

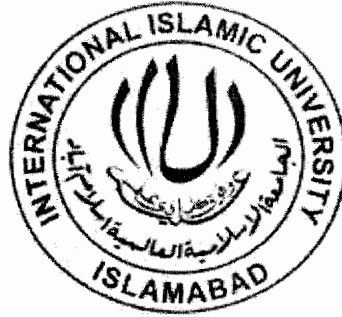
**Impact of Shanghai Cooperation Organization (SCO)  
in the Changing Power Scenario:  
Problems and Prospects for Pakistan**

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**M.Phil Thesis**

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**Reg. #: 28-FSS/MSPSIR/F08**

**Submitted in partial fulfillment of the requirements for the degree of  
Master of Philosophy in Politics and IR at the  
Faculty of Social Sciences,  
International Islamic University,  
Islamabad**

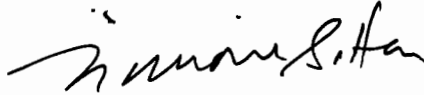
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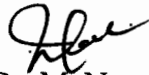


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**In the Name of ALLAH, the Most Merciful, the Most Beneficent**

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This thesis is dedicated to my beloved parents who have always been a source of inspiration for me. They encouraged me every time, every day in order to complete the project in time.

## **Abstract**

The thesis aims to explore the growing tendency of regionalism in the changing power scenario and particularly focuses on potential of the Shanghai Cooperation Organization (SCO) as a regional bloc of two major world powers along with four other Central Asian Republics. The final objective of the study is to identify opportunity areas for Pakistan if it becomes permanent member of the Asian entity. It analyzes the overall trends in the current international power politics so as to make feasible policy recommendations for securing and extending Pakistan's national interests. The thesis argues that today there is accelerated economic integration among nations in the form of regional blocs. The world is being viewed as multipolar. Most of the emerging powers belong to the East, situated in the Asian continent. The US supremacy is being challenged by some of them. It finds out that SCO which was founded by two great powers has got a promising start. The research stresses upon Pakistan's significant geographical position which could be better utilized by emphasizing more on building close ties with Russia and Central Asia. SCO, in this regard, provides an ample opportunity for Pakistan to adjust its central position in the regional politics of Asia.

## Acronyms

AFTA	ASEAN Free Trade Area
ASEAN	Association of South East Asian Nations
AU	African Union
BRIC	Brazil, Russia, India and China
CARs	Central Asian Republics
CSBA	Centre for Strategic and Budgetary Assessments
ECO	Economic Cooperation Organization
ECSC	European Coal and Steel Community
EEC	European Economic Community
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
ICBM	Intercontinental Ballistic Missile
SEATO	Southeast Asian Treaty Organization
MoU	Memorandum of Understanding
NAFTA	North America Free Trade Agreement
NATO	North Atlantic Treaty Organization
RATS	Regional Anti-Terrorism Structure
RAW	Research and Analysis Wing
SAARC	South Asian Association for Regional Cooperation
SAFTA	South Asian Free Trade Agreement
RSC	Regional Security Complex

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## INTRODUCTION

The nature of power trends is not static, its an evolving phenomena - change with changes in the power structures of different countries in the world. With the breakup of the USSR in 1991, the world turned into uni-polar from the bi-polar system. The United States achieved the status of the sole superpower. It is still a dominant power, however the world today is presuming as a non-polar or multi-polar. Some other countries are making headway, Russia a cold war rival of the US is regaining its lost power and some other power centers are emerging like India, European Union, and China. Hegemony of the US is being challenged in many ways even by small countries like Iran and North Korea. American economic graph shows recession, the value of dollar is going down compared to the euro and other currencies, and the US is asking for aid and loan to stabilize its economy. There is now a visible power shift from west to rest and to some scholar from the west to east.

The transformation of the international power outlook that is visible in the foreseeable future would no doubt have their consequences on almost every country. Change in international political and economic environment forced countries to change their foreign policies in a way to maximize their national interests. The evolving nature of international power paradigm has brought changes in the countries priorities and more reviews are expected as the picture becomes clearer. Currently, it has accelerated economic integration among states, promoted the concept of regionalism, and nations are trying to seize opportunities to make alliances and enhance regional cooperation in order to extend their economic, political and strategic interests. To have durable peace and economic development in a region, nations have

realized the need to step up efforts from bilateral to regional cooperation. And every state wishes to have a valuable say and rightful place in the world politics matches with the new world order so as to secure its national interests.

### **Significance of the Research**

Pakistan, in the context of its important geo-graphical location is not beyond the consequences of the visible changing world order. It is facing many challenges and may face more if did not come up with right approaches. However, the changing world order would also bring some opportunities for Pakistan as well. As the challenges need right approaches similarly the opportunities need strategies to get full advantage of them. In the challenges category for Pakistan, the foremost is terrorism and extremism in addition to the bad economic condition, political instability etc. The insecure internal security environment has badly affected economic condition of the country. Pakistan, therefore, needs to look out other areas of good will for economic and political support instead of just depending upon the US.

Pakistan already has time-tested good bilateral relations with China – an emerging world super power. Pakistan could strengthen the existing trust worthy relations with China by extending cooperation in other areas on which cooperation has not yet been explored. Pakistan needs to build good relations with Russia which is the call of the time. Pakistan has ignored Russia and has always looked towards the US of whom loyalty towards Pakistan has time and again been questioned in the academic circles. Russia on the other side has taken interest in having good relations with Pakistan in the past and still willing to start new era of cordial relations with Pakistan. Two factors could be made responsible for the current bad relations between Pakistan and Russia.

First, the pressure from the US side did not allow Pakistan to go for building cordial relations with Russia. And second, Pakistan also did mistakes which keep both countries away from each other. Russia today is re-gaining its lost power. It is again emerging as hard competitor against the US. And Pakistan this time needs not to repeat its past mistakes. Building trustworthy and cordial relations with Russia is in the best interest of Pakistan but ironically Pakistan has not yet taken serious steps in this regard. Pakistan ought to show flexibility towards Russia by understanding the appearing realities of the world politics. Furthermore, Pakistan, keeping in view the geo-political and geo-economic reasons, can not ignore the developments in Central Asia which will have an effect on it. Pakistan therefore, needs to find its due economic and strategic share in Central Asia. There is going a great game in Central Asia, Pakistan should have to explore new avenues of cooperation with Central Asian republics and the region offers many opportunities for Pakistan.

In this regard, Shanghai Cooperation Organization (SCO) which is considered the power hub of its member countries, could be a forum where Pakistan may find its due place and may extend its national interests. The organization has brought together two major powers of the world – China and Russia along with four important Central Asian republics. It seems that in the emerging geo-political fault lines in the region and in the world, the SCO is set to play a major role. Pakistan, which currently is an observer, can not remain aloof from such an important organization. A number of geo-political and geo-economical realities dictate that Islamabad should make every effort in joining this group. Pakistan could utilize this opportunity for extending good relations with both the world power (China and Russia) and all the four important

Central Asian members of the organization. It is not going to change the fate of Pakistan, however can play a vital role in improving its economic, defence and security relations with all its members especially with Russia. Formally the agenda of SCO includes energy, transportation, and security issues, as well as combating terrorism and drug trafficking on SCO territory. Pakistan's entry may shift the SCO's geographical focus to South Asia, which has many problems needed to be solved. Gaining the status of full member of the organization may also upgrade Pakistan's positive image outside the world and may use this forum for enhancing relations with other observers of the organization.

### **Motivating Force for the Research**

It could be said that the ultimate solution of a problem is to realize and understand the reality and the reality is that International trends of power structure show that the international world order is multi-polar today with dominant position of the US, Pakistan has important geo-strategic position, and therefore, playing a vital role as a front line state of war on terror. Moreover, Pakistan's relations with India are full of mistrust. If Pakistan did not come to realize the emerging challenges, did not get advantage of the opportunities which the new world order offers, and did not build trustworthy relations with new power centers and only focused on improving bilateral relations with the US in the age when its own power potential graph shows decline, then Pakistan may be in disadvantageous position.

### **Research Purpose**

The research aims to present a comprehensive analysis of the importance of SCO members and the impact of the organization in the changing dynamics of world power



political and economic relationships. Today, ownership of the means of production is more important than ownership of the means of destruction, and cooperation is more effective than coercion. He argues that European Union has become the world's biggest economy, and most of its wealthiest members have adopted a single currency that threatens the dominant position of the US dollar. He also argues that internal developments such as long-term domestic economic problems, the diversion of public spending into the military, internal social and political divisions to the US have compromised and undermined its abilities to exploit its power. He believes that the age of military superpower is over and we must rethink our understanding of the term superpower.

Jenny Clegg, in her book titled, *China's Global Strategy towards a Multipolar World*, (published by Pluto Press London in 2009), says that China is emerging as powerful state on the world stage, while the economy of the United States is riddled with bad debt, dragging the rest of the world towards recession, and many are increasingly looking to China's development as a source of global economic stability. She points out that China visualizes its future to be as one power amongst an increasing number of others within a wider multipolar context, as it develops alongside other developing countries and their regional organizations. China has followed an essentially self-reliant path - free from the dictates of foreign capital. While talking about SCO, she argues that by confronting the power politics of energy competition and providing a means for Russia and China to manage their tensions, the SCO embodies an unprecedented model of international relations, one of peaceful coexistence between major powers.

Jyotsna Bakshi, in her article titled 'Shanghai Co-operation Organization (SCO) before and after September 11' says that the West tends to view SCO as a Chinese-Russian attempt to be the decision makers in Central Asia to the exclusion of others. Prior to September 11 China was being viewed as the 'strategic competitor' of the USA." Thus, the formation of the SCO was seen as being aimed at 'combating American hegemony / promoting 'multi-polarization,' and a potential counterweight to NATO. The SCO projected an image of a powerful regional organization with increasing cohesion and purposefulness.

'Old Friends, different times' an article by C. Raja Mohan, published in *Daily Times* on 8 December, 2009, says that Russia extended support to China's initiative to build the Shanghai Cooperation Organization. Both Moscow and Beijing had a common interest in preventing the US from meddling too much in Central Asia. The writer also put light on the huge possibilities of future fields of engagement between India and Russia which is a core member of the SCO.

*Power Shift: China and Asia's New Dynamics*, a book by David Shambaugh, (published by University of California Press in 2005) the author while talking about the objective of China in taking the lead to establish the SCO, says that it was the part of Beijing regional security strategy to engage not only the Central Asian republics in multilateral security discussion, exchanges and confidence-building mechanism but Pakistan and India as well.

'India plays catch-up in the great game', an article of M. K. Bhadrakumar, published in *Asia Times* on 18 July, 2009, found that the US today has less leverage to advance its interests in Central Asia than in the 1990s. The US continues to enjoy

enormous "soft power" in Central Asia, but China's presence is cutting into its leverage. He says that a strategic alliance between Russia and China in Central Asia within the framework of the SCO was a long way from materializing and there was scope to work on the differing priorities of Russia and China within the SCO.

Bobo Lo, in his book, titled *Axis of Convenience: Moscow, Beijing and the new Geo-politics*, (published by Brookings Institution in 2008) while talking about the importance of SCO, says that the SCO is not simply a souped-up version of the 'Shanghai Five'. The author says that the presence of two great powers in SCO has made the SCO genuinely a multilateral organization. Moreover he says that in addition to enhanced political coordination, the SCO has contributed lot to the development of bilateral and multilateral security ties between member states and there is a growing interaction between the militaries of the member states.

Amina Afzal, in her article titled 'Security Cooperation in Central Asia: the Changing Role of Multilateral Organizations', published in *ISSI Journal* in 2006, talks about the joint efforts of China and Russia to use the SCO as a vehicle for an anti-western front. She says that China continues to play an important role in the organization. China's growing influence in Central Asia is evident from its bilateral relations with each Central Asian state. She is of the view that the SCO has come a long way from an organization created to resolve border disputes into one fighting threats of extremism, terrorism and promoting greater economic integration and development. Furthermore she says, the organization is seeking to reduce US military presence in Central Asia.

'Pakistan's Bid for SCO Membership: Prospects and Pitfalls', an article by Rizwan Zeb, published by *Central Asia-Caucasus Institute Analyst* on 26 July, 2006, says that over the years, the SCO has emerged as an important regional organization which is now viewed by a number of western, and especially American scholars, as a challenge to American interests. What is more worrisome is the dominant role of Russia and especially China in the SCO. Lately, the SCO has firmed its grip on Central Asia when it received Uzbekistan fully back into its fold, and its clear support for the regimes in the region and the vacation of American forces from its bases in the region. Moreover, the author talks about the SCO policies regarding a number of regional issues, especially Iran and Palestine, are also counter to America's agenda in the region. The invitation to the Iranian President to attend the summit resulted in sharp criticism from Washington. He also says that keeping in view the geo-political and geo-economic reasons, Pakistan should improve its defence and security relations with all members of SCO especially with Russia.

Asma Shakir Khawaja, in her article titled, 'Pakistan and the New Great Game', published in *IPRI Paper-5*, highlighted the importance of Central Asian Republics. She says, the recorded history of the region reveals the prominent role Central Asia played in the past. Now, once again, the area has become the focus of attention of the contemporary world, therefore Pakistan should also find out its due place by developing economic ties with the Central Asian States.

'Role of Observers in SAARC' an article of Dr Rashid Ahmed Khan, published in *IPRI Journal* in 2009, in which the author pointed out the importance of an observer in a multilateral organization by saying that countries send their senior diplomats to

watch the deliberations of these conferences with a view to exploring the opportunities for further interaction with the member countries in the political, economic and cultural areas. It also gives them an opportunity to assess the future trends in political and economic development in the region and plan their strategies for future relations with the countries of the region in the light of these trends.

The literature review suggests that it is hard to afford enmity with any state especially with a big power in the contemporary international power politics. Pakistan as an important country of the international community must develop its foreign policy according to the demands of evolving international affairs.

### **Research Methodology**

The thesis is descriptive and both primary and secondary sources of research have been incorporated in the study as an adequate support for the hypothesis and addressing the research questions.

### **Structure of the Thesis**

The research is organized into three main chapters. The first chapter talks about the changing international power paradigms. The second chapter deals with the importance of SCO as a regional alliance and its potential compared to the other regional organizations. In the final chapter, the significance of SCO in terms of problems and prospects for Pakistan is covered along with some workable policy recommendations.

# CHAPTER 1

## EMERGING TRENDS OF INTERNATIONAL POWER POLITICS

This chapter explores the concepts and predictions which are based upon the indications showing that there are visible changes in the international power politics. It puts light on the literature pointing to assumptions that the world order is changing from unipolar to multipolar. The chapter starts with defining and understanding some key terminologies like power, hegemony, categorization of power etc. This is followed by the main body of the chapter ending with some concluding remarks.

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Gaining absolute power is the common agenda of every state in the world. Some states are striving for gaining this status, some are facing challenges to maintain the gained status. The most difficult task is not to gain a position but to maintain that position for a longer time as nations have natural tendency to rise against other powerful nations and challenge their supremacy.

International relations have never been a static phenomenon as shifts in relative power of actors at the world stage continuously take place. It generally revolves around great power politics which has tendencies of cooperation, competition and conflict.<sup>1</sup>

In the following paragraphs, there are defined some key terminologies which have been regularly used in the thesis.

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<sup>1</sup> Ishtiaq Ahmad, "Forging a Doctrine of International Community in a Post-Unilateral Environment," *Margalla Papers* (Special Edition) 2009, p.04

## **Power**

Power is the influence capacity of a state which it enjoys upon other states in the world. Political scientists generally use the term “power” to refer to a relationship of influence. As Robert Dahl put it, power is “A’s ability to get B to do something it would not otherwise have done” (or, of course, to prevent B from doing something it otherwise would have done). In international relations, the same term of “power” is often equated with resources: measurable elements that states possess and use to influence others.<sup>2</sup>

Kenneth Waltz suggests that power in the international system can be understood as the capacity of a state to affect the behavior of other states while resisting unwelcome influence from those states.<sup>3</sup>

As international relations is regarded as the game of big powers, so the great powers especially the one which enjoys supremacy behave aggressively to seek more power because they believe that getting more power is hidden in projecting the already acquired power.

## **Hegemony**

The debate over hegemony in the current world political order is somewhat confusing. It is argued that hegemony is not just a set of material conditions in which one state is predominant, rather it is a status bestowed by others, and rests on recognition by them in return for bearing special responsibilities.<sup>4</sup>

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<sup>2</sup> William Wohlforth, “Unipolar Stability: The Rules of Power Analysis, *Harvard International Review*,” Vol.29 (1)-Spring 2007

<sup>3</sup> John McCormick, *The European Superpower*, (New York: Palgrave Macmillan, 2007), p. 12.

<sup>4</sup> Ian Clark, “Bringing hegemony back in: the United States and international order,” *International Affairs* 85: 1 (2009), p.23

Some intellectuals argue that hegemony is a position of a state to do anything right or wrong, legal or illegal according to its own wishes and interests without taking care of other countries' reservations and concerns and no country could dare to ask her about the misdeed. In Gramscian terms, it is exercised through consent as well as coercion.<sup>5</sup>

Samuel Huntington defined a hegemonic state as one able "effectively to resolve all important international issues alone and no alliance of other states would have the power to prevent it from doing so."<sup>6</sup> In other words, a hegemon state is the one which could maintain the prevailing international system. Conversely, dominance is the capability to have influence in the world politics greater than the rest.

The United States according to these definitions could be recognized as the most powerful and dominant state in the current world order but not a hegemon one. Today, the US is not in a position to use its ultimate influence on other states for doing all what it wants. Claims of its hegemonic position have been based on the unipolar system that was prevailing after the end of the cold war and on an unprecedented preponderance of material resources it had. Interestingly, Washington is still pursuing a strategy of using military power for achieving its international ambitions and maintaining supremacy which is not going to work in the current economically integrated multipolar world.

### **Criteria for Great Powers Rankings**

There is no well defined criteria for the measurement of the ranking of great powers. However, the elements of national power (both tangible and intangible) could

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<sup>5</sup> Jenny Clegg, *China's Global Strategy towards a Multipolar World*, (London: Pluto Press, 2009), p. 12

<sup>6</sup> William Wohlforth, Op.Cit.



be considered as criteria for giving ranking to major powers of the world. The economic condition, the GDP rate, population size, geography and geographical position, resources, ideology, military muscle, leadership and internal strength and stability etc, come under the category of giving ranking to the major world powers.

### **Categorization of Contemporary Great Powers**

At present, there are many great powers in the world. Some analysts have described the world power ranking by putting them in separate tiers depending upon their current power status. According to that, the US is in the tier 'A', China and Russia in the tier 'B', Germany and Japan in tier 'C', India in the tier 'D' while Brazil, France, Turkey and the United Kingdom come in tier 'E'.<sup>7</sup> Five permanent members of the UN Security Council have universally been recognized as big powers having greater responsibilities for maintaining the world peace.

#### **1.1 Trends of International Power Politics**

World order has taken many shapes in the past and is still in the evolving form. New states and centers of power are emerging with the passage of time and this process could not be stopped. The weakness of one state becomes the cause of strength of the other. As Kenneth Waltz puts it, 'overwhelming power repels and leads other states to balance against it'.<sup>8</sup> At the start of the twentieth century, the world was multipolar in nature with many strong states. World War-II changed the world system into bi-polar. This bipolarity was replaced by unipolarity with the end of the cold war in 1990s.

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<sup>7</sup> "Great power politics," available at: <http://greatpowerpolitics.com/?p=1137> (accessed April 15, 2010)

<sup>8</sup> John McCormick, op. cit. p. 23.

## 1.2 Current Status of the World Order – Transition from Unipolarity to Multipolarity

Contemporary international system is predicted as the end of the unipolarity and the dawn of multipolarity. Power today is considered as diffused rather concentrated.<sup>9</sup> This multipolar international system of today is connected with the general acknowledgment that there are many other states emerging with immense potential. The traditional concept of hegemonic state is over. Emerging powerful states like China, Russia, India, and Brazil have ended the unipolar moment of the United States. The group of eight big countries (G8) is now been eclipsed by those of the more inclusive G20. The industrial production level of these countries has relatively increased compared to the US. The increase in their output and consumption levels has therefore led to an incredible increased demand for energy, raw materials, food and water.<sup>10</sup>

In contrast to the multipolar world order, it is also argued that world today is not multipolar but is 'nonpolar'. Whether the contemporary international system is multipolar or nonpolar is also an important question to be answered. The powerful states (China, India, Russia, the US and Brazil, etc) and influential organizations (European Union, ASEAN, the UN etc) in the world clarify that there is prevailing multipolarity but on the other hand there are dozens of other non-states actors and organizations too which presume the international system as nonpolar. These non-state actors and organizations do have powerful influence on the world affairs and sometimes they challenge writ of a state. Apart from the newly emerging states, the

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<sup>9</sup> Richard N. Haass, "The Age of Non-polarity: what will follow US dominance," *Foreign Affairs*, May/June 2008

<sup>10</sup> Immanuel Wallerstein, "Where is the World Headed?," *Yale Global*, July 10, 2008

other actors which consume some degree of power in their hands include the nongovernmental organizations, the regional and international organizations/agencies, different types of other union and associations and common wealth banks/agencies.

Multipolar world as we understand is the one which involves distinct poles or concentrations of power while international system of nonpolar is characterized as the presence of numerous centers with meaningful power.<sup>11</sup> While in nonpolar international system, power is further diffused from states to non-state actors, and into dozens of other actors and organizations which possess and exercise power and influence.

The presence of the above mentioned powerful states and non-state actors nullify the hegemonic position of the United States. However, the answer of the non-polar or multipolar international system is a bit confused. Anyone of the two could be favoured and argued, as in social sciences any statement could be challenged and proved wrong, however to my understanding the contemporary world order is multipolar rather than non-polar. The logic is that powerful states have always ruled over the international affairs overwhelmingly, not the other actors with some specific kind of influence. Absolute power always rests with states not with organizations / non-state actors. Large scale destructive war or cold war which has great influence on the world politics is fought between or among states not often between other actors.

### 1.3 **Relative Decline of the United States Supremacy**

The transition from unipolar international system to multipolar is the result of the weaknesses of the US which was once fashionably considered as the sole hegemonic

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<sup>11</sup> Richard N. Haass, op. cit.

power after the end of the cold war. The US is still placed in the tier 'A' of the major power rankings as compared to the rest and its position is still dominant, however, its hegemony has ended as the US is predicted to lose either its will or its nerve to sustain that role, or even more importantly because of US 'decline' in the face of the 'rise of the rest'.<sup>12</sup> Though today the US has largest economy of the world and spends only 4 percent<sup>13</sup> of its GDP on military however, its economic growth rate compared to the other emergent giants is low and the differential ratio seems to increase further which would certainly put more limits on the US geopolitical and military power projection in the future. These limits would further improve the strength of its rival powers in the world.

Although the international power is diffused and the rising giants are predicted to alter the international balance of power, however it is argued that the rising states do have their own limitations and constraints which are going against their actual strength and put limitations on decreasing their parity with the US. For example, it is argued that Chinese economy is indicating high growth rate, however, the country has largest population in the world which is an obstacle for maintaining the growth rate.<sup>14</sup>

Another argued constraint on the competitor states is that they are bound to follow obligations of the international system – international law. They do not, accordingly,

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<sup>12</sup> Ian Clark, *op. cit.*

<sup>13</sup> The US defence secretary Robert Gates on 7 April 2009 announced major cut in the next year defence budget.

<sup>14</sup> Obstacle here means that providing basic facilities like food, health, education, employment etc, to such large population is a tough job for the Chinese government and a burden on the economy, it is argued. However, it is also a fact that China has controlled its population growth and is utilizing its large population as an asset instead of considering it a problem to be solved on urgent basis. Today the people of China are happy with the government welfare policies. Due to fast economic development and public-oriented policies of Chinese government, unemployment problem has been solved, poverty has almost been alleviated and people are satisfied with their lives. On the contrary, American people are not satisfied with their lives and policies of their government. According to a recent survey 60% of Americans are against the US' war against terrorism in Afghanistan (*Daily Express* of 17 December, 2010).

want to disrupt an order that serves their national interests. Those interests are closely tied to cross-border flows of goods, services, people, energy, investment, and technology -- flows in which the United States plays a critical role.<sup>15</sup> It is said for the above mentioned reasons that the US would remain a dominant player in the world politics for few more decades ahead.

The decline of the US dominated unipolar world has many reasons for it. The current US position and the reasons for its relative decline in the international system have been discussed in the subsequent paragraphs.

### 1.3.1 Economic Decline of the United States

A country's profile could be judged broadly by its economic, political and military muscle. The current position of the US shows that it has lost its hegemonic status. Its economy which had been the basic strength of its superiority is showing recession. Recession as argued is not just decline of GDP but is significant decline in economic output lasting more than a few months and visible in industrial production, employment, real income etc.<sup>16</sup> Unemployment rate today in the US is rising. It increased from 6.8 percent to 7.2 percent at the end of 2008, and employers cut 524,000 jobs, bringing job losses for all of 2008 to 2.6 million — the most since 1945.<sup>17</sup>

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<sup>15</sup> Richard N. Haass, op. cit. (For many it would be a constraint to abide by an international law, but in actual it is now being used as a strategy to rise economically as a strong country. For example, China is pursuing a philosophy of peaceful rise, and has focused on strengthening its economy. Abiding international law and not indulging in confrontation with any state is in the best of interest of China. Beijing has realized this verity three decades ago when it went for reforming its economy in 1978).

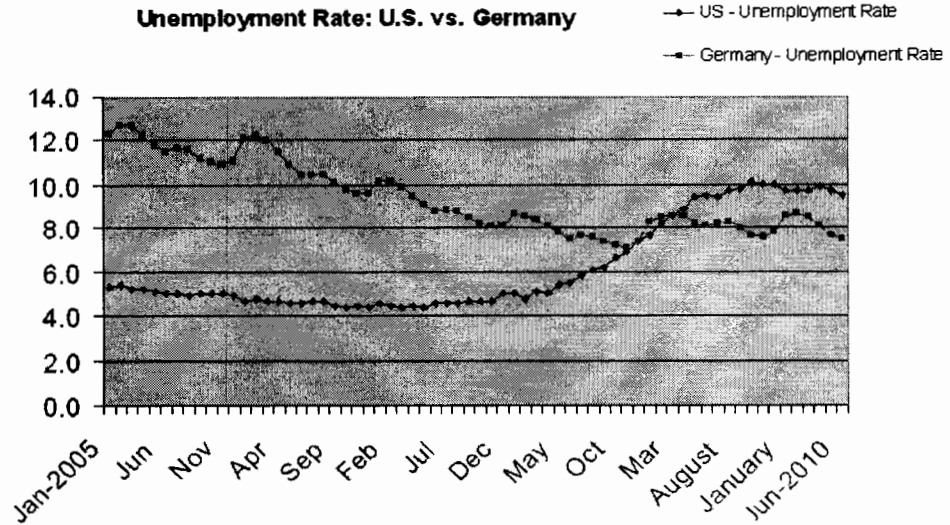
<sup>16</sup> "US entered a recession in December 2007," available at:  
<http://news.bbc.co.uk/2/hi/business/7759470.stm>, (accessed 21 September 2009)

<sup>17</sup> "Asian stocks fall after US unemployment rises," *The News*, 12 January, 2009



Source: US Department for Labor; Bureau of Labor Statistics

According to the latest official figures, unemployment rate in the US has reached 9.8% (by November 2010),<sup>18</sup> and the number of jobless Americans has touched 15 million.<sup>19</sup>



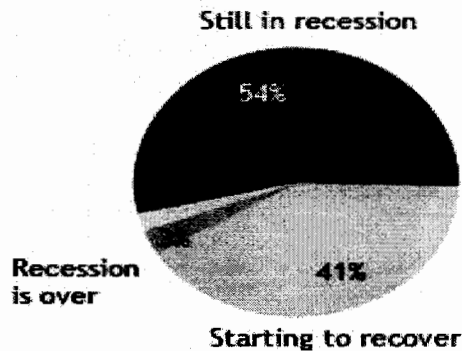
Source: www.topforiegnstocks.com

America's Treasury Secretary Timothy F. Geithner has warned that economy is not recovering rapidly which may rise unemployment more.<sup>20</sup>

<sup>18</sup> United States Department for Labor, Bureau of Labor Statistics, available at: <http://www.bls.gov/cps/> (accessed 8 December, 2010)

<sup>19</sup> PTV News, 3 December, 2010

Large scale unemployment problem of the US has jeopardized social lives of Americans and majority of public is not hopeful for early recovery of the recessed economy.



Source: Pew Research Centre

America today suffers from huge trade and budget deficits.<sup>21</sup> It requested \$300 billion from four oil rich Gulf States. Saudi Arabia for \$120 billion, the United Arab Emirates for \$70 billion, Qatar for \$60 billion and is seeking \$40 billion from Kuwait as financial aid to face the fallout of the financial crisis.<sup>22</sup> This budget deficit has weakened the value of the dollar against the euro and the British pound, and its value is likely to decline against the Asian currencies as well. A weaker dollar is expected to further mount oil price internationally which again goes in favour of the oil producing countries.<sup>23</sup> A weaker dollar also reduces American leverage in international financial institutions such as the

<sup>20</sup> "A Review of Unemployment Rates in the US and Germany," available at: <http://topforeignstocks.com/2010/08/04/a-review-of-unemployment-rates-in-the-us-and-germany/> (accessed 4 December 2010)

<sup>21</sup> "Challenges to the US Empire," available at: <http://www.globalpolicy.org/empire/challenges/challengesindex.htm> (accessed 12 May 2010)

<sup>22</sup> "US begs 300 billion dollars from Gulf States," available at: <http://www.abovetopsecret.com/forum/thread414114/pg1> (accessed 22 March 2010)

<sup>23</sup> The oil price has already been tripled since 1999. Yousuf Nazar, "US Quest for Global Energy Control," *Dawn*, 04 November, 2006

World Bank (WB) and International Monetary Fund (IMF).<sup>24</sup> It has lost 60% of its value against euro.<sup>25</sup> The obvious candidate for replacing dollar is the euro.<sup>26</sup> A majority of the world's foreign exchange holdings are now in currencies other than the dollar, a step that would only leave the U.S. economy more vulnerable to inflation as well as currency crises.<sup>27</sup>

The United States policies have also played a role in declining the US economic condition. Former President Bush's policy of fighting costly wars in Afghanistan and Iraq put extra burden on the economy. Its military spending has increased by an annual rate of eight percent. As a result, the United States' fiscal position declined from a surplus of over \$100 billion in 2001 to an estimated deficit of approximately \$250 billion in 2007.<sup>28</sup> It is calculated that the US' Iraq and Afghanistan wars have cost \$904 billion since 2001 and could top \$1.7 trillion by 2018, according to a report released by the non-partisan Centre for Strategic and Budgetary Assessments (CSBA).<sup>29</sup> And the wars may consume \$3 trillion in the longer run, putting severe economic constraints on the dwindling domestic economy.<sup>30</sup>

Apart from that, the US industrial production rate also shows decline, which results in more imports and less exports. Its economic interests necessitate it to enhance cooperation with large markets of the world like that of China,

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<sup>24</sup> Najmuddin A. Shaikh, "Global Trends and Evolving Strategic Environment: Options for Pakistan," *Margalla Papers* 2007, p.02

<sup>25</sup> Nazir Hussain, "Sustainability of Pax-Americana in the light of Iraq and Afghanistan Experiences," *Margalla Papers* (Special Edition) 2009, p.30

<sup>26</sup> Immanuel Wallerstein, op. cit.

<sup>27</sup> Richard N. Haass, op. cit.

<sup>28</sup> Ibid.

<sup>29</sup> "US costs for Afghan, Iraq wars exceed \$900b," *The Nation*, 17 December, 2008

<sup>30</sup> Nazir Hussain, op. cit., p.31



however, this cooperation is paving way for China's advantages - promoting China's rise in a US-dominated multipolar world.<sup>31</sup> Currently the domestic market of the US is controlled by Chinese goods – Chinese export to the US had reached \$337.8 billion in 2008 compared to the \$71.5 billion of the US export to China.<sup>32</sup>

Quoting a column of Gerald Seib in the *Wall Street Journal*, Simon Tisdall says:-

The US government this year will borrow one of every three dollars its spends, with many of those fund coming from foreign countries, which will weakens America's standing and its freedom to act; strengthens China and other world powers, including cash-rich oil producers; puts long term defence spending at risk; undermines the American system as a model for developing countries; and reduces the aura of power that has been a great intangible asset for the US presidents for more than a century.<sup>33</sup>

There have even been predictions from academicians agreed by large masses that the US will collapse in the near future. For instance, Russian academic Igor Panarin has predicted that the US' economic, financial, and moral degradation

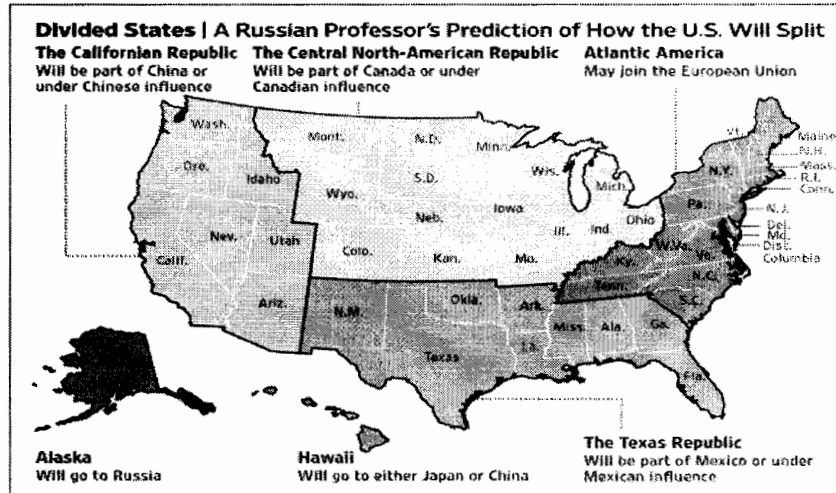
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<sup>31</sup> Tie Jun Zhang, 'China: Towards Regional Actor and World Player,' Mary Farrell, Bjorn Hettne, Luk Van Langenhove (eds) *Global Politics of Regionalism: Theory and Practice* (London: Pluto Press, 2005), p.249

<sup>32</sup> "Washington not trying to contain China: Obama", *Daily Times*, November 17, 2009

<sup>33</sup> Simon Tisdall, "America is broke and needs its old friends," *Daily Times*, 04 February, 2010

will provoke a political and social crisis in America and this would trigger a civil war which will ultimately result in the disintegration of the superpower.<sup>34</sup>



Source: *Daily Times*, 31 December, 2008

### 1.3.2 United States Supremacy being Challenged Today

With the decline of the US economic position, its overwhelming influence in the world politics/affairs is also showing decline. Even the weaker states which do not have any comparison to America have challenged its supremacy. Take up the example of Iran and North Korea which have openly rejected America's supremacy. To stop them from acquiring nuclear weapons capability is a tough job for America and may need US to use force against both which is again a big risk. Both the countries have openly expressed commitment to their just right to have peaceful nuclear program and in case of North Korea, it has openly admitted having nuclear weapons. And has warned the US and South Korea of possible nuclear weapons attack if it felt threat from any side.

<sup>34</sup> Andrew Osborn, "The United States would disintegrate in 2010," *Daily Times*, 31 December, 2008

On the other side, the Iraq war experience and the ongoing war in Afghanistan have revealed that once the sole superpower is not now superpower. Despite the coalition forces support, the US has faced military defeat in Iraq and in Afghanistan especially. Asked during an interview, the American President Obama has also acknowledged that the US is not winning war in Afghanistan and wants to go for negotiation with Taliban.<sup>35</sup> After eight years, the 'global war on terror' has not been won beyond Kabul, which put severe limits on the American supremacy.<sup>36</sup> To withdraw forces from Afghanistan is also not an easy task and in case the US starts withdrawing its troops by July 2011<sup>37</sup> it may again give way to Taliban to regain power in Kabul. NATO members states are not agreed to send more troops to Afghanistan which is another big challenge to the US. Similarly, the US is now realizing that its own allies may not be prepared to opt for punitive measures against Iran and North Korea for their own interests.<sup>38</sup>

China and Russia because of their close relations with Iran and to safeguard their own national interests associated with Iran, have ignored the US pressure and are reluctant to support sanctions on Tehran.

Turkey, a partner of NATO rejected Washington's request to give its airbases to the US Air Force during the time of Iraq invasion and its parliament

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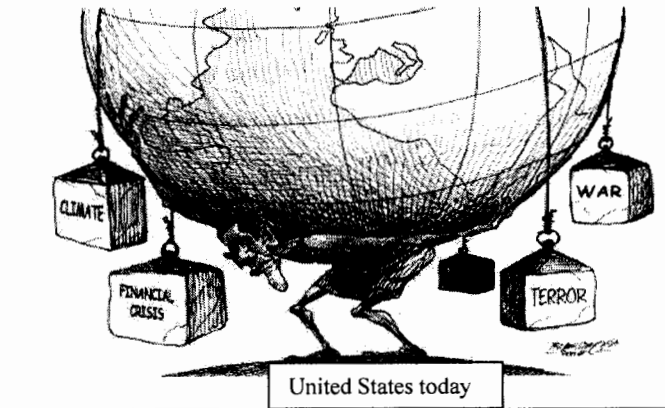
<sup>35</sup> Tim Reid and Michael Evans, "Obama says US is losing war in Afghanistan," *The Sunday Times*, 09 Mar, 2009

<sup>36</sup> Nazir Hussain, op. cit., p. 23.

<sup>37</sup> It was announced by the US President Barack Obama in his new Afghan-Pak policy in March 2009 that withdrawal of the US forces from Afghanistan will start in July 2011, however, this deadline could be a strategy to start negotiation with the Taliban as it has been one of the demands of the Taliban to issue a final timetable of leaving Afghanistan before going for negotiation. One other point needs to be highlighted is that NATO and US forces withdrawal would be gradual depending upon many factors, and NATO may complete its troops withdrawal by 2014 as decided in the recent two days (19-20 November, 2010) NATO conference in Lisbon, Portugal. However, the US is still pressing NATO members for long-term military commitments beyond 2014.

<sup>38</sup> Shireen M. Mazari, "From Unipolarity to Multipolarity: Charting a Strategy for Pakistan," *Margalla Papers* (Special Edition) 2009, p.46

openly said 'No' to the US. The US hegemony has also been many times challenged by the Venezuelan President Hugo Chavez. He has seized control of the remaining oil projects in Venezuela controlled by large American and European energy companies.<sup>39</sup>



All this shows that what the US is really capable of - even the small states are not accepting the US supremacy. A survey report clearly shows that majority of Americans do believe that America has lost its role as world leader.



Source: Pew Research Centre

<sup>39</sup> Simon Romer, "Chaves takes over Foreign-Controlled oil projects in Venezuela," *International Herald Tribune*, 2 May, 2007

In short, the US has lost its sole superpower status, it is not what it once was, and its global leadership role is being challenged by other powers. It is vulnerable to cope with the internal and external challenges and suffering from the big gap between its ambitions and resources.

Today US is dominating international power politics because of its friends' support – the UK, Australia, Canada and some European and NATO allies. It is facing hurdles and limits today in projecting/using its military power against countries which are openly challenging its supremacy. It could be presumed that the US needs its friends today and it might be hard for it to achieve its future goals alone without the open handed support from its allies. This grim reality has been predicted in the *International Institute for Strategic Studies (IISS)* report which warns that Washington will increasingly have to rely on other countries to help achieve its aims. Helena Cobban (a researcher on international affairs for the *Christian Science Monitor*), in one of her articles says that if the US wants to secure key foreign objectives such as an orderly withdrawal from Afghanistan, resolution of the problems with Iran, or a durable Palestinian-Israeli peace, it will need to work in respectful consort with other world powers, not alone.<sup>40</sup>

The US President has admitted the limits on the US' ability to impose its will on other countries to achieve its foreign policy objectives by itself.<sup>41</sup> To cope with the financial crisis at home and the declining image and power of America, President Barack Obama has chosen to 'reset' ties with Russia and

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<sup>40</sup> Helena Cobban, "Barack Obama and America's place in the world," *Christian Science Monitor*, 15 Dec, 2008, available at: <http://www.globalpolicy.org/empire/challenges/general/2008/1215obamaandus.htm> (accessed 29 April 2009)

<sup>41</sup> "Crisis fails to topple US as world's top power," *Daily Times*, 16 November, 2009

China.<sup>42</sup> Mr Obama's visit to China in November 2009 and his recent visit to India in November 2010 could be assumed as steps in this regard.

#### 1.4 Other Factors Promoting Multipolarity

Multipolar or nonpolar world is not simply a result of the rise of other power centers or of failures of the US policies. It is also the consequence of many other factors like globalization, regionalism/alliances, international law, significance of geographic locations of states, their resources and technological advancement, etc. Contribution of each factor is elucidated as below:-

##### 1.4.1 Regionalism / Alliances

The role being played by regionalism and alliance phenomenon cannot be overlooked. The process of regionalism and alliance system, in one way or the other, bound to have an impact on the future world order.<sup>43</sup> The alliances are in the shape of establishment of new regional organizations and also in the form of close collaboration between and among likely minded countries for joint ventures.

This propensity is not going in the US favour. If on one side it has served the US interests to some extent, but on the other side, some anti-US regional groupings and alliances have put the US' interests at risk around the world and in many cases damaged them. For instance, Shanghai Cooperation Organization (SCO) which has become a common forum of two big powers committed to work together under the umbrella of the organization for

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<sup>42</sup> C. Raja Mohan, "Old friends, different times," *Daily Times*, 08 December, 2009

<sup>43</sup> Bjorn Hettne, "Regionalism and World Order," Mary Farrell, Luk Van Langenhove (eds) *Global Politics of Regionalism: Theory and Practice* (London: Pluto Press, 2005), p.286

sustaining and strengthening the prevailing multipolar world order.<sup>44</sup> Likewise, regional alignment of Venezuela, Bolivia and Cuba is a concern for the US in its neighbourhood. Washington's interests have been threatened by the aforementioned countries separately long time before and now their alliance with each other pose a threat to the US. The alarming occurrence in this regard is that Russia has established close ties with all these countries. In the recent past, the Presidents of both the countries exchanged visits, and they agreed to work for strengthening of the multipolar world. The joining together of Bolivia and Cuba with Venezuela and an active outside backing by China and Russia could pose a challenge to the US in the region.<sup>45</sup> Besides, Iran has developed close trustworthy relations with Venezuela. In a joint statement during a visit of Iranian President to Venezuela, both countries leaders announced to spend up to £1 billion to help other countries free themselves from domination by the United States.<sup>46</sup>

#### 1.4.2 Violation / Misuse of International Law

International law which is bound to be respected by all states of the international community is not being given due respect, has been violated in the past by Washington for safeguarding its own national interests. America has been and still dictating other states to abide by the international law but is not abiding by it herself when it comes to its own interests. Washington has

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<sup>44</sup> European Union (EU) type integration may not happen in the SCO as all its members have different priorities of interests, however, their commitment for shared interests is visible in many areas.

<sup>45</sup> Nazir Hussain, op. cit., p.33

<sup>46</sup> Natalie Pearson, "Venezuela and Iran put up £1 Billion to free nations from US Imperial Yoke," *Scotsman*, January 15, 2007, available at: <http://www.globalpolicy.org/empire/challenges/general/2007/0115iranvenezfund.htm> (accessed 07 February, 2010)

many times violated international law, interfering into the internal affairs of other states, criticize and put hurdles in way of agreements between two countries, and signs accords with states which result in creation of tension/threat between two countries. The acute imbalance of power in the US dominated world has led to gross inequalities among nations.<sup>47</sup> For instance, Washington openly criticized defence agreements between Pakistan and China, put obstacles in way of gas pipeline project or any other kind of bilateral accords between Pakistan and Iran, signs nuclear deal with India which is supposed to affect the existing Pakistan's deterrence capability against India and put Pakistan into a security dilemma, pursuing a policy of supporting Israeli agendas at international forums despite Israeli aggressions against Palestine, provide arms and weapons of billion dollars to Taiwan ignoring China's protests, etc.

TH. Dec  
 The US as a dominant power is supposed to play a positive role for maintaining and promoting peace around the world, but ironically it is violating international norms and customs. Keeping in mind all this, it ought not to expect other countries to abide by these norms. As the world's principal source of advanced weapons, it can calibrate military balances between India and Pakistan, Israel and Arab states, and elsewhere<sup>48</sup> however, its dual policies are putting the world peace more at a risk. That is why, the trend of regionalism has promoted and like minded countries in a region are

<sup>47</sup> Syed Mohammad Ali, "Towards global harmony," *Daily Times*, 18 November, 2008

<sup>48</sup> Jonathan D. Caverley, "United States Hegemony and the New Economics of Defense," *Security Studies* 16, no. 4 (October-December 2007), p.612



establishing regional organizations for making their own rules and regulations/norms for securing their mutual interests.<sup>49</sup>

### 1.4.3 **Geographic Location**

Geographic locations of countries/regions have got utmost significance today than ever before. Some US rival states hold such an important geographical locations on the world map that they have caused threat to the US interests around the globe. North Korea, an anti-US state is located in a position where it poses a threat to the US interests in East Asia. Iran also holds an important geographical position on the world map, posing direct threats to the US interests in Middle East, Central Asian region and to the security of Israel, a close ally of the US.

### 1.4.4 **Resources and Technological Advancement**

Studies of national power in the post-industrial age find that what matters most today is not just economic size, but wealth and technological development.<sup>50</sup> The developed economies are based on knowledge based industries; however, the US is not producing the kinds of workers needed in a knowledge-based economy. With the end of the Cold War, funding for R&D slipped in America, dropping 40 percent in the 1990s.<sup>51</sup> Parallel to the US, many other countries have made tremendous advancement in the field of science and technology. For example, India is ruling today in the field of

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<sup>49</sup> International law itself has a noble cause, however, its continuous misuse by some big powers (especially America) and influential international entities certainly gives strength to the reservations about its scope and implementation.

<sup>50</sup> William Wohlforth, op. cit.

<sup>51</sup> Fareed Zakaria, "Is America Losing its Mojo?", *Daily Times*, 16 November, 2009

software technology, Russia and France in hardware and military technology, even smaller countries like North Korea and Iran are making headway in sophisticated military technology. Recently, Iran developed an unmanned bomber which could carry 4 cruise missiles at high speed up to 620 miles.<sup>52</sup> This clearly shows the advancement of Iran in defence technology. In plain words, the high-tech defence industry has now world wide origin. China has not only made advancement in the military technology but in many other fields as well which is visible by its economic growth rate indicators.

#### 1.4.5 Globalization

Globalization too favours multipolarity as cross border trade takes place all around the world without and effective control of respective states' governments. It has diminished international boundaries and has reduced the sense of isolation felt in most of the developing countries. Regionalism and the trend of free trade agreements between and among countries are also the result of globalization which all support multipolarity in one way or the other. Globalization, viewed from the Chinese perspective as a 'double-edged sword', not only a treat but also an opportunity, is seen as central to the multipolarization trend.<sup>53</sup>

### 1.5 The Transition of Power - from West to East

The current century is rightly predicted to be the century of the East. Looking at the map of Asia, it becomes obvious that in Asia it is basically the few countries

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<sup>52</sup> Nasser Kariimi, "Iran inaugurates first unmanned bomber," *The Washington Times*, 22 August, 2010

<sup>53</sup> Jenny Clegg, op. cit. p. 8.

having robust economies and high economic growth rate which gives birth to the speculations that the 21<sup>st</sup> century being the Asian century.<sup>54</sup> During the last decade, Asian continent has gathered enormous economic power and would certainly get momentum if the current trend continues. The economic rise of China and India in a continent where Japan, South Korea and South-East Asian countries like Singapore and Malaysia had already made their marks, underscores the global shift from the West to the East.<sup>55</sup>

China's economy is growing at more than nine to ten percent annually<sup>56</sup> (to some experts its actual growth rate is ten to twelve percent), while Indian economic growth rate is eight to nine percent per annum which is second to China in the world whereas most of the developed countries including US, Canada, Japan and countries of European Union (EU) and United Kingdom (UK) are growing at a very slow speed.<sup>57</sup> China has already surpassed Japan and has become the world's second largest economy after the US.<sup>58</sup> If China maintains or speed up the current growth rate it is predicted that it would surpass the US.<sup>59</sup> To some calculations it is going to replace the US at around 2035<sup>60</sup> and according to other estimates the replacement would occur

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<sup>54</sup>Saeed Ahmed Rid, "Pakistan's 'Look East' Policy: Opportunities & Constraints," *Monthly Current Affairs Digest*, Book 157, September 2007, p.06.

<sup>55</sup>Ishtiaq Ahmad, op. cit., p. 05.

<sup>56</sup>James F. Hoge, "A Global Power Shift in the Making," *Foreign Affairs*, July/August 2004

<sup>57</sup>Jyoti Kothari, "Comparison of Indian economy with US, EU, Canada, Japan, China and rest of the world," available at: <http://hubpages.com/hub/economy-finance-india-us-eu-japan-china-world-comparative-study> (accessed 24 May, 2010)

<sup>58</sup>David Barboza, "China passes Japan as Second-largest Economy," *The New York Times*, 15 Aug, 2010

<sup>59</sup>Ramzy Baroud, "Imminent Decline of Empire," *Znet*, 12 April, 2006, available at:

<http://www.globalpolicy.org/empire/challenges/general/2006/0412decline.htm>

<sup>60</sup>Jonathan Watts, "The Rise of China and India," *Dawn*, 19 October, 2009

near 2040.<sup>61</sup> Data analysis of some other analysts suggests that China would pass America even before 2030.

The worldwide financial crisis has struck the West harder than China, tipping the balance further toward Beijing.<sup>62</sup> China has had a huge trade surplus with the US, and is also the largest foreign holder of US government bonds.<sup>63</sup>

### Comparison of US-China Trade and Economic Growth

	US	China
<b>GDP</b>	\$14,265 Billion	\$ 4,329 Billion
<b>Exports</b>	\$ 1277 Billion	\$ 1429 Billion
<b>Economic Growth</b>	-2.5 %	+8.5 %

Source: *Daily Times* of November 17, 2009

The fast rising Asia is translating its economic might into political and military strength as well. Both the emerging powers (China and India) have invested much in anti-ballistic missiles and satellite launches, for achieving an unprecedented military potential. Especially, China's investment in manned space missions, cyber and anti-satellite warfare has fully displaced American supremacy. China is also reported to develop a game-changing aircraft carrier-killing missile called *Dong Feng 21D* which could have enough accuracy to penetrate the defenses of even the most advanced moving aircraft carrier at a distance of more than 1,500 kilometers.<sup>64</sup> Once these missile are successfully tested (expected to be tested at the end of the current year), would certainly put limits on the free maneuvering of the US aircraft carriers in the

<sup>61</sup> Simon Tisdall, op. cit.

<sup>62</sup> Helena Cobban, op. cit.

<sup>63</sup> "Washington not trying to contain China: Obama," *Daily Times*, November 17, 2009

<sup>64</sup> Eric Talmadge, "Chinese missile could shift Pacific power balance," available at: [http://news.yahoo.com/s/ap/20100805/ap\\_on\\_re\\_as/as\\_china\\_us\\_carrier\\_killer](http://news.yahoo.com/s/ap/20100805/ap_on_re_as/as_china_us_carrier_killer) (accessed 06 August, 2010)

international waters near China borders. Likewise, India has made immense advancement in the missile field. Delhi has an indigenous space programme and is developing an Intercontinental Ballistic Missile (ICBM) named *Surya*, with a range exceeding 5000km. Successful test fire of the ICBM would give India capability to strike targets around the world.

Moreover, both China and India have stable political governments with competent leadership which have increased their political influence around the world.

### 1.6 **Where will the Multipolar World lead us?**

The multipolar world is assumed to be relatively more peaceful and cooperative than the unipolar. It is a necessary framework for greater global equity and enhances the possibilities of peaceful solutions to conflictual situations.<sup>65</sup> Cooperation is more visible in multipolarity despite competition among players.

It has accelerated economic integration thus increased the inter-state dependency. No country in the world is self-sufficient and therefore could not think of living in isolation. A multipolar world in this regard is conceived as the best possible structure in which a country can safeguard its national interests.<sup>66</sup> The rise of the rest is thus a good and positive thing for everyone especially for the developing world.

Multipolar world has diffused the power structure around the globe. The chances of large scale wars between and among big powers have been reduced for a simple reason that conquest of a country has not become an easy task. Nuclear weapons, high economic cost, geography, and the offense-defense balance's trend have restrained

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<sup>65</sup> Jenny Clegg, op. cit. p. 13.

<sup>66</sup> Tie Jun Zhang, op. cit., p.242

aggression.<sup>67</sup> Although, this transition of world order from unipolar to multipolar has brought fears and threats for the US from China, Russia, Iran, North Korea and Islam<sup>68</sup>, however, it is a mistake to imagine the power shift from West to East would cause war/conflict between the West and East.<sup>69</sup>

### **Sum up**

The chapter touched upon three main areas while studying the changes in international power scenario. First, it highlighted the main definitions and concepts which were necessary for understanding power politics.

Secondly, it discussed the visible changes in the international power politics, the downfall of the West, especially of the US and the dawn of other power centres. It is found that Washington has lost its hegemonic status because of many reasons, in which economic decline is the topmost which has weaken/limited the US' military projection capability which further caused to demise its authoritative/hegemonic influence in international politics. And with the end of its hegemonic status which it has gained with the breakup of the Soviet Union in 1991, it today is facing the challenge of moral degradation which may cause to its disintegration, already predicted by a Russian scholar.

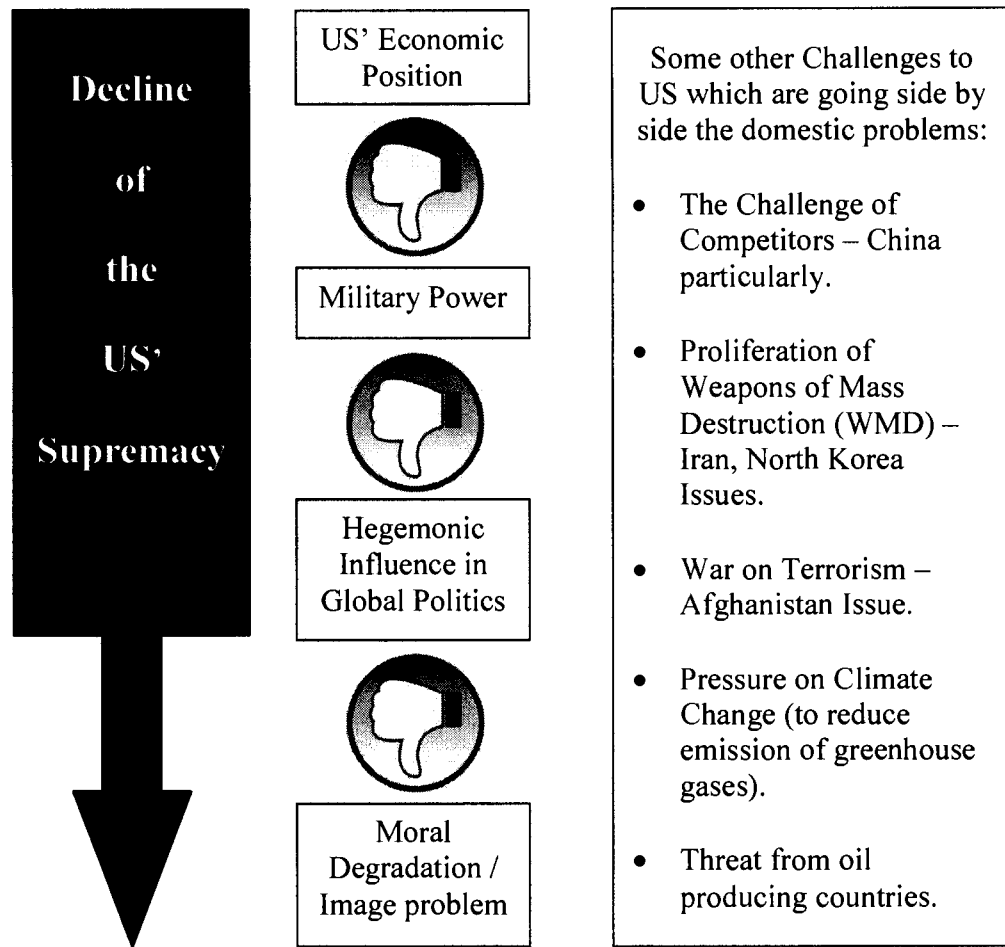
The US' demise could be better understood in a summarized form by the following flow chart:-

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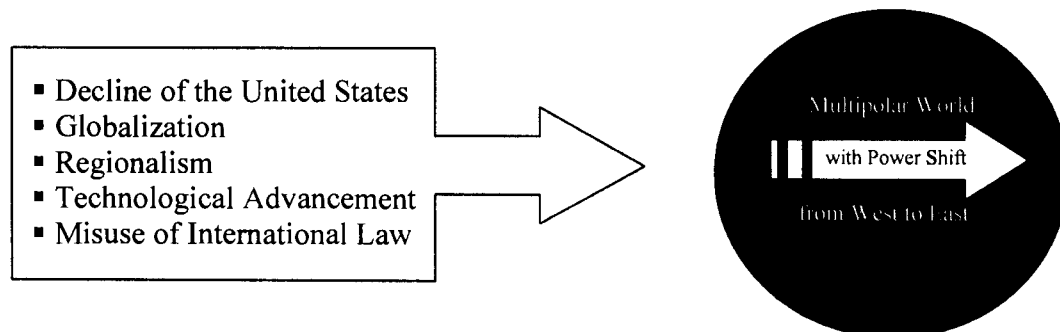
<sup>67</sup> Eugene Gholz, "Globalization, System Integration, and the Future of Great Power War," *Security Studies* 16, no. 4 (October-December 2007), p.636

<sup>68</sup> Alain Gresh, "Understanding the Beijing Consensus," available at: <http://mondediplo.com/2008/11/03beijingconsensus> (accessed 19 Nov, 2009)

<sup>69</sup> Philip Stephens, "A global order swept away in the rapids of history," *Daily Times*, 19 December, 2009



The last part of the chapter discussed the transition of the unipolar world into multipolar. It put light on the power shift from West to East and underlined the factors (like regionalism, globalization, international law, technological advancement etc) which have diffused power among many power centers, promoted multipolarity and still supportive for the sustainability of the multipolar world. Finally, the chapter found that multipolar world is economically integrated and relatively more peaceful.



## CHAPTER 2

### REGIONALISM AND POTENTIAL OF THE SCO

This chapter underlines the potential of the SCO in realm of the trend of regionalism. It starts with explaining regionalism and highlights all major factors which are promoting the trend. The chapter puts light on the aims and objectives of SCO as a regional organization and goes on to explore its potential in comparison to other organizations of Asia, like ASEAN, ECO and SAARC. It also looks at the role being played by the union body in promoting multipolarity. The chapter ends with analysis about the future of the SCO forum.

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#### 2.1 The Trend of Regionalism

As discussed briefly in the previous chapter, one tendency of the contemporary world politics is the emergence and steady significance of regionalism and alliance system. It is difficult to trace the history of the beginning of regionalism, however, initiatives towards a closer regional integration date back to the 1980s.<sup>70</sup> After World War-II, commissions and communities such as European Coal and Steel Community (ECSC) 1951, and European Economic Community (EEC) 1957, were founded in Europe. These two bodies paved the way for the emergence of European Union (EU).

Post Cold War era has witnessed intensification in regionalism across the globe. North America, Europe, Russia, Japan, China and the entire developed world

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<sup>70</sup> "Regionalism," available at: [http://en.wikipedia.org/wiki/Regionalism\\_%28international\\_relations%29](http://en.wikipedia.org/wiki/Regionalism_%28international_relations%29) (accessed 8 December, 2010)



established strategic partnerships and alliances.<sup>71</sup> Association of South East Asian Nations (ASEAN) 1967, South Asian Association for Regional Cooperation (SAARC) 1985, European Union (EU) 1993, African Union (AU) 2002, and Shanghai Cooperation Organization (SCO) 2001, are some of the familiar examples in this regard. There were also established trade blocs after the cold war, like North America Free Trade Agreement (NAFTA) 1994, among United States, Mexico and Canada. South Asian Free Trade Agreement (SAFTA) among the South Asian countries is another example however, it has not yet been fully operational.

Changing power balances found expression in new institutional forms and practices. In the absence of single hegemonic power, the multipolar international system paved the way for the expansion of regionalism by different regional powers to fill the vacuum which emerged as a result of this development.<sup>72</sup>

The goal of this growing tendency of regionalism is to accelerate cooperation among the like minded countries for common interest of region-building, establishing regional coherence and identity. It is therefore seen as a more diverse form of integration<sup>73</sup>, and is one of the most promising solutions to issues provided that certain conditions are met, like strong regional institutions with a consistency of views and

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<sup>71</sup> Eric Gonsalves, "Regional Cooperation in South Asia," *Monthly Current Affairs Digest*, Book 157, September 2007, p. 124

<sup>72</sup> Aylin Unver NOI, "Iran and the Shanghai Cooperation Organization (SCO): Is it possible for Iran to become full member of the SCO under Pressure of Nuclear Issue," *Perceptions*, (Autumn – Winter 2006), p.22

<sup>73</sup> Mary Farrell, "The Global Politics of Regionalism: An Introduction," Bjorn Hettne, Luk Van Langenhove (eds) *Global Politics of Regionalism: Theory and Practice* (London: Pluto Press, 2005), p.08

policy, an ability to act coherently, a willingness to pay the costs, a basis of economic power, and strong military capability.<sup>74</sup>

## 2.2 Factors which Compel for Regional Cooperation

Regionalism is always the ultimate result of the wishes of like minded states in a particular region. Different forces of same and different nature/magnitude compel these countries in a region to cooperate for common interests of the individual states. In the contemporary world of power politics, such cooperation in the shape of regionalism is prompted by concerns of individual states over issues such as terrorism, countering influence of other states, and also to secure political, economic and strategic interests.

All countries of the world have extended their support for regional cooperation so as to have durable peace in their regions. This trend is also outcome of wide range of national interests of like minded countries with one another. Globalization has also reinforced the emergence of regionalism and regionalization networks around the world.<sup>75</sup> To put it another way, one reason for the emergence of regional blocks is globalization.

Internal dynamics of a region and motivations of regional actors are also considered as causes of regionalism.<sup>76</sup> Apart from the internal dynamics, geographical, political, economic, strategic and cultural forces also play their role in promoting motivation for regionalism / regional cooperation. Besides, external pressures such as globalization, instability, security threats and increased competition which affected the

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<sup>74</sup> Elzbieta Stadtmuller, 'Regional Dimensions of Security', Mary Farrell, Bjorn Hettne, Luk Van Langenhove (eds) *Global Politics of Regionalism: Theory and Practice* (London: Pluto Press, 2005), p.113

<sup>75</sup> Ishtiaq Ahmad, op. cit., p. 5.

<sup>76</sup> Mary Farrell, op. cit., p. 2.

behaviour and strategies of both economic and political actors, regional actors sought solutions to common problems through collective actions and decision-making to foster enhanced regionalism.<sup>77</sup> There is a general acceptance of the present state system that disputes will not ordinarily be settled by force, that borders will not be changed, and commitment to greater integration will increase.<sup>78</sup> Regionalism is thus regarded as a means which provides a platform where a country can engage with all other member states simultaneously and get preferential trading and investment opportunities.<sup>79</sup>

### 2.3 Success or Failure of Regionalism

Related to the question of success or failure of regionalism are the attitudes towards cooperation by individual states. Certain critical success factors need to be in place within any region – including political stability, the absence of conflict and a general political commitment among potential states.<sup>80</sup> Successful regionalism also requires a vision and shared faith for collective gains.

The success or failure of a regional organization also depends upon the resources available with the members of a regional body. If the member countries have enormous resources to have the level of self-sufficiency then the power or the influence of the organization is greater. The capacity in terms of the resources with the member states of a regional organization determines the sovereignty, the cooperation level and its influence in world affairs, in other words. The limited capacity and resources of many groups are obstacles to action, whether in the military, economic,

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<sup>77</sup> Ibid.

<sup>78</sup> Eric Gonsalves, *op. cit.*, p. 122.

<sup>79</sup> Saeed Ahmed Rid, *op. cit.*, p. 22.

<sup>80</sup> Mary Farrell, *op. cit.*, p.16.

diplomatic or institutional sphere.<sup>81</sup> The greatest example of regional cooperation in the world is the European Union (EU). The other admired regional association is the Association of Southeast Asian Nations (ASEAN)<sup>82</sup> which was designed in opposition to the US preferences in the region and an alternative to the Southeast Asian Treaty Organization (SEATO), a regional alliance sponsored by the US.<sup>83</sup>

Other than the countries which are considered as enemy / rival states of Washington, there have come into existence regional organizations which are being perceived as a threat to the US interests in that particular region. Shanghai Cooperation Organization (SCO) in this regard is an appropriate example. The increased prominence of the SCO has led policy makers and scholars to question if the organization might complicate the United States' ability to secure its interests in the Central Asian region. This organization has brought two big powers (Russia and China) close to each other. Russian-Chinese strategic partnership through the SCO made the US policy-makers unnerved about its unchallenged global role. Russia and China want to use the SCO to curb US access to the region's vast energy supplies and the organization calls for the US to withdraw its military forces from the region.<sup>84</sup>

#### 2.4 SCO and its Aims and Objectives

The Shanghai Cooperation Organization is the successor of Shanghai Five which was established in 1996. There were initially five members of the organization,

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<sup>81</sup> Louise Fawcett, 'Regionalism from an Historical Perspective', Mary Farrell, Bjorn Hettne, Luk Van Langenhove (eds) *Global Politics of Regionalism: Theory and Practice* (London: Pluto Press, 2005), p.34-6

<sup>82</sup> Lok Raj Baral, "Cooperation with Realism: The Future of South Asian Regionalism", *Monthly Current Affairs Digest*, Book 159, November 2007, p.56-7

<sup>83</sup> Review article 'The Emerging Regional Architecture of World Politics,' by Amitav Acharya, *World Politics* 59 (July 2007), p.641.

<sup>84</sup> Nazir Hussain, op. cit., p.32.

Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan. The startup scope of the five countries alliance was to resolve all outstanding border disputes between Russia, China and the newly created Central Asian republics. China which has adopted a policy of peaceful rise for itself, took this initiative to have peaceful border demarcation with all the then newly emerged Muslim states of the region after the break-up of the Soviet Union in 1991. The initial thrust of the organization therefore was solely to have peace and security in the region. The inclusion of Uzbekistan in the Shanghai Five in June of 2001 formalized the alliance and was renamed as the Shanghai Cooperation Organization. Today the organization has six members in total and four observer states including Pakistan, India, Iran and Mongolia.



In June 2002, SCO member states signed the organization's Charter which demonstrates its purposes and principles, organizational structure, form of operation, cooperation orientation and external relations:-

'Strengthening mutual trust and good neighborliness and friendship among member states; developing their effective cooperation in political affairs, economy and

trade, science and technology, culture, education, transportation, environmental protection and other fields; working together to maintain regional peace, security and stability; and promoting the creation of a new international political and economic order featuring democracy, justice and rationality.’<sup>85</sup> (An Annexure-A is attached for full articles of the organization’s charter)

Though the aims and objectives of the SCO are clearly defined in its Charter, yet the organization is accused of adopting a policy to oppose the political, economic and strategic interests of the US and NATO in Central Asia. Such perception is derived from the fact that the Shanghai Five was established at a time when US relations with both China and Russia were at a ‘dismal low’ and at that time, China and Russia were beginning to be considered as strategic partners.<sup>86</sup> Moreover, the important geo-strategic location of the organization and its member states’ commitment for close collaboration in security and economic fields and their high hopes for securing their future energy needs has of course created doubts in the West about its future profile.

It is for this reason that the SCO has been perceived as gaining a military orientation, perhaps an equivalent of NATO in Asia-committing to come to the aid of each other in case of a threat.<sup>87</sup> However, the organization could not be transformed into NATO like security alliance. Despite frequent attempts of displaying military strengths (in the shape of joint military exercises), the degree of each others

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<sup>85</sup> The Charter also determines the principles of Respect for each other’s independence, sovereignty, and territorial integrity, non-interference in each other’s internal affairs, mutual non-use or threat to use force; equality among all member states; settlement of all questions through consultations; non-alignment and no directing against any other country or organization; opening to the outside world and willingness to carry put all forms of dialogue, exchanges and cooperation with other countries relevant international or regional organizations. Aylin Unver NOI, op. cit., p. 25.

<sup>86</sup> Sadia Nasir, “Shanghai Cooperation Organization: Challenges and Response,” *Margalla Papers* 2008, p. 102.

<sup>87</sup> P. Stobdan, “Shanghai Cooperation Organization: Challenges to China’s Leadership,” *Strategic Analysis*, Vol.32, No.4, July 2008, p.533

commitment to act collectively or take open hostility against the West is low.<sup>88</sup> The member states of the organization are not in favour of transforming the organization into a joint force. Security of the region is in the agenda of the organization, however, it is more focused on eliminating terrorism alongside promoting economic cooperation.

## 2.5 How do SCO Member States and Rest of World View SCO?

As said above, the SCO's own agenda is essentially driven by the domestic concerns of its members states, seeing to tackle their common problems in relation to stability and economic development rather than opposing any third party<sup>89</sup>. However, for different countries of the world, the perception about the SCO is different. For some countries like America the SCO is a collective effort to resist the US presence and influence in Central Asia. For most of the Western experts the organization is becoming NATO like security alliance which would have negative consequences for the West in general and for the US in particular. Some countries are just silent spectators. Most of the Arab and African countries are included in this list.

The member states of the SCO have different expectations from the organization. They have joined hands to meet their mutual interests by extending cooperation with each other. It is for this reason that the leaders of SCO member states routinely deny that the organization is a military alliance like NATO.<sup>90</sup>

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<sup>88</sup> Ibid., p.539.

<sup>89</sup> Jenny Clegg, op. cit. p.108.

<sup>90</sup> Rick Rozoff, "The Shanghai Cooperation Organization: Prospects for a Multi-polar World," *Global Research*. Available at: <http://www.globalresearch.ca/index.php?context=va&aid=13707> (accessed 9 Feb, 2010).

For China, SCO is a non-aligned organization which does not stage a confrontation or target at any third party or country.<sup>91</sup> China regards good friendly relations with Russia and with Central Asia vital for its interests. For China, the importance of the SCO lies in mounting cooperation with Russia and Central Asian countries for importing oil and gas and most importantly to use the organization as an instrument in order to promote the formation of a multipolar world.<sup>92</sup>

Russia wants to use the SCO forum for its security interests. The presence of American troops in Central Asian states and its greater influence in the region is not acceptable to Russia. The eastward expansion of NATO is also not tolerable to Russia. The US Missile defence system in Poland and Czech Republic is therefore a concern for Russia. Apart from its security apprehensions, Russia also wants to enhance economic integration not only with China but with entire Asia.<sup>93</sup>

Central Asian republics are rich in natural resources but lack latest technology and infrastructure. They regard China and Russia's help as important for them. It is therefore a verity that Central Asian states have greater involvement in the affairs of the SCO at present as they have improved their bilateral relations with China.<sup>94</sup>

## **2.6 Progress of the SCO - Success Stories**

The SCO has many successes to its credit in the short history of its existence. This is why the organization is regarded having potential for achieving more collectively. Its consensus based policies followed by proactive measures have improved its image as an active organization.

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<sup>91</sup> Aylin Unver NOI, op. cit., p.36.

<sup>92</sup> Tie Jun Zhang, op. cit., p.245-6.

<sup>93</sup> P. Stobdan, op. cit., p.537

<sup>94</sup> Sadia Nasir, op. cit., p. 103.



The organization has resolved boundary disputes between China and CARs. Due to the peaceful resolution of boundary issues and steps for confidence building measures in the border region, the member states hoped for achieving more successes in other areas of interests through this platform. Some notable achievements in this regard are in areas of establishing mechanisms to deal with security issues (particularly with terrorism), progress in economic condition, improving its political and international image and creating harmony among the members.<sup>95</sup>

China and Russia have practically showed commitment to invest in the Central Asian republics. China is interested in gaining access to Turkmen gas and thus ensuring its future energy security. 1800km gas pipeline project has already been completed which is supplying large amount of Turkmen natural gas to China since December 2009. On September 24, 1997, China and Kazakhstan signed a \$9.5 billion agreement for the development of oil and gas fields in western Kazakhstan with Chinese aid.<sup>96</sup> Beijing has also inked many agreements with Kazakhstan, Kyrgyzstan and Tajikistan of million dollars for providing them technical military assistance. China has indeed become an economic and strategic partner to the Central Asian republics. Both China and Russia are strengthening their trade relations with CARs, however, Beijing is likely to surpass Moscow in its trade flow to Central Asia. In 2008, trade between China and Central exceeded \$25 billion, while trade between Russia and Central Asia was \$27 billion.<sup>97</sup> These developments between China and

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<sup>95</sup> Ibid., p.105.

<sup>96</sup> Jyotsna Bakshi, "Sino-Russian Strategic Partnership in Central Asia: Implications for India," *Strategic Analysis*, Vol. XXV, no. 2, p.170.

<sup>97</sup> Sebastien Peyrouse, "Military Cooperation between China and Central Asia: Breakthrough, Limits and Prospects," *China Brief of Jamestown Foundation*, Vol.10, Issue 5, 2010. available at: [http://www.jamestown.org/programs/chinabrief/archivescb/cb2009/?tx\\_publicationsttnews\\_pi2\[issue\]=5](http://www.jamestown.org/programs/chinabrief/archivescb/cb2009/?tx_publicationsttnews_pi2[issue]=5) (accessed 4 December, 2010)

Central Asian republics have not only improved Chinese image in the region but also helped the SCO framework.

One of the greatest achievements of the SCO is that it calls on the US to withdraw its forces from Afghanistan and close its military bases in CARs. The SCO member states regard the American and NATO forces in Afghanistan as source of tension and are of the view that these coalition forces would help increase terrorism in the region.<sup>98</sup> As a result of the SCO's call to withdraw its forces from Central Asian Republics, America, subsequently, had to quit from the Uzbek airbase in November 2005.<sup>99</sup> The US also has troops in Kyrgyzstan and in Tajikistan. Both have separately called on the US to set a withdrawal deadline for its forces from their countries as the situation in Afghanistan has stabilized to an extent.<sup>100</sup> It is also to be kept in mind that all the SCO's members have some level of bilateral engagements with America alongside their commitment to the organization's aims and objectives.

The organization has shown its reservations against the US missile defence system in Poland and in Czech Republic which are very close to Russia's borders. The SCO has warned that the US endeavor to establish a missile defense system alongside Russia's borders is a futile attempt, as such efforts will neither help uphold the strategic balance nor prevent the spread of weapons of every kind, including nuclear.<sup>101</sup> Russia has extended its support for China on Taiwan. The SCO sees a

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<sup>98</sup> The Declaration adopted at the 2005 SCO summit also contained this provision: "Considering the completion of the active military stage of antiterrorist operation in Afghanistan, the member states of the Shanghai Cooperation Organisation consider it necessary that respective members of the antiterrorist coalition set a final timeline for their temporary use of the above-mentioned objects of infrastructure and stay of their military contingent on the territories of the SCO member states. Rick Rozoff, *op. cit.*

<sup>99</sup> P. Stobdan, *op. cit.*, p.531.

<sup>100</sup> Rick Rozoff, *op. cit.*

<sup>101</sup> *Ibid.*

world free of one power monopoly/supremacy. The organization has made efforts in many ways to contribute for the international security and to boost up economic integration.

Russia, China and Central Asian states have been engaged in conducting joint military exercises from time to time. The process of conducting bilateral and multilateral joint military exercises started in 2002 within the framework of SCO. Recently, such type of joint anti-terrorism military exercises 'Peace Mission-2010' were conducted in Kazakhstan in which about 5000 officers and men from all major SCO's member countries including China, Russia, Kazakhstan and Tajikistan participated.<sup>102</sup> The member countries also have an agreement that they would notify the other sides about large-scale military exercises either to be conducted separately or by individual states.<sup>103</sup> The sole purpose of such close military interaction is to cooperate against terrorism and to upgrade the organization capacity by building confidence between member states. The SCO is continuously improving its role by enhancing multilateral military cooperation for regional security and stability which is vital for the regional development.

## **2.7 Effectiveness/Potential of the Forum - Impact/Role of SCO as a Power of East**

One of the reasons of the bright future of the Asian entity is that its member countries have shared interests in cooperating with each other.<sup>104</sup> Apart from their

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<sup>102</sup> "Shanghai Cooperation Organization set to tackle Central Asian Problems," available at: <http://en.rian.ru/analysis/20100916/160613658.html> (accessed 25 Sep, 2010)

<sup>103</sup> Jyotsna Bakshi, op. cit., p. 164.

<sup>104</sup> China has interests both with Russia and CARs, Russia also wants to maintain its influence in CARs. Likewise, CARs also have interests in having close friendly relations and increasing cooperation with Russia as well as with China.

mutual interests associated with each other, they have some commonalities in their foreign policies as well which all together help improving the role of the SCO. Performance of the SCO is reflective of the fact that it is promoting region-wide security and stability, while offering a framework for cooperation in economic and other areas of mutual interest in an adequate manner.<sup>105</sup> The forum has advanced mutual understanding and consolidated a foundation of trust among the member states. The potential or the strength of the organization is the commitment and pragmatic spirit of its leadership to become united for collective gains in the world of power politics.

The high level of optimism about the bright future of the SCO could be based upon the following facts:-

- a. Success in regional cooperation depends on a consensus regarding the role of the pivotal powers within the regional grouping.<sup>106</sup> China and Russia are powerful countries in the SCO. They are playing leading role in the development of the organization. Both the strong countries have plentiful resources and robust economic and military strength. Especially, there is a stronger commitment from China to provide a leadership role, a vision, resources, and diplomatic skills to mobilize and sustain the grouping.<sup>107</sup> The organization is in fact a powerful expression of collaboration between the two world orders, Russian Slavic and Sinic world orders. Both have

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<sup>105</sup> Fazal-ur-Rehman, "Shanghai Cooperation Organization: Potential and Prospects," *Margalla Papers* 2008, p. 36.

<sup>106</sup> Amitav Acharya, op. cit., p. 648.

<sup>107</sup> P. Stobdan, op. cit., p.531.

joined hands to form an alliance based on the non-western values.<sup>108</sup> It is therefore a genuinely multilateral organization, and the presence of two great powers (China and Russia) allows the Central Asian republics to maximize their interests by maneuvering between Moscow and Beijing.<sup>109</sup>

- b. There is a group of rapidly rising powers known with an acronym as BRIC (Brazil, Russia, India and China). All the four countries of the group have fastest growing economies in the world. Three of the four members of BRIC are also members or observers of the SCO. The organization has four of the world's seven internationally recognized nuclear states.<sup>110</sup> In case Iran is granted membership for which both Russia and China are willing,<sup>111</sup> the organization would certainly become influential hub in international affairs. Iran's inclusion would be an added advantage to the member states of a regional organization having most energy reserves. It was for this reason that there is a kind of fear in the West that Iranian addition would not result positive for the West. The member states' large amount of valuable resources, technological advancement, military capabilities, their commitment for joint ventures, and the commonalities in their foreign policies have made the organization much effective. An influential and powerful SCO is not acceptable to the West and to the US especially. A commentary in the Chinese *People's Daily* said that the US is determined

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<sup>108</sup> Tahir Amin, "World Orders in Theory and Practice of International Relations: Implications for Pakistan," *Margalla Papers* (Special Edition) 2009, p.59.

<sup>109</sup> Bobo Lo, *Axis of Convenience: Moscow, Beijing, and the new Geopolitics* (Washington: Brookings Institution Press, 2008), p.107.

<sup>110</sup> Rick Rozoff, op. cit.

<sup>111</sup> Both China and Russia are willing to grant permanent membership to Iran, however, Washington's opposition (pressure) and Iran's nuclear issue are the main hurdles in way of Iran's membership.

to break the organization and wants to establish its dominance on a new plate of Central and South Asia.<sup>112</sup>

- c. The organization has got observer status in the UN General Assembly and is in close collaboration with other international organizations for extending mutual cooperation. All such commitments of the SCO recognize its status as an effective international body.

## 2.8 SCO Role in Multipolarity

The mutual partnership of Russia and China in the shape of SCO platform is a real time struggle for changing the world order from unipolar to multipolar. China and Russia support a policy based on 'multipolarity' against the US.<sup>113</sup> Both the countries are committed to this common goal by increasing global interdependence. In November of 2005 Russian Foreign Minister Sergey Lavrov reiterated that the SCO is working to establish a rational and just world order.<sup>114</sup> According to a Turkish analyst, the SCO has seen the unipolar mentality of the US as a source of conflict rather than a cure for the world's common challenges, stressing the necessity of a multipolar world for the sake of international security, and has supported the maintenance of a strategic balance of power.<sup>115</sup>

The leaders of the SCO member states believe that a just world order is necessary to be established for eliminating monopoly and domination of a single state in international affairs. Such world order would become stable and secure, if it comes to

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<sup>112</sup> The US' close strategic partnership with Kabul and its support for Afghanistan's membership into the SAARC plus Washington's own desire for an observer status in the SAARC points to the beginning of a new interlocking process underway. The US also had applied for observer status in the SCO which has been rejected already by the member states. P. Stobdan, op. cit., p.542.

<sup>113</sup> Aylin Unver NOI, op. cit., p.38.

<sup>114</sup> Rick Rozoff, op. cit.

<sup>115</sup> Ibid.

consider the sovereign equality of all states and supremacy of principles and standards of international law. SCO was viewed as China-dominated organization, however, now it has improved its image from this notion and its dealings among member countries are on equal basis.

Power is considered a central variable in differentiating regional organizations. Realizing the verity, all the member states have focused on boosting their economies for gaining real power - economic strength. China has become a country having the second largest economy in the world. Similarly, Russia has regained its economic power. And notably, the SCO countries have integrated themselves to a great extent, especially the two big powers in the organization. China regards Russia a country having great power with immense potential, it therefore, joined hands with Russia in developing an abiding framework for peace and cooperation in the region.<sup>116</sup> China and Russia have made the organization a strong regional security complex (RSC).<sup>117</sup> Both Moscow and Beijing are working to prevent the US from meddling too much in Central Asia, which abuts Russia's soft underbelly and China's volatile western flank.<sup>118</sup> Moscow's close collaboration with China is to jointly resist Western pressure and designs in the Caspian Sea and Central Asian States. This is regarded as the economic logic behind the two powers calling for a "multipolar world."<sup>119</sup> China also supported Russia in opposing the eastward extension of the NATO as it is in their common interest to have a check on the growing influence of West and NATO in the

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<sup>116</sup> Jyotsna Bakshi, op. cit., p.162.

<sup>117</sup> Amitav Acharya, op. cit., p. 631.

<sup>118</sup> C Raja Mohan, op. cit.

<sup>119</sup> Jyotsna Bakshi, op. cit., p.169

region. Their dedicated visible efforts for promoting cooperation are the actual strength of the SCO for meeting the shared goal of changing world order.

Above all, Russia is making close ties with all the emerging powers of the world and with those which are anti-American in their stances like Iran, Venezuela and Cuba etc. Russia and China's anti-American tendencies which are shared by Iran, played an important role in the decision of Iran to join the SCO.<sup>120</sup> Both China and Russia have never supported economic and military sanctions on Iran.

## **2.9 Comparison of SCO with other Regional Organizations**

SCO is a new organization compared to the other Asian organizations. Despite its budding nature, the organization has a vision to promote stability and bring prosperity in the region by extending cooperation in many fields. It is for this reason that the organization is exploring new areas of cooperation. Close interaction between the big and small member states is a positive sign for the progress of the organization.

### **2.9.1 SCO and Association of South East Asian Nations (ASEAN)**

ASEAN forum is mature in its nature of cooperation and progress. The organization was established in 1967, since then it has covered a long way of development. There is greater interaction and cooperation among its member states. Both SCO and ASEAN have similar agendas and models of cooperation, emphasizing a common spirit, flexibility and a focus on regime

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<sup>120</sup> Aylin Unver NOI, op. cit., p.38.



security.<sup>121</sup> However, the progress of the ASEAN in many fields is not comparable to the nascent SCO. The ASEAN regional organization took more than two decades to adopt a free trade agreement, ASEAN Free Trade Area (AFTA), in 1992 among its member countries.<sup>122</sup> ASEAN has now achieved the status of the most influential regional organization in East Asia. Comparatively, SCO is expanding its scope of mutual benefits like minimizing foreign influence, deepening economic cooperation, extending military interactions, and eliminating terrorism from the region. The signing of the SCO Convention on Combating Terrorism, Separatism and Extremism in 2001 was a success on this front. Following similar goals, the Regional Antiterrorist Structure (RATS) was established in 2004 as a permanent body of the organization, and its operation is now well underway.<sup>123</sup>

There exists interaction between both the regional bodies based upon a Memorandum of Understanding (MoU) which was signed between the Secretariats of the SCO and ASEAN, determining cooperation in areas of economy, tourism, environmental protection, social development, cooperation in the energy sector and on issues pertaining to transnational crimes.<sup>124</sup> Collaboration in the above mentioned areas is possible as both the organizations are geographically linked with each other.

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<sup>121</sup> Stephen Aris, "A new model of Asian regionalism: does the Shanghai Cooperation Organisation have more potential than ASEAN?," *Cambridge Review of International Affairs*, Vol. 22, No. 03, (September 2009), p. 451.

<sup>122</sup> Helen E.S. Nesadurai, 'The Global Politics of Regionalism: Asia and the Asia-Pacific', Mary Farrell, Bjorn Hettne, Luk Van Langenhove (eds) *Global Politics of Regionalism: Theory and Practice* (London: Pluto Press, 2005), p.162.

<sup>123</sup> Nurlan Yermekbayev, "ASEAN and SCO: Opportunities and Perspective of Interaction," available at: <http://en.rian.ru/analysis/20080115/97149978.html> (accessed 26 Feb. 2010)

<sup>124</sup> Ibid

### 2.9.2 **SCO and South Asian Association for Regional Cooperation (SAARC)**

SCO comparatively has greater achievement to its name than SAARC. It has been argued that SAARC lacks leadership. It has not made noteworthy progress in achieving goals defined in its charter. India, which is the pre-eminent power in the region, is reluctant to take the lead.<sup>125</sup> Indian rivalry with most of its neighbours is hindrance for cooperation. There is lack of political will in the Indian leadership and it is using the organization for its political interests instead of extending economic cooperation with other members of the organization. India does not want to use the forum for resolving bilateral disputes with its neighbours. SAARC has become a tool in the hands of India which wants to use it for extending its foreign policy objectives. The lack of commitment to implement what is mutually agreed for the region is because of mistrust prevailing in the regional politics. On the other side, the member states of the SCO are active and willing to work for the development of the region. It is for this reason that Pakistan, Iran, India and Mongolia are seeking full membership of the organization. The US also had applied for membership in the organization in 2005 which was rejected unanimously. SCO is now partnering with other regional organizations and extending its areas of scope from security to economic and from political to cultural.

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<sup>125</sup> Smruti S. Pattanaik, "Making Sense of Regional Cooperation: SAARC at Twenty", *Strategic Analysis*, Vol.30, No.1, Jan-Mar 2006, p.156.

### 2.9.3 **SCO and Economic Cooperation Organization (ECO)**

ECO provides another common platform to generate economic activity in the region. However, unfortunately, the organization is not much active in boosting economic ties between its member states. The development process of the organization is slow. There are no visible and significant signs of its future developmental goals. In fact, the ECO has failed to bring about greater economic or commercial results. It still needs to be made result-oriented. It could be effective organization if the ECO Trade Agreement, Transit Transport Agreement and the Trade and Development Bank become operational.<sup>126</sup>

Pakistan has not achieved anything worth mentioning from the ECO. Pakistan has not improved its bilateral relations with the Central Asian countries through this forum. There are many obstacles in the progress of the organization like lack of basic infrastructure, instability in Afghanistan etc. SCO comparatively is more active than the ECO. One of the good points of the SCO is the practical implementation on the agreed commitments of its member states.

### 2.10 **Future of the Organization (SCO)**

The SCO forum has got a promising start. The member states of the organization have abundant resources, advance industrial facilities and updated technological and scientific potential/power. The organization has brought its member states closer to each other. During the past decade, bilateral relations among the SCO

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<sup>126</sup> Meena Singh Roy, "Pakistan Strategies in Central Asia," *Strategic Analysis*, Vol. 30, No. 04, (Oct-Dec 2006), p. 818.

members have improved.<sup>127</sup> However, there is more to be done for promoting collaboration in various other areas especially economic cooperation. Greater economic integration is the binding force for them to make the organization more effective. Mutual cooperation is equally important for the Central Asian republics. Enhanced economic and trade relations may discourage Central Asian members-states to look towards the US and West for assistance, thereby fostering harmony among all of the SCO members.<sup>128</sup>

Second, the operational effectiveness of the SCO largely depends upon the nature of evolving Sino-Russian relations.<sup>129</sup> The organization has significantly worked to improve relations between them. Although, both China and Russia have different expectations and national interests associated with the organization, however, they have determination to work for some common goals mentioned earlier. The good and positive thing for the future of the organization is that the leaders of the SCO's member states have expressed determination and set economic cooperation as a priority goal to be achieved. They have plans to create a SCO Development Fund; SCO Business Council, and a Banking Union.<sup>130</sup>

Third, a force which is compelling China and Russia to work together is that both have high concerns about the Western influence in the Central Asian Republics which they fear would undermine their interests. To counter this shared economic and security threat, China and Russia are utilizing the SCO platform for extending their

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<sup>127</sup> Sadia Nasir, *op. cit.*, p. 111.

<sup>128</sup> *Ibid.*, p. 114.

<sup>129</sup> Fazal-ur-Rehman, *op. cit.*, p. 41.

<sup>130</sup> *Ibid.*, p. 43.

economic and military ties with the Central Asian partners of the organization. Central Asia is also critical for them in terms of their future energy needs.

Last but not the least, in case Iran gets membership of the SCO, the organization would certainly become more powerful, as the two big powers China and Russia are already working for a multipolar world order. The inclusion of Iran as member of the SCO would reinforce this vision and the organization would become powerful hub of states having great potential and sharing common goals.

### **Sum up**

The Chapter finds that SCO has improved its positive image in the world and now the world is keenly seeing its future agenda points. The organization has emerged as a powerful hub in international power politics because of its many success stories in the short period of its existence.

The member countries of the organization have showed determination to make the organization more effective and vibrant. Their leaders have commitment to economic integration of the region. China and Russia are taking Central Asian members of the organization together for achieving shared future goals.

## CHAPTER 3

### PAKISTAN AND THE SCO: PROBLEMS AND PROSPECTS

This chapter explores Pakistan's association with the SCO. It highlights the opportunities for Pakistan in the organization. It looks at the existing bilateral relations of Pakistan with SCO states and touches upon the prevailing regional environment for paving the way to address questions like whether Pakistan would be able to get full membership of the organization and what are the other challenges in way of getting membership. The chapter is concluded with some workable policy recommendations.

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The multipolar world order has its likely consequences on every region and on every state, as argued in the first chapter. It provides a window for the upcoming challenges and opportunities that are in the making for the next decade or so. The new geo-economic realities have compelled all countries to diversify their strategic and economic partnerships and seek out cooperative engagements wherever possible.<sup>131</sup> In a world where established states are regionally organized today, no state wishes to remain outside the current trend of regionalism.<sup>132</sup> A rapidly changing international environment, globalization and new security challenges underline the necessity for regional cooperation, especially for the smaller states. And political leadership plays an important role in decision-making in this regard.<sup>133</sup> It is upon them to seek out new

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<sup>131</sup> Saeed Ahmed Rid, op. cit., p.01.

<sup>132</sup> Louise Fawcett, op. cit., p.32.

<sup>133</sup> Smruti S. Pattanaik, "Making Sense of Regional Cooperation: SAARC at Twenty", *Strategic Analysis*, Vol.30, No.1, Jan-Mar 2006, p.154.

avenues of cooperation and friendship by getting membership of influential regional groupings.

As international relations is all about securing national interests, therefore it is not that easy to become a permanent member of a regional organization. The membership seeking country may face hardships in getting favour of all member states of an organization for membership. For instance, Turkey is putting its efforts to be included in European Union which provides it many opportunities, however, it has not yet been granted the status because many of the European countries are not in Turkey's favour. This demonstrates that to have permanent place in any regional organization, cordial bilateral relations with all its member states play critical role.

### **3.1 Why Pakistan Needs to Join SCO - Opportunities for Pakistan**

The SCO is emerging as an important player in the region. For many in the region, particularly for the smaller nations, it promises benefits of security and economic guarantees. SCO's increasing international weight, cooperation among its member states in different fields, the existence of leading countries in terms of economic growth rate, the region's huge market and rich resources and the SCO's distinctive feature from other organizations also made it center of attraction for the neighboring countries like Pakistan, India, and Iran.<sup>134</sup>

Joining SCO provides Pakistan number of prospects. These opportunities for Pakistan have a broader scope which could be categorized as following:-

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<sup>134</sup> Aylin Unver NOI, op. cit. p. 37.

### 3.1.1 **Economic Opportunities**

SCO has now expanded its scope from security to economic and other fields of collaboration. Economic development of the region is one of the major goals of the entity. Pakistan aspires to promote bilateral and multilateral cooperation in economic, trade and energy fields with SCO member states.<sup>135</sup> Currently, Pakistan's trade relations with the Central Asian republics and Russia are below the actual potential. Permanent membership in the organization would help Pakistan establish strong economic ties with Central Asia and Russia.

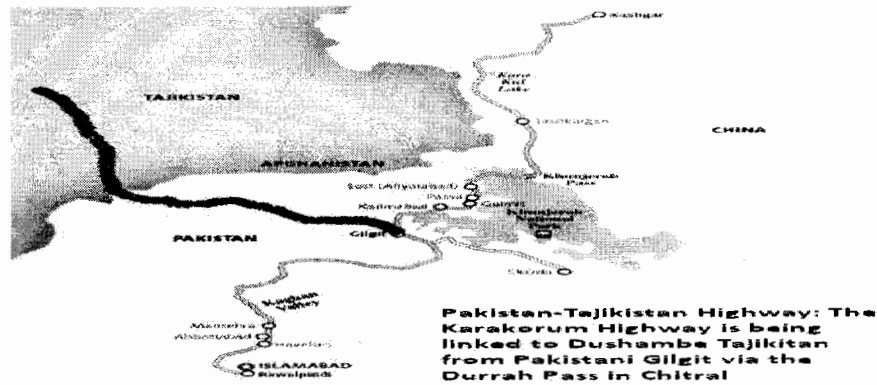
Enhanced interaction with SCO members will result in creating deeper trust which is one of the reservations of Russia for expanded cooperation in various fields. Although Pakistan has signed numerous bilateral Memorandum of Understandings (MoUs) and agreements in diverse fields with SCO members, however, a formal association in the SCO could help Pakistan to strengthen and institutionalize them in a more comprehensive manner and on a wider scale. Pakistan's future energy needs could be fulfilled from the Central Asian region and Pakistan could benefit from the advance technology of Russia in different sectors.

Pakistan has geographical connectivity with the Central Asian region which India does not, and this is a plus point for Pakistan to extend its relations and interests in the region.

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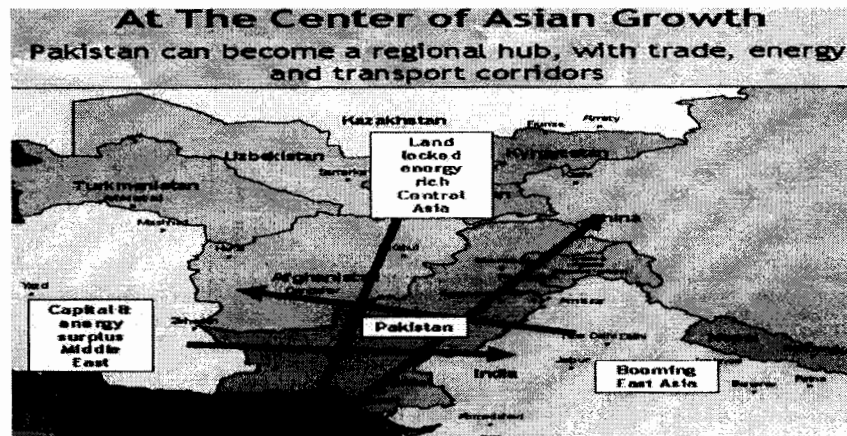
<sup>135</sup> Saeed Ahmed Rid, op. cit. p.24.





Source: <http://www.pakistanpatriot.com/?tag=tajikistan>

However, Pakistan should energize in its foreign policy towards Central Asia. Pakistan's geographical location provides the natural link between SCO states to connect Central Asia and China with the Arabian Sea and Middle East. The growing significance of East and Central Asia provide Pakistan opportunity to emerge as a trade and energy corridor.<sup>136</sup>



Source: <http://www.defence.pk/forums/economy-development/33007-karakoram-gateway-trade-western-china.html>

China and Tajikistan have already expressed their desires to use Gwader port for trade purpose. The full functioning of the Gwader port in this regard is very important for Pakistan, and this is Pakistan's leverage over India.

<sup>136</sup> Ibid., p.06.



Source: <http://www.pakistanpatriot.com/?tag=tajikistan>

### 3.1.2 Prospect for Defence and Security Cooperation

The SCO offers Pakistan a new platform for discussion on regional security and defence cooperation with the major regional players. Membership of the SCO could benefit Pakistan to improve its anti-terrorism capabilities, especially through the SCO Regional Anti-terrorism Structure (RATS).<sup>137</sup> Members of the organization regularly conduct joint military exercises for the shared purpose of enhancing defensive competence against the common threat of terrorism. In 2005, at SCO summit the then Pakistani Prime Minister Shaukat Aziz stressed that Pakistan wanted to become a full member of the organization, adding that this organization is of immense strategic importance and that if the SCO conducted joint military exercises like those performed in the past, Pakistan would consider participating.<sup>138</sup>

On the other side, SCO membership is also viewed as providing Pakistan an opportunity to expand its defence and security relations with Russia.<sup>139</sup> China and

<sup>137</sup> Rizwan Zeb, "Pakistan and the Shanghai Cooperation Organization," *China and Eurasia Forum Quarterly*, Vol. 4, no. 4 (2006), p. 56.

<sup>138</sup> Rick Rozoff, *op. cit.*

<sup>139</sup> Meena Singh Roy, *op. cit.*, p. 821.

Russia can help Pakistan in improving its weapon system manufacturing capabilities. Strategic interests could therefore be one the objectives of Pakistan to be promoted with all parties of the SCO.

### 3.1.3 Upholding of Political Interests

The SCO membership will offer Pakistan an opportunity to extend and safeguard its political interests. Pakistan could present its foreign policy to the gathering of the SCO leaders for securing political support on various issues related to Pakistan and the region. Pakistan could project the Kashmir issue from the platform effectively. Islamabad could ask the SCO members to play their role in resolving this core problem between Pakistan and India for bringing long lasting peace in the region.

Moreover, India has economic and strategic interests in Central Asia as well as in Afghanistan. It has started many developmental projects in Afghanistan and is also providing financial aid to Afghan government. This proactive approach of India towards Afghanistan is ultimately amplifying its influence in Afghanistan.



Source: <http://indiangeopolitics.blogspot.com/2009/12/envisioning-indias-strategic.html>

Pakistan could neutralize Indian influence and interests in Afghanistan and Central Asia by many ways. India do not have land connectivity with Central Asian states, all its gas pipelines projects will pass through Pakistan. Islamabad could realize New Delhi by adopting a proactive strategy that without having cordial relations with Pakistan, it cannot secure its interests in Central Asia. Full membership of the SCO forum would help Pakistan in achieving these political objectives.

#### **3.1.4 Profile Building Opportunity**

Membership of the SCO would raise Pakistan's profile not only in the region but internationally as well. Pakistan would be able to play an active role in Asia's politics in order to secure national interests. Pakistan's positive image in Central Asia and Russia will improve. And Pakistan would be regarded as not solely dependent upon the US but have a friendly foreign policy with a clear vision towards the world.

### **3.2 Is it Possible for Pakistan to become Full Member of the SCO?**

For the time being it seems that the SCO members states are emphasizing more on strengthening the SCO forum by accelerating economic and security collaboration among the member states instead of expanding the membership of the organization. There also persists favoritism among the member states about granting membership to the new states especially to the observer states. For instance, Russia is in favour of the inclusion of Iran and India into the organization, while China and Kazakhstan support

Pakistan's membership.<sup>140</sup> This contrast of supporting and rejecting is one of the issues of expanding membership of the organization. However, it is not to say that the membership would not be granted to new states in the near future.

For understanding and for reaching at some conclusion about the possibility of Pakistan's full membership of the SCO, there is need of understanding Pakistan's bilateral relations with the SCO countries, the overall regional environment, and some other challenges which are important to be comprehended.

### 3.2.1 **Pakistan's Relations with the SCO Member States**

An important point to understand before putting light on bilateral relations of two countries is that likewise in politics, there is no permanent friend and no permanent enemy in international relations. Relationships between countries undergo change with passage of time inline with the opportunities and consequences of the changing nature of regional and international environments.

#### 3.2.1.1 **Pakistan – China Relations**

Pakistan enjoys cordial relations with China. Pakistan was the first Islamic country which recognized China as an independent state. Pak-China early relations till 1960s were not very close. Pakistan support for China's permanent seat in United Nations in 1961, India-China border war in 1962 and Pak-India war of 1965 brought both the countries close to each other.

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<sup>140</sup> Tajik Prime Minister has also assured his Pakistani counterpart of his country support for Pakistan's permanent membership in the organization during a sidelines meeting in the 9<sup>th</sup> SCO Heads of Government Council in Dushanbe.

Between 1971 and 1978, China assisted Pakistan in building two defence related mega projects, the Heavy Rebuild Factory for T-59 tanks and the F-6 Aircraft Rebuild Factory.<sup>141</sup> The May 1998 Indian nuclear explosions damaged the already fragile trust between China and India, while further enhanced cooperative relations between Islamabad and Beijing.

China has always helped in advancement of Pakistan's defence capabilities. It has launched many joint defence ventures with Pakistan like JF-17 Thunder aircraft project with Pakistan Air Force, F-22P frigates with Pakistan Navy etc. They have also conducted joint anti-terrorism military exercises.

Trade relations between China and Pakistan are boosting rapidly. The current trade volume between both the countries has exceeded \$6 billion. China has invested in many sectors in Pakistan. There are many projects underway with the help of China. Upgrading of Karakoram Highway (which links Pakistan with China), *Thar* Coal Mining, upgrading of Pakistan Railways and power generation projects like *Chashma* nuclear power plants are the few examples in this regard.<sup>142</sup> More agreements and MoUs in different fields of mutual interests are expected to be signed between both the trustworthy neighbours in the upcoming visit of Chinese Premier to Pakistan (17-19 December 2010).

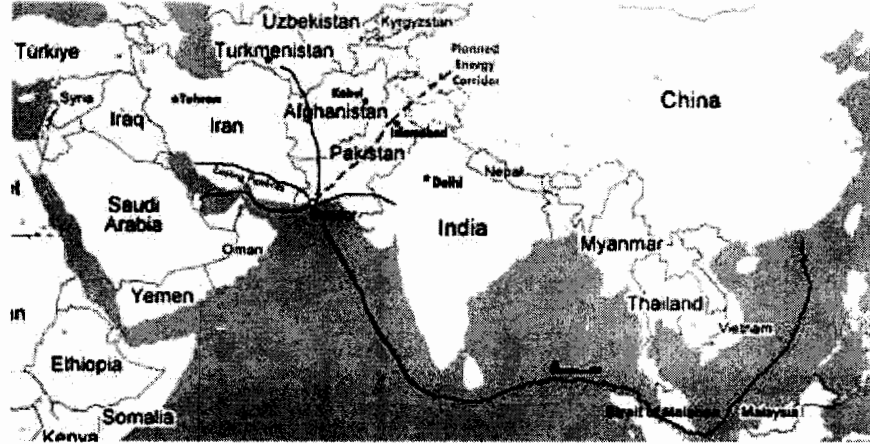
Pakistan has offered Gwadar port to China as a shortest trade access route to Middle East and to the West. Presently, China commercially

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<sup>141</sup> Fazal-ur-Rahman, "Pakistan's Evolving Relations with China, Russia and Central Asia," *Acta Slavica Iaponica*, Issue 16, 2007, p.213.

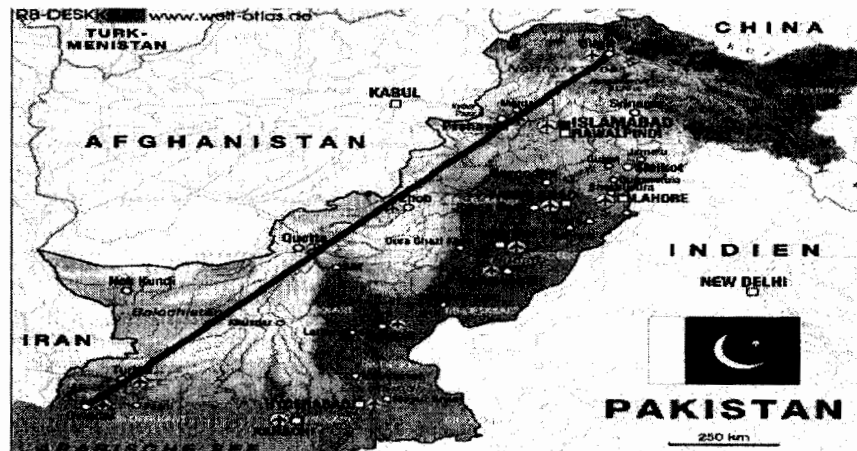
<sup>142</sup> *Ibid.*, p.218.

communicates with the Middle Eastern countries and Africa by the long and unsafe Indian Ocean through Sri Lanka, Malaysia, and Vietnam.



Source: [http://blogicnews.blogspot.com/2009/12/obama-declares-war-on-pakistan\\_27.html](http://blogicnews.blogspot.com/2009/12/obama-declares-war-on-pakistan_27.html)

China is also eager to use Pakistan as a trade and energy corridor. Beijing invested in building Gwadar port for Pakistan and now intends to help Pakistan in linking Gwadar to Karakoram Highway by rail track. The feasibility of the project has already been completed.



Source: [http://axisoflogic.com/artman/publish/Article\\_61094.shtml](http://axisoflogic.com/artman/publish/Article_61094.shtml)

China has been a committed friend of Pakistan. The interests of both countries are connected with each other and relations of both countries are

diversified to many fields and based upon time-tested trust. China has always supported Pakistan's stance at every regional and international forum and vice versa. China also supports Pakistan's desire for full membership in the SCO.

Both the countries have deep political, defence and economic relations. And this trend of boosting up bilateral relations is expected to continue in the future as well.

### 3.2.1.2 **Pakistan – Russia Relations**

Pakistan since independence has emphasized more on building close relations with the West especially with the US. In the real sense, Islamabad has not gained much from Washington and its loyalty towards Pakistan is time and again questioned in the academic and political circles. Islamabad's relations with some other important countries of the world have either remained unfriendly or not that much active. Russia is one of these countries which have almost been ignored by Pakistan. The country is still one of the super powers of the world - has large size, population, natural resources, and technology. Moreover, it has strong regained economy, has strong defence forces and enjoys influential role in international affairs.

After 9/11, there was seen a change in policies of both countries towards each other. The overall situation has undergone a significant change since September 2001, when Pakistan joined the US-led coalition against terrorism and played a leading role in the operations against the Taliban and *Al-Qaeda*.



There have been exchange of visits of high officials to each other's countries, which helped in defusing the distrust.

There are some rational reasons for the ice melt. First, both countries are suspicious of America's expanding agenda although both are committed to the US war on terrorism. They opposed the US war on Iraq and now both have common concerns about the current US-Iran nuclear issue. Second, India has played a major role in Soviet Union/Russian foreign policy. India on one side has established good relations with Moscow and on the other side, it also enjoys cordial relations with Washington. India does not just buy weapons from Russia but is buyer of large scale weapons from America, Israel and other European countries as well, which compels Moscow to look for other weapons purchasing markets. And certainly to maintain balance against India, Pakistan could be the country to buy Russian military equipment although it has not been successful so far. And this factor could play a role in building friendly relations between the two countries.<sup>143</sup> This union of interests offers some space for cooperation in the future.

Russia wants a stable South Asia, a peaceful South Asia guarantees Russian interests. That is why Russia opposes any kind of high intensity tension between Delhi and Islamabad. For instance, Russia perceived *Kargil* crisis in 1999 as an issue that had implications for geo-politics in South Asia and for its own interests.<sup>144</sup> Building cordial relations with Islamabad has

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<sup>143</sup> Ejaz Haider, "Pakistan Russia Relations: Much work needs to be done" *Daily Times*, June 16, 2003

<sup>144</sup> KM Pari Velan, "Russian Interests in South Asia and the Kargil Crisis", *IPCS*, <http://ipcs.org/article/us-south-asia/russian-interests-in-soth-asia-and-the-kargil-crisis-248.html> (accessed 19 July, 2010)

never been opposed by Moscow. Russia could invest in Pakistan in different sectors and can share its technology with Pakistan. However, the leadership of Pakistan has not warmly engaged itself with Moscow and till date only half hearted efforts have been made by both sides to remove misunderstanding and to take actions towards friendly relations. However, this is not to suggest that a breakthrough in bilateral relations with Russia could not be achieved. Pakistan's relationship with the Soviet Union was all along defined by Indo-Russian relations.<sup>145</sup> However, diplomacy is not a zero-sum game, good relations with one country do not exclude good relations with another. Friendly relations between Russia and India do not rule out the possibility for Pakistan to develop cordial relations with Russia. If India can improve its bilateral relations with China, despite China - Pakistan close friendship, then why not Pakistan with Russia. Both the countries need to build on their latent desire to establish good bilateral relations, forgetting about major and minor differences and irritants of the past.

Pakistan ought to pay sufficient attention to build friendly relations with Russia, which is regaining her lost power. Pakistan cannot afford to have hostility with friend of an enemy. Moreover, in the rapidly changing international affairs, Pakistan should reduce its dependency on Washington and need to pursue a joint action plan and strategic dialogue with Russia.<sup>146</sup>

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<sup>145</sup> Shahid R. Siddiqi, "Pakistan must Strengthen Relations with Russia", *Axis of Logic*, March 22, 2010

<sup>146</sup> Dr. Maria Sultan's speech during a joint workshop between South Asian Strategic Stability Institute (SASSI) and Centre for War and Peace, Moscow State Institute of International Relations, on topic "Pak-Russia Partnership and Afghan Crisis," *Daily Jang*, 22 November, 2010

SCO has provided an ample opportunity to both the countries, especially to Pakistan as a weaker party to revisit its relations with Russia for extending its national interests.

### 3.2.1.3 Pakistan - Central Asian Republics Relations

Pakistan wants to establish brotherly and cooperative relations with the CARs since their independence. The Central Asian states also wish to have friendly relationship with Pakistan and because of Pakistan's important geo-strategic location, they cannot ignore Pakistan. Likewise, Pakistan keeping in view the geo-political, geo-strategic and geo-economic reasons cannot overlook any type of development in the Central Asian region which will have an affect on it.<sup>147</sup> Pakistan has used the ECO forum to improve its relations with the CARs but again the unstable Afghanistan becomes an obstacle. For Pakistan, like other countries, Central Asia is important for fulfilling its future energy needs. Pakistan's foreign policy towards CARs is based on three factors, including countering Indian influence in the region<sup>148</sup> and to get economic benefits from the natural resources of the region and the desire to be an energy transit-corridor in South Asia.<sup>149</sup>

Religion is a binding force between Pakistan and Central Asia but religious extremism and terrorism in Afghanistan and in some Central Asian

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<sup>147</sup> Rizwan Zeb, "Pakistan's Bid for SCO membership: Prospects and Pitfalls," *CACI Analyst*, 26 July, 2006, <http://www.cacianalyst.org/?q=node/4085> (accessed 11 Nov, 2009)

<sup>148</sup> Apart from economic gains, India also wishes to establish military bases in some Central Asian States which Pakistan cannot afford. This concern from Pakistan side was raised before the Tajik foreign Minister during his visit to Islamabad in January 2004 and he assured Pakistani officials the Tajikistan would not allow Indian military bases on its soil. Pakistan to some experts sees the region as its strategic depth in case of an attack from India.

<sup>149</sup> Meena Singh Roy, op. cit., p. 813.

countries have damaged the good image of Pakistan in the CARs.<sup>150</sup> Pakistan should have to re-build its good image for strengthening relations with CARs as they are already inclined more towards China, India and Russia rather than Pakistan. So far the progress towards improving and promoting economic, trade, cultural, strategic ties is at low pace but optimistically in near future the relations will get pace.<sup>151</sup>

Central Asian republics have a potential economic market but unfortunately, Pakistan's trade relations with the region's countries are limited in scope. Still there are positive developments underway for boosting economic relations with the Central Asian states, however, the pace of such development is slow. Recently, Pakistan and Afghanistan have signed a transit trade accord. Under the agreement, Afghanistan would be able to trade with India through Pakistan, and Afghanistan would provide land route to Pakistan for its exports to the Central Asian Republics.<sup>152</sup> Similar kind of transit accord is expected to be finalized among Pakistan-Afghanistan and Tajikistan as agreed in the recent 25 November 2010 SCO summit in Dushanbe.

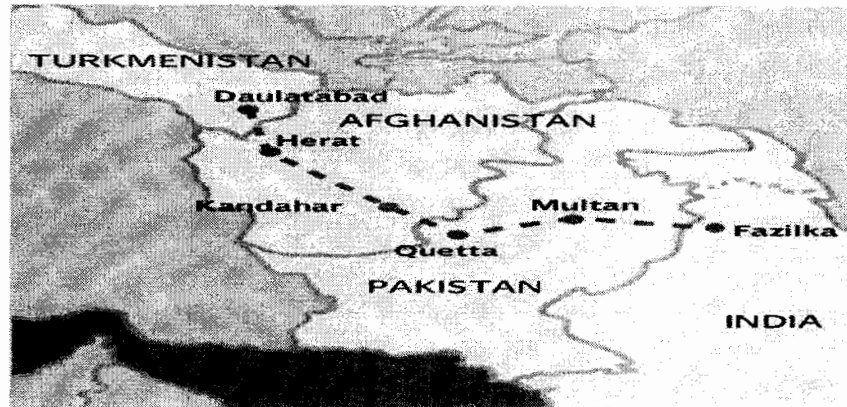
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<sup>150</sup> The Central Asian states accused Pakistan as supporter of Taliban in Afghanistan who are also creating troubles in the Central Asian republics. It was for this reason that Russia and some Central Asian republics voted against Pakistan entry into the SCO. Meena Singh Roy, op. cit., p. 810.

<sup>151</sup> Because Central Asian republics are landlocked therefore they could not ignore Pakistan's role in their economic connectivity with outer world through Gwadar port. Currently they are more incline towards Russia but Russian sea ports are financially expensive for them and gradually with improved infrastructure/communication facilities and full functioning of the Gwadar port, their trade would start through Pakistan.

<sup>152</sup> "Pakistan-Afghan accord on transit trade," *Dawn*, 19 July, 2010

Another important recent development is the signing of Turkmenistan, Afghanistan, Pakistan and India (TAPI) gas pipeline project on 11 December 2010 in Ashkabad.



Source: <http://tribune.com.pk/story/88852/pakistan-signs-7-6-billion-tapi-gas-pipeline-agreement/>

The project is expected to be completed by end of 2014 with cost of \$7.6 billion. Under the agreement Turkmenistan will release about 3 billion cubic feet gas per day to Afghanistan, Pakistan and India. Safety of the pipeline would remain a problem because the pipeline would run through some UN declared high risk areas in Afghanistan and Afghan government is not capable of assuring hundred percent security to the project pipeline.



Source: <http://www.bollyn.com/obamas-surge-of-us-wounded-in-afghanistan>

Notwithstanding all the arising problems / impediments, these are positive measures for boosting economic activities in the region. Now practical implementation on the projects is to be seen because many agreements have been inked in past between Pakistan and some Central Asian countries like Kyrgyzstan and Tajikistan about constructing roads, rail tracks and providing Pakistan electricity but there is no follow up to them. Joining SCO therefore, could provide Pakistan a platform where some pragmatic steps regarding boosting cooperation in various fields of mutual benefits could be taken.

For Pakistan, normal situation in Afghanistan, a stable Balochistan and strong political will is mandatory for competing India in the region and building economic ties with the region's republics.

### **3.2.2 The Overall Regional Environment**

The importance of Asian region is again being recognized worldwide. Especially Central Asia and South Asia after 9/11 have gained utmost importance in the international arena. The South Asian region as center of interests of international community is confronting many issues. These regional issues are affecting Pakistan. Afghanistan's crisis is one of the major concerns of Islamabad because of its negative impacts on Pakistan. The unstable Afghanistan has always remained problem for Pakistan since the partition of sub-continent. Now the presence of coalition forces along Pakistan's western border is a security threat for Pakistan. War-ravaged Afghanistan has made it difficult for Pakistan to

achieve the desired level of cooperation with Central Asian states in energy and many other sectors.

The Sino-Russian cordial relations are significant for the bright future of the organization, and presently the relations between both the big players of the organization are good and cooperation in various fields has strengthened. The close relationship between Russia and China is a positive sign for Pakistan. Greater economic and strategic interaction between them would make it possible for China to convince Russia in favour of Pakistan's permanent entry into the organization. In other words, China being a close friend of Pakistan could make Pakistan's job easier to get permanent seat in the SCO and thus enhance Pakistan's relations with Russia and CARs.

Russia as a major player in the region has influence in Central Asia and also in South Asia. It enjoys close relations with India and has influence in Afghanistan as well.

Now India and China have engaged in trade relationship despite their existing political differences/tensions.<sup>153</sup> Given the fact that China has now assumed its rightful place as a great power, the estrangement that resulted from the Sino-Indian conflict of 1962 could not be expected to become permanent.<sup>154</sup> This is quite new development in the present regional scenario. Russia also desires for

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<sup>153</sup> Indian political and military leadership has many times accused China's foreign policy especially its close strategic partnership with Pakistan.

<sup>154</sup> Maqbool A. Bhatti, "Sino-Indian Relations: Implications for Pakistan", *Strategic Perspectives*, Vol. 2, No.4, Autumn 1994, p. 30.

forming a strategic triangle among Russia, India and China and promoting close cooperation among India, Iran, the CARs.<sup>155</sup>

The historic rivalry between Pakistan and India still continues. Though there is no hot war between both the countries, however, India is pursuing the policy of blame game and tries its best to hurt Pakistan's interests anywhere possible. India is pursuing a Cold-Start strategy as part of its nuclear doctrine which adds fuel to the fire. Indian Army Chief General Deepak Kapoor while addressing at a defence seminar said that the possibility of a limited nuclear war is 'very much a reality in South Asia'.<sup>156</sup> Indian high-ups have even issued aggressive statements against China and talks about two-front war.<sup>157</sup> Such types of statements are clear reflection of Indian aggressive attitude towards neighbours especially against Pakistan. Islamabad knows that such kind of statements can do nothing and are bluff as India is well aware of Pakistan's defence capabilities but still these statements create an environment of high degree mistrust.

Furthermore, Indian growing influence in Afghanistan and the US-India strategic partnership also have serious security implications on Pakistan. The US-India nuclear deal changed the circumstances regarding Pakistan's option. However, Pak-China partnership hopefully would continue to counter the increasing strategic cooperation between Washington and Delhi.

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<sup>155</sup> Jyotsna Bakshi, op. cit., p. 180.

<sup>156</sup> *Daily Times*, 25 November, 2009

<sup>157</sup> For instance, Indian army chief once stated that India is ready to fight war with Pakistan and China simultaneously. Amanullah Khan (author of the thesis), "What prevents cooperation between India and Pakistan," *ISSRA Papers* of NDU, vol-II, 2010, p.56.



### 3.2.3 Some Other Challenges

There are number of other challenges which Pakistan is confronting today:-

- The most serious and fundamental challenges are the unstable political and insecure security situation of Pakistan. Terrorism and extremism in the country have done great damage to Pakistan.
- Afghanistan is considered the main source of terrorism in Pakistan. Its territory is being used by India against Pakistan. There is presence of Indian intelligence agencies especially RAW (Research and Analysis Wing) in Afghanistan working against Pakistan.



Source: <http://www.pakistanakhbar.com/?cat=5892>

Islamabad though tries to neutralize Delhi's influence in Afghanistan<sup>158</sup> but has not yet been fully successful. Peaceful Afghanistan is in the best interest of whole Asia. Pakistan's dream to become energy corridor for Central Asia could truly materialize when there would be peace in Afghanistan.

<sup>158</sup> Meena Singh Roy, op. cit., p. 798.

- A weak political system weakens state's institutions. And when the institutions become weak, all government machinery fails to work smoothly. Political stability is also directly related to economic growth in a country. A country having weak government, gets minimum Foreign Direct Investment (FDI), as the investors always demands for security of all types. There is lack of political stability in Pakistani politics. There is no steadiness in the political system of Pakistan. History has witnessed frequent political turmoil which have hurt Pakistan's economic, strategic, and political interests.<sup>159</sup> Politically stable Pakistan is thus the guarantee of its economic prosperity. Pakistan, therefore, needs sustained domestic and foreign economic policies and political stability provides a solid base to it.
- Close relations between Pakistan and China are not acceptable to Washington and Delhi. Both have time and again criticized China's supporting role for Pakistan. Another reason of their concerns is that both

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<sup>159</sup> Political stability implies here for constancy or steadiness in a political system of a state. If the system is running smoothly for achieving the ultimate goal of having a stable and strong government then it indicates political stability. Unfortunately, Pakistan's political system is not giving desired results. The biggest cause of the problem is the lack of competent and trustworthy political leadership. Politics in Pakistan has become the game of wealth. Those who are competent either cannot afford to spend on people during election campaigns or have not been given chance. There is no well defined eligibility criteria for bringing up trustworthy, competent and well educated politicians. One third of Pakistan's total population is living below poverty line, literacy rate is low, feudal mindset is still there, and in some places people are forced to vote for a specific candidate. Elections means to give people their due right to elect the right person of their choice without any pressure or greed. But unfortunately, this kind of fair political culture has not yet been developed in Pakistan. Even the election commission of Pakistan is not independent, corrupt people having fake educational degrees get chance to come into parliament. There is also big powers influence in Pakistani politics. The role of the US in this regard is worth-mentioning. Washington has always pursued a policy to influence Pakistan's politics. It has supported Army Generals to remains in power when its national interests were being fulfilled and when they became useless, they were thrown out. Similar is the case with Pakistani civilian governments, America has nothing to do with democracy in Pakistan. It just wants a government of people who say 'Yes' to its demands.

India and America consider China as their strategic adversary.<sup>160</sup>

Washington also put pressure on Pakistan not to have close relations with Iran.

- Pakistan has been accused of transferring nuclear technology to the non-nuclear states and questions have been raised about the inadequate safety and security mechanism of its nuclear weapons. Moreover, Pakistan has been blamed as supporter of the Taliban and exporter of terrorism. This has created an image problem for Pakistan across the world which is not going to help Pakistan in securing permanent membership in the SCO.
- As mentioned above, India seizes every opportunity to hurt Pakistan's interests everywhere in the world. India enjoys close relations with Russia which is still a big power and important member state of the SCO and opposes Pakistan application for full membership of the organization. Pakistan's desire for a full membership is being supported by China and Kazakhstan, however, without the entry of India, Pakistan may face difficulty in getting permanent place in the organization because compared to Pakistan; the Indian image in the CARs is positive and friendly. It enjoys goodwill within the regional states and they consider India as a country with technology which is more suited to their needs.<sup>161</sup> However, it is also a fact that India does not have land connectivity with the CARs which goes in Pakistan's advantage. Therefore, it is not to

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<sup>160</sup> Saeed Ahmed Rid, op. cit., p.29.

<sup>161</sup> Meena Singh Roy, op. cit., p. 822.

suggest that without India's membership in the organization Pakistan cannot be granted the status.

### 3.3 Policy Recommendations

From the above discussion it could be proposed that cordial and trustworthy relations with neighbours countries and with the SCO member states are vital for Pakistan in order to meet the new challenges of the multipolar world and to get full advantage of the opportunities it offers. In the subsequent paragraphs some policy recommendations are given in this regard:-

- ◇ History shows many ups and downs in bilateral and multilateral relations. The lesson which a state's leadership must learn is that enmity in international relations never remains permanent. Enemy of yesterday becomes close friend of today. Take the examples of France and Germany, India and China, and even Russia and China which are now close allies in the SCO were once enemies. Current national, regional and international affairs urge Pakistan to take a U-turn in its relations with Russia for securing national interests of Pakistan in the shape of joining the SCO platform.
- ◇ Geo-political and geo-economic realities dictate that Pakistan should diversify its foreign policy of good-will in all the four directions. Pakistan can no more rely on its 'Look West' policy<sup>162</sup>, therefore, while maintaining strategic partnership with the West, it should also warm up its 'Look East' policy. Some experts have even suggested that strategic partnership with Washington is not desirable in the long run. But we can have issue specific cooperation – and that

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<sup>162</sup> Saeed Ahmed Rid, op. cit., p. 01.

should the focus in our interaction with the US - with clear quid pro quos and greater transparency.<sup>163</sup>

- ◇ The future of the world lies in the East and Pakistan must not neglect this reality. Pakistan's geo-strategic location offers it to gain the favour of East Asia and Central Asia. The need of the time is that Pakistan should give a broader vision to its foreign policy according to the demands of the changing power scenario and show warmness and steadiness in pursuing it. And the policy of good-will towards East and Central Asia must not remain to files of the foreign office.
- ◇ Pakistan needs to expedite working on its infrastructural projects so as to complete them early and connect Gwadar port by rail and roads with other parts of the country. This is not only important to fully functionalize the port for international trade but also for assuring China and Central Asian states that Pakistan could really become a trade and energy corridor connecting East and Central Asia with Middle East and other parts of the West.
- ◇ One other important point needs to be stressed on is that ironically, there is commitment gap in the follow up proceedings in Pakistan's foreign policy. Bilateral agreements which Pakistan signs with countries are not materialized which results in the creation of trust deficit, thus cause to promote bad image of Pakistan all over the world. And this absence of commitment or the lack of political will on practical implementation of accords is the real time concern of

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<sup>163</sup> Shireen M. Mazari, *op. cit.*, p. 48-9.

many countries.<sup>164</sup> Pakistan has to do something worth noting to prove it just a misperception.

- ◇ Pakistan should continue to realize India that cordial relations between both the neighbouring countries are in the mutual interests of both sides. Islamabad should put efforts to let Delhi understand the verity that without an open handed support of Pakistan, India cannot get access to the Central Asian energy. Trustworthy relations between Islamabad and Delhi would help in stabilizing Afghanistan situation and a stable Afghanistan ensures extension of national interests of both the countries in the Central Asian region.
- ◇ And last but not least, Pakistan must not overlook the potential of the SCO which has indeed emerged as a potent regional organization having two major world powers as its members.<sup>165</sup> As leading player of the international war against terrorism, and victim as well, Pakistan should put efforts to convince the member states that Pakistan deserves full membership in the organization as security and taking measures against terrorism get prime space in the charter of the organization. For achieving the purpose, Pakistan should focus on bringing internal stability especially political stability. Internally stable and progressive Pakistan can change the outer world in its favour.

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<sup>164</sup> For example, there is general perception in the minds of Russian political leadership that Pakistan all the times remains in political turmoil and do not apply pragmatic approach for implementations of signed agreements (Prof. Dr. Azmat Hayat Khan during a speech to the participants of National Security Workshop at National Defence University, Islamabad). Their observation seems true because Pakistan's domestic policy also reflects the same picture. The government of Pakistan announced Swat package (to rehabilitate the internally displaced people of Swat, displaced because of military operation against militants in the valley, and to re-build swat on modern basis) but the government did not come up with its promise. Likewise, Aghaaz-e-Haqqe Balochistan Package was announced but there is no satisfactory implementation on the packages still. (Senator Mian Raza Rabbani - a PPP parliamentarian)

<sup>165</sup> Tahir Amin, op. cit., p. 63.

## **Sum Up**

This chapter discussed the outlook and demands of multipolar world, the importance of SCO and its significant for Pakistan. It underlined the prospects for Pakistan in joining the organization as permanent member. It signified that Pakistan must improve its bilateral relations with Russia to counter India which is building close ties with China.

The chapter highlighted some internal and external challenges ahead of Pakistan and recommended that Pakistan must focus on restoring internal stability in the country. Pakistan should speed up working on developing infrastructure in Balochistan for an early and fully functionalizing of Gwadar port.

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## **Conclusion**

The debate of declining position of the United States, and the transformation of power from West to East has been there in almost every academic, political, security and economic institutions/forums at national, regional and international level. It is agreed by majority that the world order has transformed from unipolarity to multipolarity. There are many other reasons along with the US declining domestic position which are paving way for the transformation. How to cope with the challenges of the multipolar world and how to get full advantage of the opportunities it offers are some of the questions for every state as the effects of the transformation are worldwide.

The trend of regionalism has accelerated social, political and economic integration among different regions' states. The emergence of regionalism and the roles of regional organizations are redefining regional engagements in areas of security and economy. Apart from that, regional institutions have critical role not only in solving regional problems but that of the current multipolar world like conflicts, global warming, wide scale poverty, inequality, and human insecurity.

Shanghai Cooperation Organization, comparatively a new regional organization of Asia, has great potential. It fulfills its primary aim of conflict avoidance and is progressing in achieving its objectives by adopting consensus based policies and their practical implementations. The two big powers in the organization are committed for attaining the objectives of the organization. They are well aware of the predominant position of the US after the post cold war. Both the countries have joined hands for cooperating to minimize the US influence in the region.

The organization is supposed to grant membership to its observer countries and extend its influence to South Asia. Pakistan's wish to become full member of the SCO has many rational reasons behind it. Pakistan is seeking to expand its relations in all fields of mutual cooperation with all the region's countries. Pakistan enjoys good diplomatic relations with CARs and Russia, however, these ties so far have not been result-oriented in Pakistan's advantage.

One important point needs to be understood thoroughly is that the US like in the past would not want Pakistan to come closer to Central Asia and Russia by getting full membership of the SCO. America is not happy with Pakistan's close relations with China, then how could it welcome Pakistan's cordial relations with Russia.<sup>166</sup> Pakistan provides shortest possible trade route to the Central Asian countries, Afghanistan and China to the Middle East and to the West through the Arabian Sea. It could also be argued that the US is well aware of Pakistan's geo-strategic position and the importance of newly built Gwadar port. Washington like India may not crave for an operational Gwadar port. Indian agencies are trying to keep instability in Balochistan with outside political support from the US side.

If Pakistan wants not to be dependent upon Washington and wants to counter Indian aggressive influence in Afghanistan, it must try to make a strategy and follow it well in order to force the US and allied forces to leave Afghanistan as soon as possible. Some experts and officials argue that the early withdrawal of the coalition forces from Afghanistan would create more trouble both for Afghanistan and Pakistan,

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<sup>166</sup> The US wants Pakistan to be in need always to Washington so that it could use Pakistan for its national interests. Building close relations with all the members of the SCO would mean for the US as Pakistan is going out of its begging net which is not okay to it. However, US today needs Pakistan's crucial support against its war on terrorism, therefore, Pakistan's entry in SCO as permanent member would not hurt Pak-US bilateral relations.

securing Pakistan's national interests in the changing power scenario solely depends upon Pakistani leadership. The job to handle the challenges of the regional and international environments and the task of effectively presenting Pakistan's case in the SCO is now the art and quality of Pakistani diplomats and political leadership. It is upon them to get advantage of the opportunities, realize the multi-polar world's demands, and adopt a multipolar foreign policy instead of putting all eggs in one basket.

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**ANNEXURE-A****Charter of the Shanghai Cooperation Organization**

The People's Republic of China, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan being the founding states of the Shanghai Cooperation Organization (hereinafter SCO or the Organization),

- Based on historically established ties between their peoples;
- Striving for further enhancement of comprehensive cooperation;
- Desiring to jointly contribute to the strengthening of peace and ensuring of security and stability in the region in the environment of developing political multipolarity and economic and information globalization;
- Being convinced that the establishment of SCO will facilitate more efficient common use of opening possibilities and counteracting new challenges and threats;
- Considering that interaction within SCO will promote the realization of a huge potential of good neighborliness, unity and cooperation between States and their peoples;
- Proceeding from the spirit of mutual trust, mutual advantage, equality, mutual consultations, respect for cultural variety and aspiration for joint development that was clearly established at the meeting of heads of six States in 2001 in Shanghai;
- Noting that the compliance with the principles set out in the Agreement between the People's Republic of China, the Republic of Kazakhstan, the

Kyrgyz Republic, the Russian Federation and the Republic of Tajikistan on Strengthening Confidence in the Military Field in the Border Area of 26 April, 1996, and in the Agreement between the People's Republic of China, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation and the Republic of Tajikistan on Mutual Reductions of Armed Forces in the Border Area of 24 April, 1997, as well as in the documents signed at summits of heads of the People's Republic of China, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan in the period from 1998 to 2001, has made an important contribution to the maintenance of peace, security and stability in the region and in the world;

- Reaffirming our adherence to the goals and principles of the Charter of the United Nations, other commonly acknowledged principles and rules of international law related to the maintenance of international peace, security and the development of good neighborly and friendly relations, as well as the cooperation between States;
- Guided by the provisions of the Declaration on the Creation of the Shanghai Cooperation Organization of 15 June, 2001,

Have agreed as follows:

#### **Article 1: Goals and Tasks**

The main goals and tasks of SCO are:

- to strengthen mutual trust, friendship and good neighborliness between the member States;

- to consolidate multidisciplinary cooperation in the maintenance and strengthening of peace, security and stability in the region and promotion of a new democratic, fair and rational political and economic international order;
- to jointly counteract terrorism, separatism and extremism in all their manifestations, to fight against illicit narcotics and arms trafficking and other types of criminal activity of a transnational character, and also illegal migration;
- to encourage the efficient regional cooperation in such spheres as politics, trade and economy, defense, law enforcement, environment protection, culture, science and technology, education, energy, transport, credit and finance, and also other spheres of common interest;
- to facilitate comprehensive and balanced economic growth, social and cultural development in the region through joint action on the basis of equal partnership for the purpose of a steady increase of living standards and improvement of living conditions of the peoples of the member States;
- to coordinate approaches to integration into the global economy;
- to promote human rights and fundamental freedoms in accordance with the international obligations of the member States and their national legislation;
- to maintain and develop relations with other States and international organizations;

- to cooperate in the prevention of international conflicts and in their peaceful settlement;
- to jointly search for solutions to the problems that would arise in the 21<sup>st</sup> century.

### **Article 2: Principles**

The member States of SCO shall adhere to the following principles:

- ◇ mutual respect of sovereignty, independence, territorial integrity of States and inviolability of State borders, non-aggression, non-interference in internal affairs, non-use of force or threat of its use in international relations, seeking no unilateral military superiority in adjacent areas;
- ◇ equality of all member States, search of common positions on the basis of mutual understanding and respect for opinions of each of them;
- ◇ gradual implementation of joint activities in the spheres of mutual interest;
- ◇ peaceful settlement of disputes between the member States;
- ◇ SCO being not directed against other States and international organizations;
- ◇ prevention of any illegitimate acts directed against the SCO interests;
- ◇ implementation of obligations arising out of the present Charter and other documents adopted within the framework of SCO, in good faith.

### **Article 3: Areas of Cooperation**

The main areas of cooperation within SCO shall be the following:

- ◆ maintenance of peace and enhancing security and confidence in the region;

- ◆ search of common positions on foreign policy issues of mutual interest, including issues arising within international organizations and international fora;
- ◆ development and implementation of measures aimed at jointly counteracting terrorism, separatism and extremism, illicit narcotics and arms trafficking and other types of criminal activity of a transnational character, and also illegal migration;
- ◆ coordination of efforts in the field of disarmament and arms control;
- ◆ support for, and promotion of regional economic cooperation in various forms, fostering favorable environment for trade and investments with a view to gradually achieving free flow of goods, capitals, services and technologies;
- ◆ effective use of available transportation and communication infrastructure, improvement of transit capabilities of member States and development of energy systems;
- ◆ sound environmental management, including water resources management in the region, and implementation of particular joint environmental programs and projects;
- ◆ mutual assistance in preventing natural and man-made disasters and elimination of their implications;
- ◆ exchange of legal information in the interests of development of cooperation within SCO;

- ◆ development of interaction in such spheres as science and technology, education, health care, culture, sports and tourism.

The SCO member States may expand the spheres of cooperation by mutual agreement.

#### **Article 4: Bodies**

1. For the implementation of goals and objectives of the present Charter the following bodies shall operate within the Organization:

- The Council of Heads of State;
- The Council of Heads of Government (Prime Ministers);
- The Council of Ministers of Foreign Affairs;
- Meetings of Heads of Ministries and/or Agencies;
- The Council of National Coordinators;
- The Regional Counter-terrorist Structure;
- Secretariat.

2. The functions and working procedures for the SCO bodies, other than the Regional Counter-terrorist Structure, shall be governed by appropriate provisions adopted by the Council of Heads of State.

3. The Council of Heads of State may decide to establish other SCO bodies. New bodies shall be established by the adoption of additional protocols to the present Charter which enter into force in the procedure, set forth in Article 21 of this Charter.

#### **Article 5: The Council of Heads of State**

The Council of Heads of State shall be the supreme SCO body. It shall determine priorities and define major areas of activities of the Organization, decide upon the

fundamental issues of its internal arrangement and functioning and its interaction with other States and international organizations, as well as consider the most topical international issues.

The Council shall hold its regular meetings once a year. A meeting of the Council of Heads of State shall be chaired by the head of State organizing this regular meeting. The venue of a regular meeting of the Council shall generally be determined in the Russian alphabetic order of names of the SCO member States.

**Article 6: The Council of Heads of Government (Prime Ministers)**

The Council of Heads of Government (Prime Ministers) shall approve the budget of the Organization, consider and decide upon major issues related to particular, especially economic, spheres of interaction within the Organization.

The Council shall hold its regular meetings once a year. A meeting of the Council shall be chaired by the head of Government (Prime Minister) of the State on whose territory the meeting takes place.

The venue of a regular meeting of the Council shall be determined by prior agreement among heads of Government (Prime Ministers) of the member States.

**Article 7: The Council of Ministers of Foreign Affairs**

The Council of Ministers of Foreign Affairs shall consider issues related to day-to-day activities of the Organization, preparation of meetings of the Council of Heads of State and holding of consultations on international problems within the Organization. The Council may, as appropriate, make statements on behalf of SCO.

The Council shall generally meet one month prior to a meeting of the Council of Heads of State. Extraordinary meetings of the Council of Ministers of Foreign Affairs



shall be convened on the initiative of at least two member States and upon consent of ministers of foreign affairs of all other member States. The venue of a regular or extraordinary meeting of the Council shall be determined by mutual agreement.

The Council shall be chaired by the minister of foreign affairs of the member State on whose territory the regular meeting of the Council of Heads of State takes place, during the period starting from the date of the last ordinary meeting of the Council of Heads of State to the date of the next ordinary meeting of the Council of Heads of State.

The Chairman of the Council of Ministers of Foreign Affairs shall represent the Organization in its external contacts, in accordance with the Rules of Procedure of the Council.

**Article 8: Meetings of Heads of Ministries and/or Agencies**

According to decisions of the Council of Heads of State and the Council of Heads of Government (Prime Ministers) heads of branch ministries and/or agencies of the member States shall hold, on a regular basis, meetings for consideration of particular issues of interaction in respective fields within SCO.

A meeting shall be chaired by the head of a respective ministry and/or agency of the State organizing the meeting. The venue and date of a meeting shall be agreed upon in advance.

For the preparation and holding meetings the member States may, upon prior agreement, establish permanent or ad hoc working groups of experts which carry out their activities in accordance with the regulations adopted by the meetings of heads of

ministries and/or agencies. These groups shall consist of representatives of ministries and/or agencies of the member States.

**Article 9: The Council of National Coordinators**

The Council of National Coordinators shall be a SCO body that coordinates and directs day-to-day activities of the Organization. It shall make the necessary preparation for the meetings of the Council of Heads of State, the Council of Heads of Government (Prime Ministers) and the Council of Ministers of Foreign Affairs. National coordinators shall be appointed by each member State in accordance with its internal rules and procedures.

The Council shall hold its meetings at least three times a year. A meeting of the Council shall be chaired by the national coordinator of the member State on whose territory the regular meeting of the Council of Heads of State takes place, from the date of the last ordinary meeting of the Council of Heads of State to the date of the next ordinary meeting of the Council of Heads of State.

The Chairman of the Council of National Coordinators may on the instruction of the Chairman of the Council of Ministers of Foreign Affairs represent the Organization in its external contacts, in accordance with the Rules of Procedure of the Council of National Coordinators.

**Article 10: Regional Counter-Terrorist Structure**

The Regional Counter-terrorist Structure established by the member States of the Shanghai Convention to combat terrorism, separatism and extremism of 15 June, 2001, located in Bishkek, the Kyrgyz Republic, shall be a standing SCO body.

Its main objectives and functions, principles of its constitution and financing, as well as its rules of procedure shall be governed by a separate international treaty concluded by the member States, and other necessary instruments adopted by them.

**Article 11: Secretariat**

Secretariat shall be a standing SCO administrative body. It shall provide organizational and technical support to the activities carried out in the framework of SCO and prepare proposals on the annual budget of the Organization.

The Secretariat shall be headed by the Executive Secretary to be appointed by the Council of Heads of State on nomination by the Council of Ministers of Foreign Affairs.

The Executive Secretary shall be appointed from among the nationals of member States on a rotational basis in the Russian alphabetic order of the member States' names for a period of three years without a right to be reappointed for another period.

The Executive Secretary deputies shall be appointed by the Council of Ministers of Foreign Affairs on nomination by the Council of National Coordinators. They cannot be representatives of the State from which the Executive Secretary has been appointed.

The Secretariat officials shall be recruited from among nationals of the member States on a quota basis.

The Executive Secretary, his deputies and other Secretariat officials in fulfilling their official duties should not request or receive instructions from any member State and/or government, organization or physical persons. They should refrain from any actions that might affect their status as international officials reporting to SCO only.

The member States shall undertake to respect the international character of the duties of the Executive Secretary, his deputies and Secretariat staff and not to exert any influence upon them as they perform their official functions.

The SCO Secretariat shall be located at Beijing (the People's Republic of China).

**Article 12: Financing**

SCO shall have its own budget drawn up and executed in accordance with a special agreement between member States. This agreement shall also determine the amount of contributions paid annually by member States to the budget of the Organization on the basis of a cost-sharing principle.

Budgetary resources shall be used to finance standing SCO bodies in accordance with the above agreement. The member States shall cover themselves the expenses related to the participation of their representatives and experts in the activities of the Organization.

**Article 13: Membership**

The SCO membership shall be open for other States in the region that undertake to respect the objectives and principles of this Charter and to comply with the provisions of other international treaties and instruments adopted in the framework of SCO.

The admission of new members to SCO shall be decided upon by the Council of Heads of State on the basis of a representation made by the Council of Ministers of Foreign Affairs in response to an official request from the State concerned addressed to the acting Chairman of the Council of Ministers of Foreign Affairs.

SCO membership of a member State violating the provisions of this Charter and/or systematically failing to meet its obligations under international treaties and instruments, concluded in the framework of SCO, may be suspended by a decision of the Council of Heads of State adopted on the basis of a representation made by the Council of Ministers of Foreign Affairs. If this State goes on violating its obligations, the Council of Heads of State may take a decision to expel it from SCO as of the date fixed by the Council itself.

Any member State shall be entitled to withdraw from SCO by transmitting to the Depository an official notification of its withdrawal from this Charter no later than twelve months before the date of withdrawal. The obligations arising from participation in this Charter and other instruments adopted within the framework of SCO shall be binding for the corresponding States until they are completely fulfilled.

**Article 14: Relationship with Other States and International Organizations**

SCO may interact and maintain dialogue, in particular in certain areas of cooperation, with other States and international organizations.

SCO may grant to the State or international organization concerned the status of a dialogue partner or observer. The rules and procedures for granting such a status shall be established by a special agreement of member States.

This Charter shall not affect the rights and obligations of the member States under other international treaties in which they participate.

**Article 15: Legal Capacity**

As a subject of international law, SCO shall have international legal capacity. It shall have such a legal capacity in the territory of each member State, which is required to achieve its goals and objectives.

SCO shall enjoy the rights of a legal person and may in particular:

- conclude treaties;
- acquire movable and immovable property and dispose of it;
- appear in court as litigant;
- open accounts and have monetary transactions made.

**Article 16: Decisions-Taking Procedure**

The SCO bodies shall take decisions by agreement without vote and their decisions shall be considered adopted if no member State has raised objections during the vote (consensus), except for the decisions on suspension of membership or expulsion from the Organization that shall be taken by "consensus minus one vote of the member State concerned".

Any member State may expose its opinion on particular aspects and/or concrete issues of the decisions taken which shall not be an obstacle to taking the decision as a whole. This opinion shall be placed on record.

Should one or several member States be not interested in implementing particular cooperation projects of interest to other member States, non-participation of the abovesaid member States in these projects shall not prevent the implementation of such cooperation projects by the member States concerned and, at the same time, shall not prevent the said member States from joining such projects at a later stage.

**Article 17: Implementation of Decisions**

The decisions taken by the SCO bodies shall be implemented by the member States in accordance with the procedures set out in their national legislation.

Control of the compliance with obligations of the member States to implement this Charter, other agreements and decisions adopted within SCO shall be exercised by the SCO bodies within their competence.

**Article 18: Permanent Representatives**

In accordance with their domestic rules and procedures, the member States shall appoint their permanent representatives to the SCO Secretariat, which will be members of the diplomatic staff of the embassies of the member States in Beijing.

**Article 19: Privileges and Immunities**

SCO and its officials shall enjoy in the territories of all member States the privileges and immunities which are necessary for fulfilling functions and achieving goals of the Organization.

The volume of privileges and immunities of SCO and its officials shall be determined by a separate international treaty.

**Article 20: Languages**

The official and working languages of SCO shall be Russian and Chinese.

**Article 21: Duration and Entry into Force**

This Charter shall be of indefinite duration.

This Charter shall be subject to ratification by signatory States and shall enter into force on the thirtieth day following the date of the deposit of the fourth instrument of ratification.

For a State which signed this Charter and ratified it thereafter it shall enter into force on the date of the deposit of its instrument of ratification with the Depositary.

Upon its entering into force this Charter shall be open for accession by any State.

For each acceding State this Charter shall enter into force on the thirtieth day following the date of receiving by the Depositary of appropriate instruments of accession.

**Article 22: Settlement of Disputes**

In case of disputes or controversies arising out of interpretation or application of this Charter member States shall settle them through consultations and negotiations.

**Article 23: Amendments and Additions**

By mutual agreement of member States this Charter can be amended and supplemented. Decisions by the Council of Heads of State concerning amendments and additions shall be formalized by separate protocols which shall be its integral part and enter into force in accordance with the procedure provided for by Article 21 of this Charter.

**Article 24: Reservations**

No reservations can be made to this Charter which contradict the principles, goals and objectives of the Organization and could prevent any SCO body from performing its functions. If at least two thirds of member States have objections the reservations must be considered as contradicting the principles, goals and objectives of the Organization or preventing any body from performing its functions and being null and void.



**Article 25: Depositary**

The People's Republic of China shall be the Depositary of this Charter.

**Article 26: Registration**

Pursuant to Article 102 of the Charter of the United Nations, this Charter is subject to registration with the Secretariat of the United Nations.

Done at Saint-Petersburg the seventh day of June 2002 in a single original in the Chinese and Russian languages, both texts being equally authoritative.

The original copy of this Charter shall be deposited with the Depositary who will circulate its certified copies to all signatory States.

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- The charter could be accessed at the organization website:  
<http://www.sectSCO.org/EN/show.asp?id=69>

