdf+Washita+Akihiro,+%E2%80%9CThe+Shanghai+Cooperation+Organization+and+its+Implications+for+Eurasian+Security:+A+New+Dimension+of+Partnership+after+the+Post-Cold+War+Period,&hl=en&gl=pk&pid=bl&srcid=ADGEESjH7GQoFmSst_HtgI NVJjTRbE9JwWY1UiRmEZrt97aCo-dEO0vT0n5Q6sgpL03c9hQfMbH2eM0qwx7ZVIDecY2YhcUB5YtlJZ7vC5FxxvWk LYP51lNKziF3nbWzFIUFmZlh9yJfj&sig=AHIEtbSIZ-1m5gSwlKdOsdxxmf1nntqXVg

² Dr. Aman Memon, “Shanghai Cooperation Organization,” *Asia Pacific* 24 (2006): 80.

³ “Declaration of Shanghai Cooperation Organization,” June 15, 2001, www.china-houston.org.

⁴ For details see the SCO website, www.sectesco.org/html/00035.html (accessed October 16 2006).

⁵ Speech by the Minister of Foreign Affairs of the People’s Republic of China, Li Zhaoing at the reception on the occasion of Shanghai Cooperation Organization Day, June 15, 2005, www.sectesco.org.

The major achievement of SCO has been the creation of mechanisms and institutions to increase coordination and cooperation at all levels within the member-states and with other states. The Charter of the SCO provides the guidelines for its effective functioning and gives the details of its various institutions. There are 26 Articles of the SCO Charter; however, the first 13 are important for examining the aims, objectives and functions and responsibilities.⁶ A number of Western, and especially, American scholars, view the SCO as a challenge to American interests. It has been described as an enigma, a security organization, a regional forum, an anti-terrorism coalition, and as a Russian and Chinese led alliance created to counter US hegemony.⁷

The security agenda of SCO is very vast. The organization has been called as the new "Warsaw Pact of the East."⁸ Its agenda is infused with Chinese and Russian suspicion of US designs in Eurasia and a desire to reduce US influence in Central Asia. This has been evident in the 2001 SCO Declaration⁹ concerning a number of regional issues. Even more important is the joint Russo-Chinese declaration regarding "World Order in the 21st Century," in which the two great powers emphasize the principles of "mutual respect of sovereignty, territorial integrity, mutual non-aggression and non-interference."¹⁰

The SCO's position regarding a number of regional issues, especially, Iran's nuclear programme, also run counter to America's policy on this issue. The invitation offered to the Iranian President, Ahmadinejad, to attend the fifth anniversary summit in June 2006, prompted severe criticism in Washington. US Secretary of Defence, Donald Rumsfeld, is on record saying, "it gives me an amazing strange to bring one into an organization who says that he is against terrorism, but, in fact, it is one of the leading terrorist nations

⁶ See, "Charter of the SCO," www.sectSCO.org.

⁷ Major Jefferson Turner, "What is Driving India's and Pakistan's Interest in Joining the Shanghai Cooperation Organisation?," *Strategic Insight*, vol. IV, issue no. 8 (August 2005).

⁸ Fredrick W. Stakelbeck Jr., "A New Bloc Emerges?," *American Thinker*, August 5, 2005, http://www.americanthinker.com/articles.php?article_id=4703 (accessed July 26, 2006).

⁹ Ariel Cohen, "The Dragon Looks West: China and Shanghai Cooperation Organization, Declaration on Establishment of Shanghai Cooperation Organization," June 15, 2001, <http://www.sectSCO.org/html/00088.html> (accessed August 1, 2006).

¹⁰ Sergei Blagov, "Shanghai Cooperation Organization Summit Suggests New Russia-China Links," *Eurasia Daily Monitor*, July 6, 2005, http://www.jamestown.org/edm/article.php?article_id=2369975 (accessed July 26, 2006).

in the world. It seems that SCO is not playing a due role in the region and in the world.”¹¹

Importance of SCO for Pakistan

Pakistan values highly its relations with the SCO and fully shares in its objectives for promoting economic cooperation amongst the member states. Pakistan was the first country to apply for an “Observer” status in the SCO. Pakistan's admission was first handicapped by the Central Asian members for their support of the “Northern Alliance” (ethnic Tajiks and Uzbeks) against Pushtoon-dominated Taliban in Afghanistan. Pakistan not only supported the Taliban, who controlled almost 80 per cent of Afghanistan, but also accorded de-facto recognition to their government. Tajikistan strongly opposed Pakistan's membership due to its strong support for Taliban in Afghanistan.¹²

Two developments greatly facilitated Pakistan's entry into SCO. First, the departure of the Taliban from Afghanistan removed a major irritant in Pak-Central Asian relations. And, secondly, the convergence of interests between Pakistan and SCO members on the global war against terrorism.¹³ The shift in its foreign policy, especially with regard to extending cooperation to all member countries on the issue of anti-terrorist efforts helped Pakistan in presenting a correct stance in the multilateral forum. Pakistan joined the SCO in 2005. With the passage of time, SCO proved to be an important organization from the point of view security, economic, strategic and social purposes.¹⁴

In a meeting of the Council of Ministers of Foreign Affairs of SCO in June 2005 and at the Council of Heads of States Meeting in Astana on July 5, 2005, the applications of Pakistan, Iran and India were considered and approved with joint consensus for granting them “Observer” status in the organization. But, the ultimate desire of Pakistan is to become a full-fledged member of the organization. This was indicated by the Kazakh President, Nazarbayev, when he said, the day was not far off when Pakistan would become a full-fledged member. Pakistan would have to play a pro-active role in the SCO framework in order to meet new challenges and opportunities.¹⁵

¹¹ Rizwan Zeb, “Pakistan's Bid for SCO Membership: Prospects and Pitfalls,” *Central Asia Caucasus Analyst* (July 26, 2006): 34.

¹² As quoted by Iwashita Akihiro, “The Shanghai Cooperation Organization and its Implications for Eurasian Security.”

¹³ Khalid Rehman, “The Shanghai Cooperation Organization: Prospects and Opportunities,” *Policy Perspectives* 14, no.1 (January-June 2007): 132.

¹⁴ Fazal-ur-Rahman, “Pakistan Embraces the Shanghai Spirit,” *Institute of Strategic Studies*, Islamabad, http://www.issi.org.pak/journal/journal/2005_files/no_3/article/92.html.

¹⁵ *Kazakhstan Weekly News Bulletin*, July 7, 2005.

There is a great need to promote trade, energy, investment, transportation, banking, and tourism among the member states. The members of the organization will also help Pakistan to improve relations with Russia. In the past, Pakistan was completely dependent on the West for economic and military assistance which badly affected the formulation of its free and independent foreign policy. The membership in SCO will present it with an alternative. The expansion of SCO has been instrumental in promoting peace, political stability and economic prosperity in the entire region. Pakistan's active and friendly cooperation with all the members of the organization for the realization of its objectives will further ensure progress and prosperity in the region. The geographical contiguity of the members with Pakistan and shared cultural and historical bonds give depth to these relations. Pakistan serves as a bridge for linking Central Asia with South Asia and beyond. Pakistan strongly supports the principles and purposes of SCO as the policies and programmes of the SCO are in consonance with Pakistan's long-term objectives. Pakistan can attain the following advantages in its close collaboration with SCO:

- The post 9/11 world is fighting a war against terrorism and, in this, Pakistan is an important state. The SCO member countries have also become the victims of terrorism. Pakistan and SCO can work closely to root out the growing menace of terrorism. In recent years, religious extremism has become a great problem for the countries of SCO most of whom are experiencing its worst form. Pakistani-based religious groups have been accused of supporting these activities. Pakistan has always denounced extremism and religious fundamentalism. Therefore, SCO and Pakistan can work together on this grave problem.
- Under the SCO banner, Islamabad can improve its defence and security relations with Russia. Moreover, SCO's regional anti-terrorism structure (RATS) will help Pakistan to institutionalize anti-terrorism cooperation in a more comprehensive and at a wider scale.¹⁶
- With the increasing concern among the members of the SCO about the situation in Afghanistan, there is a great chance for Islamabad to become a full member of the organization. Pakistan has already established good relations with Central Asian Republics in the Economic Cooperation Organization (ECO) and has offered them use of her seaports for trade and commerce. Pakistan can provide trade facilities to landlocked Central Asian States at the

¹⁶ Blunt, "Shanghai Cooperation Organization, Importance for Pakistan," <http://viewstonewsIndex.php./Shanghai-cooperation-organization-importance-for-pakistan> (accessed July 68, 2006).

Gwadar port. This port is more useful and a convenient potential trade route for the CARs. From the Gwadar port, goods can be transported via land routes to Afghanistan, Tajikistan, Uzbekistan, and Turkmenistan and deeper into Central Asia. To make this possible, road and railway networks are being laid to link Gwadar to Afghanistan and Iran. Plans to open gateways on the Afghanistan and Iran borders are also under consideration. With these and similar developments, Balochistan can serve as a transit route to neighbouring countries of Afghanistan and Iran and as a trade gateway into Central Asia. The trade route can bring a lot of investment to Pakistan. Central Asian States are relying more upon Pakistan for trade purposes.

- Pakistan can also use this forum to have good relations with Russia, which have not been very good in the past. Indeed, Russia has been said to support Pakistan's membership only if India joins at the same time. Given the disputes between the two South Asian nations, this scenario parallels the simultaneous entry into NATO of Greece and Turkey.
- By joining this organization, Pakistan would have another forum to express her views on the world's changing political scenario. The present government of Pakistan attaches great importance to SCO and emphasises Pakistan's active role in the Organization. While addressing the 9th Shanghai Cooperation Organization, which was attended by the heads of governments and states of SCO member countries in the Russian city of Yekaterinburg, President Zardari stressed the need for a common framework to ensure cooperation in security, energy and economy. He discussed the important issues including tackling the international financial crisis, expanding regional cooperation in political, economic and security affairs, addressing the transnational challenges of terrorism and narcotics, and proposed the creation of special mechanisms for Pakistan's involvement in three key areas of SCO's activity including security, energy and economic cooperation. He said: "Pakistan remains committed to strengthening our bonds of friendship and cooperation with each SCO member state, bilaterally and in the SCO framework. Pakistan stood firmly to help SCO and the SCO community of nations realizes their common objectives and fulfills their common destiny. Such mechanism on economic cooperation would help Pakistan build trade and communication corridors within the region."¹⁷

¹⁷ *Nation*, June 17, 2009

While addressing the SCO Head of the Council meeting in Shanghai, the Prime Minister of Pakistan, Yousaf Raza Gillani, proposed a four-pronged strategy for expansion of the SCO adding “Pakistan has remained part of this organization for four years. We now want to be accorded full membership of it. This demand on our part demonstrates the fact that Pakistan is eager to work together with other nations. Pakistan wants to share economic and strategic matters with member countries of SCO.”¹⁸ He called for the formation of a banking association and business council of the SCO and said Pakistan considered free trade as the only way to deal with regional financial problems. He urged the member countries of SCO to pursue a joint vision to achieve the objectives of regional peace and development. A joint strategy was needed to counter challenges like the global economic crisis, terrorism, extremism, and threats posed to environment. High-level meetings among the members of the SCO were necessary for that purpose. He mentioned the great sacrifices the people of Pakistan had rendered fighting international terrorism.

Pakistan's membership as an “Observer” in the SCO has contributed towards strengthening its relations with Russia, China, Central Asia and the neighboring countries in a cooperative framework. Even at this level the impact of interaction is proving beneficial in the following ways.

SCO and Pak-Russian Relations

Pakistan's entry into Shanghai Cooperation Organization has had a positive impact on Pak-Russian relations. There is a spirit of understanding and cooperation between the two countries that is seen in recent developments. The strained relationship of the past from the Cold War days that was seen more prominently in Russia's tilt towards India has undergone considerable change. SCO seems to have provided an opportunity for closer bilateral relations. The exchange of high level visits has made the relations more meaningful and productive at regional and global levels. Both countries desire to establish good friendly relations, despite major and minor differences and irritants of the past. Islamabad helped Russia in getting an observer status at the Organisation of Islamic Conference (OIC), and, Moscow reciprocated by helping Pakistan in getting similar status at SCO. In the changing global environment, it is in Pakistan's strategic interest to extend its politico-military outreach towards other global power centers, including Russia, and work jointly with the Sino-Russian strategic nexus. Pakistan's active role in SCO has brought these countries closer with the promise to boost cooperation in energy, joint ventures in infrastructure development and investment opportunities. Working closely in SCO will be helpful in fighting the growing menace of terrorism in the region.

¹⁸ *Nation*, May, 10, 2009.

In the changing world and regional scenario, Pakistan attaches great importance to its relations with Russia. Admission of Russia as an observer in the OIC and Pakistan's in SCO will further enhance their bilateral mutual cooperation. Russia has extended full support to Pakistan's membership of the SCO. Within the framework of the SCO, the two countries have common interests in promoting peace and stability in South Asia, Afghanistan, and Central Asia, and South Asia. The two countries have similar views on the situation in the Middle East and on the nuclear programme of Iran. The SCO has proved to be a useful platform for both countries to develop deeper understanding of each other, remove misperceptions and misgivings, and develop mutual respect and mutual trust for each other's legitimate interests in the regional context.¹⁹

Pakistan and Russia have had increasingly intensive interaction at international political forums at various summits including the SCO. Both have shared similar positions on key international issues, particularly on the overall strengthening of the role of the UN and other international organizations on the basis of international law. Moscow and Islamabad have been cooperating at the UN and, on key international issues such as Iran, Iraq and the Middle East, they have similar views. Both share the view on the need for a multi-polar world and the centrality of UN role in world affairs. An important event in the context of Pak-Russia relations was the visit of Pakistani Prime Minister Shaukat Aziz, in October 2005, to attend the SCO meeting. During that visit he also met his Russian counterpart, Mikhail Fradkov, to discuss bilateral relations. President Musharraf, when he met with President Putin at the June 2006 SCO summit in Shanghai, thanked the Russian head of state for supporting Pakistan in obtaining the observer status in the SCO and sought his country's support in becoming a full member. Reciprocating, President Putin thanked President Musharraf for Pakistan's support for Russia gaining observer status at the OIC. Both presidents expressed satisfaction with the good diplomatic and political ties and agreed on the need to boost ties in trade, commercial, and economic fields.²⁰ In 2007, the relations between Pakistan and the Russian Federation were further strengthened by Russian Prime Minister Mikhail Fradkov's three-day official visit to Islamabad. He became the first Russian prime minister to visit Pakistan in 38 years. This visit of the Russian Prime Minister has special importance for its contribution to the development of broader ties between the two countries. As a result of this meeting, Russia allowed China to export 500 WD-93 engines for the JF-17 Thunder Jets which enabled Pakistan to construct a

¹⁹ Shahid R. Siddiqi, "Pakistan Must Strengthen Relations with Russia," *Axis of Logic*, March 22, 2010.

²⁰ "Musharraf Hopeful of Pakistan becoming Full SCO Member," *Pakistan Times*, June 20, 2006.

squadron of these aircraft. The meeting opened the door for the export of Russian technology for Pakistan's latest venture: satellites and the J-10B. Russia also provided four Russian-made helicopters MI-17. The MI-17 can perform more missions than the US Cobra, which is primarily designed to fire air-to-ground missiles. The MI-17 is a medium-weight helicopter, capable of carrying troops, performing medical evacuations and carrying out ground attacks.

Another positive impact of SCO was expansion in Pak-Russian trade and commercial relations. Trade between the two countries is showing signs of expansion, though the balance is in favour of Russia. Pakistani businesses have direct contact with Russian entrepreneurs.²¹ In the energy sector, there are good prospects for Pak-Russia cooperation. Pakistan signed MoUs with Russia for cooperation in the oil and gas sector. Other Russian oil and gas companies have concluded MoUs with Pakistan's private sector oil and gas companies for local contract bidding.²²

SCO provides an opportunity to Pakistan to expand its defence and security relations with Russia. It was this positive gesture which enabled Chief of Army Staff, General Ashfaq Parvez Kayani, to visit Russia on December 22, 2009. During his visit he met Vladimir Boldyrev, Commander-in-Chief of Russian ground forces. They expressed their desire to work closely in the spirit of Shanghai Cooperation Organization in order to seize new opportunities arising out of the current challenges confronting the region and the world. Both sides expressed a keen desire to tangibly move forward to establish a strong and robust mutual partnership.²³ And more important, the exchange of visits between Russian President Dmitry Medvedev to Pakistan and President Zardari's visit to Russia opened a "new chapter" in their relationship with joint collaborative efforts to boost SCO. The two leaders also discussed the situation in the region, with a focus on building a strong relationship and for coordinated efforts in countering terrorism, drug trafficking and syndicated crime.

The recent visit of Hina Rabbani Khar, the Foreign Minister of Pakistan, to Russia, is one of the encouraging signs of renewed engagement between the two countries. The overriding message of Foreign Minister Hina Rabbani's Joint Press Conference with her Russian counterpart Sergey Lavrov after talks in Moscow for the expansion of political and economic cooperation is a positive step towards developing a strategic partnership. Pakistan and Russia have a growing convergence of interests on bilateral, regional and other international issues. Pakistan considers Russia as an engine for increased

²¹ Muhammad Farooq Afzal, "Pak-Russia Relations Past, Present and Future," *Business Recorder*, June 12, 2006.

²² Azhar Durrani, "Pak-Russia Ties Improving," *Business Recorder*, June 12, 2006.

²³ "A Russian Pakistan Military Alliance," *Dawn*, June 22, 2009.

economic growth and a factor of peace and stability in the SCO region. Both the countries seem equally keen to broaden and diversify mutually advantageous cooperation, particularly in the energy sector. To meet its energy requirements, Pakistan is now looking to Russia and this was discussed in Moscow when, during her visit, the foreign minister met separately with the Russian Minister of Energy. While the Russian investors are interested in investing in the Thar coal project, Russia is also keen to participate in the Pakistan-Iran gas pipeline project.

Moscow has already indicated to Islamabad that it wants its gas company, Gazprom, the world's largest gas company, to have a role in the project. Pakistan has conveyed that it would welcome Russian participation in this project. Russia's readiness to participate in the energy projects of Turkmenistan, Afghanistan, Pakistan and India as well as Central Asia and South Asia 1000 (CASA) is also significant and has been welcomed by Pakistan as it faces an acute energy deficit. The two countries are also close to firming up a MOU on the expansion and modernization of the Pakistan Steel Mills, a key state enterprise and they have also been discussing the possibility of developing rail links with Iran and other areas in the SCO region from Pakistan. Russia had shown interest in Pakistan's keenness to develop rail links to Central Asia from Gwadar. The common threats of terrorism and drugs have also compelled the two countries to strengthen security cooperation. Russians have been concerned about drug trafficking and the presence of al Qaeda elements and the Taliban in the border areas between Pakistan and Afghanistan. The growing presence of US and NATO forces in the region compels the two countries to cooperate more closely.²⁴

SCO and Pak-China Relations

China is the time-tested friend of Pakistan. The "all weather" bi-lateral relationship between the two countries has always been uninterrupted and trust-bound. In the past, their strategic partnership was driven by their mutual need to counter the growing influence of India which is considered to be an adversary of both China and Pakistan. China has always proved a great source of strength and support to Pakistan in its hour of need. China provided moral, political, military, financial and diplomatic support to Pakistan against India in two Indo-Pak wars of 1965 and 1971 respectively. The friendly bilateral relations between the two countries have been affected by numerous geo-strategic changes at the regional and global levels, including improvement in Sino-Indian relations since 1989 onwards, the collapse of the Soviet Union, post 9/11 developments, especially with Pakistan becoming a frontline state in

²⁴ Qudssia Akhlaque, "Expanding Pakistan-Russia Partnership within Shanghai Cooperation Organization," *Pakistan Today*, February 12, 2012.

the “war against terror.” In addition, the conclusion of the Indo-US nuclear deal and the failure of Pakistan to sign a similar deal with the US has brought Pakistan closer to China. In the post Cold War era, China became the most - important strategic partner of Pakistan vis-à-vis its adversary India. China has openly supported Pakistan’s nuclear Programme and has been an important source of supply of modern and advanced conventional weapons to Pakistan. Besides China has a big share in Pakistan’s trade and investment.²⁵

Pakistan’s membership in SCO has further improved this relationship. China preferred Pakistan over India for permanent membership in the organization which is pertinent in as far as Indian sources’ view that China wants to engage Pakistan military forces in a counter-terrorist exercise²⁶ is concerned. Under the banner of SCO, the geo-political imperatives of Pakistan and China are converging and compatible in relation to Afghanistan and Central Asia. Both want to safeguard their interests in Central Asia. The first and the foremost strategic objective is to ensure the stability of the Chinese north-western 3,500 km common border with CARs. While the geo-strategic objective of Pakistan is to ensure the security of 2,640 km north-western frontier with Afghanistan to stop the eastward and westward expansion of NATO forces and to reduce the rising influence of India in the affairs of Afghanistan, Central Asia, and South Asia. There are ample opportunities for joint ventures, joint investment, joint banking cooperation, transportation and communication among SCO members. China rail might one day integrate Afghanistan, Tajikistan and Pakistan which will greatly boost their trade and economic relations. In addition, China’s preference for economic integration and close collaboration among Afghanistan, Tajikistan, China and Pakistan by linking Tajikistan and Afghanistan to Gwader port is a constructive and positive step that will serve their interests in the long run.²⁷ Niklas Norling, an expert on China and Central Asia at the Conference held in the Institute for Security and Development, Stockholm, remarks that “the price tag is tolerable for a Chinese state firm because the project contributes a great deal of Beijing’s plans for the development of Western China and its regional trade linkages.”²⁸

The cooperation and coordination between the two countries under the framework of SCO will make them stronger to face the Indian challenge, especially after the conclusion of the Indo-US civilian nuclear deal. India considers both Pakistan and China as its bitter adversaries and tries to

²⁵ “Pakistan: Foreign Security Relationships,” *US Library of Congress- Country Studies*, <http://lcweb2.loc/cgi-bin/query/D?cstdy:14:./temp/~frd_WJdn> April 1994.

²⁶ India-China-Russia Massive Joint Military Exercise in 2006,” *India Daily*, August 26, 2005.

²⁷ “Pakistan’s SCO membership: Analysis,” *Siyasat Aur Pakistan*, April 2, 2010.

²⁸ John W. Garver, *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century* (Seattle: University of Washington Press, 2001), 188.

undermine their relationship. Chinese policy toward Pakistan is oriented to countering Indian influence in the region. South Asia expert Stephen Cohen describes China as pursuing a classic balance of power by supporting Pakistan in a relationship that mirrors the one between the US and Israel.²⁹ The China-Pakistan partnership in SCO serves both Chinese and Pakistani interests as a potential two-front theater in the event of war with either country.³⁰

Anita Inver Singh, an Indian analyst, argues that India's positive re-engagement with the Central Asian states emerged due to new international and geopolitical realities. She thinks that India's desire to establish "good relations with Central Asian States is a matter of concern for Pakistan and China (India's close neighbors and rivals) as both are interested in the region."³¹ One of the objectives of SCO member countries is the formation of joint anti-terrorist strategy. Pakistan always strongly supported China's desire to stamp out separatism in Xinjiang, even though the Uighurs are fellow Muslims, and it agreed to conduct an anti-terrorist exercise against such elements in August 2003.

Pak-China joint military exercises under SCO are another demonstration of their mutual support, trust and interest in rooting out the growing menace of terrorism and extremism.³² Similarly, in November 2005, during their visit to Pakistan, Chinese naval ships conducted a second joint maritime search-and-rescue exercise with the Pakistan Navy. That was again the first time for the PLA Navy to conduct a joint exercise in waters abroad. Pakistan and China share a common interest in the security of the sea lanes and both support a multilateral framework of SCO for guarding energy and trade sea routes. As a result, on 23 May 2006, Pakistan signed a \$600 million defense deal with China, which includes the provision of four F-22P frigates for the Pakistani Navy, the up-grading of the Karachi dockyard, and the transfer of technology for the indigenous production of a modern surface fleet. The signing of the frigate deal marked a milestone in defence cooperation between Pakistan and China, as it was the first time that the two navies had arrived at a high level of collaboration to augment a surface fleet.³³

As a result of their mutual understanding and the commonality of interests in SCO, the trade between the two countries has increased considerably. Over the past two years, there has been a dramatic increase in bilateral trade between China and Pakistan, which has increased to \$2.5 billion,

²⁹ Stephen P. Cohen, *India: Emerging Power* (Washington, D.C.: Brookings Institution, 2001), 259.

³⁰ John W. Garver, *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century*.

³¹ Anita Inder Singh, "India's Relations with Russia and Central Asia," *International Affair* 71, no.1 (January 1995): 78.

³² Colin Mackerras, "Pivot of Asia Sees China-Pakistan Maneuvers," *Asia Times*, August 13, 2009.

³³ "Pak, China Finalise Defence Deal," *Tribune*, May 24, 2006.

accounting for 20 percent of China's trade with South Asia and 10 percent of Pakistan's total trade of about \$25 billion in 2004. According to some estimates, "China's public and private sector has undertaken over 250 projects of different sizes in Pakistan. At present, over 60 Chinese companies have already established permanent offices in Pakistan."³⁴ More significantly, the close interaction of the leaders of the two countries in SCO has strengthened their cooperation in the development of many projects, such as hydroelectric power projects, nuclear power production, exploration of gas and oil resources, extraction of coal, and the building of rail and road networks, telecommunications, water dams and a deep sea port at Gwadar, Balochistan. The Gwadar port alone will generate more than a million jobs and a transit economy worth billions of dollars a year. In all, Chinese companies are working on 114 projects in Pakistan.³⁵

A significant development in Pak-China relations took place following the three day visit (5-7 June, 2012) to China of President Zardari to attend the meeting of SCO's heads of State. President Zardari called for greater Chinese investment in infrastructure, particularly in mega energy projects, and proposed setting up an Energy Fund for mega-projects, including hydro-power projects. During his meeting with Chinese President Hu Jintao on the sidelines of SCO summit, President Zardari called upon the Joint Energy Working Group of the two countries to find new ways for cooperating in the field. The two leaders discussed the gamut of bilateral relations in the backdrop of recent regional and international developments.

The president said that the opening of Industrial and Commercial Bank of China (ICBC)'s branches in Pakistan, the Currency Swap Agreement last December, and the launching of PAK-SAT 1R Project in August 2011 were significant milestones in Pak-China bilateral relations. He called for stepping up the momentum generated by those landmark developments. The president said that maintaining strong relations with China was the cornerstone of Pakistan's foreign policy, and added that all political parties, state institutions and the people of Pakistan considered China a trusted friend and a strong strategic ally.³⁶

Pakistan and China took another step forward to promote their cooperation in the area of technology and space sciences by signing another

³⁴ Mehmood-Ul-Hassan Khan, "New Heights of Pak-China Ties," <http://usa.mediamonitors.net/content/View/full/227754>.

³⁵ "China, Pakistan to Strengthen Defense Ties," *Dawn*, December 17, 2004.

³⁶ Asad Naeem, "President Urges Setting up 'Energy Fund' for Mega Projects," *Business Recorder*, June 7, 2012.

MoU on behalf of the Pakistan Space and Upper Atmosphere Research Commission (SUPARCO) and the Chinese National Space Administration.³⁷

SCO and Pak-Central Asian Relations

Pakistan has a close socio-cultural and commercial association with Central Asia. Pakistan was amongst the first countries to express joy and enthusiasm for establishing closer links with Central Asian states after their independence.³⁸ Beside this, Pakistan and the Central Asian Countries are the members of the Economic Cooperation Organization (ECO), the world's second ranking economic organization after the European Union (EU). The Economic Cooperation Organization's framework created in 1985 (formerly known as the Regional Cooperation for Development) comprising Pakistan, Iran, and Turkey) was expanded after the admission of six Central Asian states and Afghanistan in 1992.³⁹ However, the civil war in Afghanistan and Pakistan's support for the Taliban adversely affected Pakistan's relations with the Central Asian States.

The 9/11 attacks changed the entire scenario. Pakistan not only abandoned its support for the Taliban but contributed much to eliminate the Taliban's rule, and to destroy the al Qaeda network in Afghanistan. The new situation provided Pakistan an opportunity to improve relations with the Central Asian states. More importantly, Pakistan's ultimate desire was to expand and to strengthen relations with Central Asian countries under the banner of SCO.

Under SCO's framework, Pakistan is keen to use its geo-strategic location to serve as a trade and energy corridor for the western regions of China, Afghanistan, and Central Asia.⁴⁰ In this regard, some of the necessary infrastructure has been built, e.g., the Gwadar deep seaport and up-grading of the Karakoram Highway. China has agreed to aid Pakistan with \$350 million to upgrade the Karakoram Highway. The quadrilateral trade and transit agreement between Pakistan, China, Kazakhstan, and Kyrgyzstan has also been operational since 2004. It can also be extended to Uzbekistan and Tajikistan. Pakistan provides the natural link between the SCO states to connect the Eurasian heartland with the Arabian Sea and South-Asia. SCO has been a constructive and useful organization in expanding trade and

³⁷ "Pakistan and China Sign MoU for Long Term Cooperation in Space Science," *Terminal X*, June 7, 2012, www.terminalx.org/ign-mou-for-long-term-space-science.html.

³⁸ *Dawn*, December 21, 1991.

³⁹ Saifullah Joyo, "Pakistan and Central Asia: Past, Present and Future," *South Asian Studies* 20, no.2 (July 2005): 51.

⁴⁰ http://www.presidentofpakistan.gov.pk/Files.Speeches/foreign.visits/615200610364PMAdressSCO_Summit.pdf.

commercial relations with the Central Asian countries. Through the influence of SCO members, some of the misunderstandings and confusion between Pakistan and Uzbekistan were removed. The Uzbek President, Islam Karimov, made his first official trip to Pakistan in May 2006. During his visit, nine agreements were signed on trade and economic cooperation, socio-cultural interactions, and counter-terrorism. This rapprochement between Pakistan and Uzbekistan occurred primarily due to China's support. Economically, Uzbekistan is interested in gaining access to Pakistan's major ports in Karachi and Gwadar. But one of the conflicting issues which has disturbed the relations between the two countries still remains: the specter of Islamic radicals who fled Uzbekistan and sought refuge in Pakistan.⁴¹ Until 2005, considerable friction existed between the two countries due to the presence of Islamist militants associated with the Islamic Movement of Uzbekistan (IMU), which has its base in the tribal areas of Pakistan.

Islamabad and Tashkent now share common concerns and opinions about the global war against terrorism. Both have condemned terrorism in all its forms and manifestations. But, doubts and misunderstanding between the two countries were removed considerably on the occasion of the visit of Islam Karimov to Pakistan, and, as a result, an agreement on counter-terrorism was signed between President Musharraf and President Islam Karimov.⁴²

The port of Gwadar which Pakistan is developing with Chinese help lies only 250 miles from the Straits of Hormuz, a region containing 40 percent of the world's oil reserves. The port is designed to serve as an important regional shipping hub, providing the landlocked Central Asian republics, Afghanistan, and the Chinese Xingjian region easy access to the Arabian Sea. "The construction of new Gwadar deep water maritime port on Balochistan coast and its connected routes with Afghanistan reduces the distance by 500 km between Pakistan and Central Asia. As a result, it will facilitate the transfer of Central Asia's vast energy resources to world markets, garnering Pakistan significant profits in transit fees."⁴³

Under the auspices of the SCO, Pakistan's relations with Central Asia were considerably improved. The Almaty-Karachi road via the Karakoram (Almaty-Bishkek-Kashgar-Islamabad-Karachi network) is under construction. In addition, Pakistan's deep-water ports will greatly enhance the CARs' ability to ship products to world markets. Pakistan provides the most convenient modern rail as well as road facilities to the CARs. A comparative overview of distances between Islamabad and Karachi and the capital cities of Central Asia

⁴¹ "Uzbekistani, Pakistani Presidents Discuss Counterterrorism Cooperation," *Tashkent Uzbek Television First Channel*, March 6, 2005.

⁴² M. Ilyas Khan, "Pakistan's Tribal—Who is Killing Who?," *BBC Online*, April 5, 2007, 5news.bbc.co.uk/2/hi/south_asia/6529147.stm.

⁴³ Ziad Haider, "Baluchis, Beijing, and Pakistan's Gwadar Port," *Georgetown*, no.2 (Winter/Spring 2005): 95–103.

as well as existing Soviet-era Russian port facilities illustrate this point.⁴⁴ These positive developments together with the Gwadar project make Pakistan an indispensable link for SCO member states and a perfect candidate for full membership.

SCO and Pak-India Relations

The ninth Shanghai Cooperation Organization (SCO) meeting of the Council of Heads of Member States was held in Yekaterinburg, Russia, on June 15-16, 2009. This provided an opportunity for President Asif Ali Zardari and Prime Minister Manmohan Singh from India to discuss important issues between the two countries. Indian participation at the highest-level was welcomed by Pakistan for two reasons. First, it will provide a chance to the leadership of both countries to use the sideline mechanism for bilateral discussions and, second, it will give both countries an opportunity to use this forum to discuss security issues in a multilateral framework. The ninth SCO summit facilitated the re-establishment of contact between the two countries, which had been terminated by India following the Mumbai terrorist attacks. The 40-minute-long meeting between President Asif Zardari and Prime Minister Manmohan Singh on the sidelines of the summit achieved substantive results and facilitated the resumption of talks by their foreign secretaries.⁴⁵

SCO can play the role of facilitator in improving Pak-India relations. It provides an opportunity for the two countries to resolve their problems and to work for the promotion of neighbourly relations and cooperation between the two countries. The frequent visits of the Heads of the State and Foreign Ministers of the two countries at SCO platform will remove misunderstandings and suspicions between the two countries and will create the spirit of peace, friendship and cooperation between the two countries. More important, it will enable the two countries to cooperate and coordinate their policies in Afghanistan and Central Asia. A significant development which ushers in the period of economic coordination is the construction of Turkmenistan–Afghanistan–Pakistan–India Natural Gas Pipeline (TAPI) Project financed by the Asian Development Bank (ADB). The project aims at exporting up to 33 billion cubic metre of natural gas per year through an 1,800-kilometre long pipeline from Turkmenistan to Afghanistan, Pakistan, and India. The project cost was estimated at \$7.6 billion in 2008. TAPI will be operated by a special purpose consortium company (SPCC) and led by a commercial entity (consortium lead). Turkmenistan, Afghanistan, Pakistan,

⁴⁴ Shameem Akhtar, "Strategic Significance of Central Asia," *Pakistan Horizon* 45, 3 (July 1992): 49-56.

⁴⁵ Fazal-ur-Rehman, "The Ninth SCO Summit: A Step Forward," *Institute of Strategic Studies*, Islamabad, www.issi.org.pk/org.pk/old-site/Photos/The_Ninth_SCO_Summit.pdf.

and India (the parties) have the option to invest in the SPCC. After the pipeline consortium leader is selected and consortium agreements are signed, design and construction will take about four years. TAPI presents an opportunity for regional cooperation on an unprecedented scale, linking the economies of the four countries. The Strategy for Regional Cooperation in the Energy Sector identifies TAPI as one link in the inter-energy relationship among the Central Asia Regional Economic Cooperation (CAREC) countries. TAPI's aims are strategically aligned with CAREC's objectives of ensuring (i) energy security through balanced development of regional infrastructure and institutions, (ii) stronger integration of markets, and (iii) economic growth through enhanced energy trading. TAPI is a high-priority flagship project in the energy sector under CAREC 2020. For India, the South Asia Regional Cooperation Strategy and Programs, 2011–2015 also makes the energy sector a priority.

TAPI is a mutually beneficial long-term solution for the four countries. With the opening up of new markets, landlocked Turkmenistan will be able to diversify its gas exports to the east, where there is already a tremendous (and growing) demand for energy. Afghanistan, Pakistan, and India will gain a steady supply of affordable gas to power their growing economies. TAPI will go through southern Afghanistan, providing job opportunities during construction and operation and an enabling environment for developing industrial capacities in the area. The impact of the project will enhance energy trading between Turkmenistan, Afghanistan, Pakistan, and India and its outcome will be a natural-gas pipeline consortium established and engaged under a public–private partnership.⁴⁶

Conclusion

SCO is emerging as a multilateral international organization focusing on political, economic, and security cooperation among its member states and with other neighbouring countries of the region. The success of SCO largely depends on the relations between China and Russia and to some extent the US involvement in the region. If the Russian-Chinese strategic partnership continues to develop, they will be able to contain the influence of any extra-regional power in Central Asia, South Asia and Afghanistan.

The inclusion of Pakistan and three other states as “Observers” in SCO demonstrates a multilateral and pragmatic approach by the founding members and has enhanced SCO's collective strength. Pakistan's entry into SCO with the status of “Observer” will not only help the country in strengthening relations with the member states, but also provide a new platform for

⁴⁶ “Turkmenistan–Afghanistan–Pakistan–India Natural Gas Pipeline Project, Project Number: 44463-013,” *Research and Development Technical Assistance* (May 2012): 1-2.

cooperation with its traditional friend, China. Membership in the organization will also help Pakistan cultivate better relations with Russia. Consequently, for Islamabad, which has depended more on the West, especially the US for economic and military ties, the membership of SCO will present an alternative source to collaborate with. The SCO provides an additional forum to Pakistan to develop understanding and cooperation with Russia. Besides this, under the framework of SCO, it is their common interest to promote peace and stability in South Asia, Afghanistan, and Central Asia and contain and eradicate the menace of terrorism and create trust and confidence between them for stronger and more productive relationship in the future. The SCO proved a useful platform for both countries to develop a deeper understanding of each other, correcting misperceptions, removing misgivings, and developing respect for each other's legitimate interests in the regional context. SCO provides an opportunity to Pakistan to expand its defense, economic, political and security relations with Russia. SCO has further provided an opportunity to Pakistan to improve relations with India. Within SCO, Russia can utilize its influence to defuse tensions in Pak-India relations as it did at the time of the Tashkent Pact.

Pakistan's role in SCO has helped Pak-China relations. The Pakistan-China joint military exercises in Xingjian show that China is continuing to expand its relations with its neighbours mainly to suppress Uighur separatism or terrorism. Challenges remain in the 21st century for China-Pakistan friendship. However, the strategic interdependence of the two countries in the framework of SCO can overcome these challenges and will bring the two countries closer to each other. China is taking the lead to employ economic and public diplomacy with Pakistan to broaden its strategic state-to-state partnership into people-to-people bonds. With increasing trade and investment, China is helping Pakistan's economy. It is also expanding cultural linkages through education, civil society and the media. Pakistan's active participation in SCO is helping in bringing it closer to the Central Asian States. Pakistan is keen to use its strategic geographic location to serve as a trade and energy corridor for the western regions of China, Afghanistan, and Central Asia.

Under a new multi-lateral regional organization, Pakistan is attempting to create a new strategic framework, beyond mere military cooperation, to embrace economic cooperation to further cement Sino-Pak friendship. When the Gwadar port project is fully operative, Pakistan will have almost ensured an "all-weather relationship" with China with the extension of the Karakoram Highway serving as a symbol of this friendship. These investments would provide Pakistan tremendous strategic leverage in the region vis-à-vis India and the US. The recent SCO summit proved a hallmark event and will have long lasting implications. It has also set forth the future course of action for

the organization and the member countries. Pakistan, in keeping with the geo-political and geo-economic reasons, cannot ignore these developments.■