Alliance Gravity and Balancing in the Eurasian Power Geometry with reference to Two “Cooperation Organisation” (ECO & SCO)

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Abstract

Given its growing geopolitical importance, global as well as regional players, with their own geostrategic interests, are taking the stage to play the new power game in the Mackinder’s pivotal heartland, the Central Asia and its periphery. The region has once again become a hotbed of diplomatic, strategic, economic and geo-political competition with the rise of new players, shifting and reshuffling of balance of power. The study attempts to shed light on the possible ramifications of alliance formation, interactions, and cross membership in various alliances in the region, with reference to two formations; the Shanghai Cooperation Organisation (SCO) and the Economic Cooperation Organization (ECO).

Emerging as a powerhouse with central gravity, in the process of attracting new members, the SCO could be undermining the potential viability and prospects of other regional integration schemes in the area. At this juncture, for example, the status of Afghanistan, Pakistan, India, and Iran, and that of Turkey offers a dramatic case. With an EU membership pending and long time NATO membership, Turkey interestingly became SCO’s dialogue partner in April 2013. It is to be of crucial importance to observe if such specific developments of shifting coalitions would add heating up the peaceful contest and competition among the regional countries and players and to what extent alliance balancing and rivalry will unsettle the new regional order in the Central Asian geopolitics.

Keywords: Eurasia, regionalism, cooperation, alliance, membership, organisation, trade, development, rivalry, gravitational pull.

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1. Introduction

The geopolitical importance of central Eurasia along with the Asia in entity has been manifestly growing with the new era that has emerged after the breakup of the Soviet Union. The disintegration led to the birth of five or so new nations in Central Asia, while generating a geopolitical vacuum in the region. The region commonly termed ‘Central Asia’ in recent literature covers an area of four million square kilometres bordered by the Caspian Sea in the west, Afghanistan, Iran, and Pakistan to the south, the Taklamakan desert, or China in the east, and Russian Siberian steppes to the North. The wider Central Asia region includes and is surrounded by a number of important regional powers (Linn and Tiomkin, 2005); Byrd and Raiser, 2006).

Global and regional players who (were) kept away from this region during the Soviet regime saw new opportunities due to its geopolitical, geo-strategic and economic significance. Thus, The region, a main contender for pandora’s box of global politics, is witnessing the rise of new players, shifting alliances, and reshuffling of balance of power under the shadow of the decline of Western influence in the emerging multipolar world. The Asia, as epicenter of what is conceived as Eurasia, is a bowl of contesting world powers, regionally China, Russia, Japan, India and those outsiders like the U.S. and European Union with high stakes.

In terms of its economic size, given its present projections of growth potentials, resource base, and demographics, the continental Asia is emerging as the dominant player that is expected to shape the future international order. Asia presently on par with Europe and North America is expected to claim 50% more output by 2020. By 2030 Asia’s economic mass is expected to overtake North America and Europe combined in terms of global economic power, based on such parameters as gross domestic product and population. According to projections for 2030, four of top major economies of the world will be Asian, led by China (30.6 billion US$), India (13.7 billion US$), Japan (5.8 billion US$), and Russia (5.3 billion US$), compared to U.S. (23.3 billion US$), the second in ranking. In the same way, given the present trends, Germany, United Kingdom, and France combined would fail to match India (PWC, 2013).

Regionalism has emerged as a significant phenomenon in the realm of post-War II international political economy. The decades of 1950s and 1960s witnessed the birth of many regional groupings in different parts of the world. The success of the European integration scheme, the European Economic Community (predecessor of the European Union-EU), was to be singled out and has had to be emulated; yet, the similar attempts had not produced comparable results in other parts of the world. It has to be noted that a new thrust of regionalism, along with a renewed focus of regional studies, has emerged since the mid-1980s and notably after the end of the Cold War, triggered by the ongoing European integration and the impacts of globalization activating greater flows and interdependence in trade, production, finance.

The present study analyzes some potential implications of sub-regionalism in central Eurasia or wider Central Asia, by highlighting the state of evolution in two specific cooperation/integration organisations in the region, and their comparative positions in the context of power geometry in the region. The designated region as a geographic concept is related to the territory between the Bosporus in the west and the Xinjiang-Uighur Autonomous Region/ China in the east and from the Kazakh steppes in the north to the Indian Ocean in the South (Ismailov and Papava, 2010; Ismailov, 2012).

The paper will briefly consider factorial dynamics in the case of two sub-regional organisations which share membership and the same geography of influence within central Eurasia, namely Shanghai Cooperation Organisation and Economic Cooperation Organization. The Shanghai Cooperation Organisation (SCO) was formed in 2001 as a regional security bloc, promoted by China and Russia, with the participation of four
Central Asian nations – Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The Economic Cooperation Organization (ECO), which was founded much earlier, in 1985, by Iran, Pakistan and Turkey, expanded in 1992 with the joining of seven central Asian nations, namely Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. Thus these two fairly new organisations of Asian regionalism would demonstrate two different structures in terms of their institutional characteristics, evolution, regional roles, and geopolitical appeal to the neighbourhood. They contend to be major players in the “new game”, which incorporates interests of various internal as well as outside powers, interaction of forces, and dynamics of cooperation and competition that stand to pose significant repercussions even beyond the region.

SCO is an emerging powerhouse imposing itself with gravitational pull. Within a decade, SCO seems to be progressing to generate focus and close followup in various circles. The organisation is poised to expand by attracting potential new members, thus raising the question of undermining the institutional viability and prospects of similar regional integration efforts, as may be the case with ECO, or even the Eurasian Economic Community (EurAsEC) in the neighborhood. In this instance, the observer status of Afghanistan, Iran, Pakistan, and India and that of Turkey offers a dramatic case. As a special case, with an EU membership pending and its full NATO membership position, Turkey engaged SCO as its dialogue partner on 26 April 2013. If one is to identify the the state of affairs as a gravitational pull, the expansion and deepening of SCO would add heat up the peaceful contest and competition among the regional players to further their conflicting strategic interests, while even a loose alliance shift in favour of SCO could reset the strategic calculations of all other players including those outside powers.

The study would also contribute in the way of shedding light on the nature’s of central Eurasia’s emerging trend of regionalism, its dimensions, and provide some understanding if, for instance, such a region-based institutionalisation can be a stabilizing pivot given inherent weaknesses or advantages. It is noted that sub-regional cooperation, as the both SCO and ECO signifies, may be seen as the building block of Asia’s regional integration architecture, and a logical way of designing for overall stability and prosperity of the region with its size, diversity, density, and challenges. The major challenge for SCO, as the Eurasia’s biggest sub-regional formation, epicenter and a showcase for the entire Asian regionalism, is that growing interdependence and such an architecture of cooperation can serve in a constructive way the regional as well as the global peace and prosperity (ADB, 2008, 2010 ; Acharya, 2010, 2012).

Unlike SCO, ECO with an enlarged body of 325 million people spread over almost eight million square kilometres, has a cultural cohesion, incorporating all of the non-Arab Islamic countries of western and Central Asia. What is notable is that many of ECO member nations and some SCO member former Soviet republics are also members of other similar organisations in the region such as the Black Sea Economic Cooperation (BSEC), The Eurasian Economic Community (EurAsEC), and also The Central Asia Regional Economic Cooperation (CAREC).

2. An Overview of the Asian-Central Eurasian Regionalism

Eurasia/Asia has no shortage of dominant powers; yet, except Russia to some extent, neither China, nor Japan or India has led the way to dress up an imposing regional organization. Asian regionalism at the start was rather product of a balancing act by weaker states, as demonstrated by the Association of Southeast Asian Nations (ASEAN) venture. The South Asia led the way in the process of Asian regionalization in 1960s by founding the ASEAN in 1967, followed by the formation of the South Asian Association for Regional Co-operation (SAARC) in 1985. This is attributed by what
Acharya (2012) calls the capability–legitimacy gap. In his observation, as by many, the region’s principal powers Japan, China, and India suffered from a legitimacy deficit that prevented them from organizing regional cooperation in a sustainable manner, despite having the material capabilities to deliver and hence capable of providing collective goods. Of the two continental powers, as Acharya argues, despite its impressive show at the Bandung Conference in 1955, China is said to have failed to gain much legitimacy in the region as a result of its policy of supporting communist movements in Southeast Asia and its over-preoccupation internally. The 1962 border war with China leading to the erosion of Indian influence in Southeast Asia, its domestic instability, later 1965 and 1971 wars with Pakistan, India also became more preoccupied with domestic and South Asian affairs. While New Delhi showed some interest in joining ASEAN in the 1970s, ASEAN was reluctant to let India in, partly out of concerns of Indian dominance, and for getting embroiled in the India–Pakistan and India–China rivalries (Acharya, 2012:15).

Some two/three decades later, not only has ASEAN undergone horizontal as well as vertical expansion, the continental Asian’s institutional landscape began to change due to global and regional dynamics, as there were calls from some regional leaders to forge a closer and inclusive schemes of cooperation. Notably, after the East Asian crisis, the three northern Asian nations, China, Japan, and South Korea, participated in the ASEAN summit in December 1997 in Kuala Lumpur, where the decision to establish ASEAN Plus Three was made; the ex-grouping was formally institutionalised in November 1999. This which somewhat marks China’s first serious involvement in the Asia’s regionalism at the onset of SCO.

One other cooperation project involving the central Asian states and China is the Central Asia Regional Economic Cooperation (CAREC) Program, a project-based, and results-oriented partnership that promotes and facilitates regional cooperation in transport, trade, and energy. CAREC comprises 10 countries, the six SCO members plus potential applicants, and Azerbaijan. Six multilateral institution partners, namely development banks, support the work of the CAREC member countries. ADB serves as the CAREC Secretariat. From 2001 to 2013, the program invested $22.4 billion in regional infrastructure and initiatives to promote connectivity and trade, helping the mostly landlocked countries with rich natural and energy resources reach out to global markets(CAREC, 2013).

At the Russian front, in the post-Soviet era, Moscow has engaged a strategy to pull former Soviet satellite states back into its orbit through some kind of economic integration initiatives with combinations of incentives and threats, in the realm of the embedded perception of Russia’s soft and hard power in the newly independent states. The first and best-known initiative was the Commonwealth of Independent States (CIS). When it was set up in December 1991 it was more a vehicle for channelling the orderly disintegration of the Soviet Union than for a fresh engagement among its former constituents (Dragneva and Wolczuk, 2012). Thus, the membership profile included Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan, and Ukraine. Yet, Russia pioneered various initiatives throughout the 1990s. By the mid-1990s Russia’s focus shifted to investing in smaller, sub-regional, groupings. Since President Putin’s annual state of the nation address to parliament and the country’s top political leaders in April 2005, where he declared that the breakup of the Soviet Union is the greatest tragedy of the 20th century, there has been more ambitious attempts by Moscow to dominate the post-Soviet space.

The project for the establishment of a union of Eurasian states was suggested by President Nazarbayev of Kazakhstan in a speech delivered at the M.V. Lomonosov Moscow State University in March 1994. The Eurasian Economic Community (EurAsEC) originated from the CIS with the launch of a customs union between Belarus, Russia and Kazakhstan on 29 March 1996. The origins of the Eurasian Customs Union go back to January 1995, when Russia signed a treaty on the
formation of a customs union with Belarus and Kazakhstan (Kyrgyzstan later joined in 1996, followed by Tajikistan in 1997) - a precursor of the Eurasian Union as part of the project, under Putin's patronage since 1999 as prime minister and as president in 2000, to reunite former Soviet republics. The EurAsEC was founded according to the Treaty on the Establishment of the Eurasian Economic Community, signed in Astana by the presidents of the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation, and the Republic of Tajikistan in Astana on October 10, 2000. However, later at the Minsk meeting in 2013, President Nazarbayev offered the dissolution option because EurAsEC largely duplicates the Eurasian Union that is being created on the basis of the Customs Union will render EurAsEC obsolete once it is launched in 2015. In January 2006 the Republic of Uzbekistan joined the Community, but suspended its participation in the work of the EurAsEC's governing bodies since 2008. In May 2002 the Republics of Moldova and Ukraine were granted observer status at the EurAsEC, and in April 2003 the same status was granted to the Republic of Armenia. Incorporated as an international legal body, in 2003 EurAsEC was granted observer status in the United Nations General Assembly. The EurAsEC Project is designed to effectively promote the formation of a customs union and a single economic space among six CIS countries. As part of the venture, the Resolution on Establishment of the EurAsEC Customs Union was adopted by the heads of six Community states at a EurAsEC Interstate Council meeting on 6 October 2007. At the same time it was determined that, at the initial stage, the Customs Union shall be formed by three Community countries - Belarus, Kazakhstan and the Russian Federation, and that other EurAsEC members should join at later stage (EVRAZES). As highlighted by Dragneva and Wolczuk (2012), the EurAsEC Customs Union or the Eurasian Customs Union is clearly seen by Russia as a vehicle for reintegrating the post-Soviet space- 'the near-abroad', a future centre of gravity, critically embracing the countries that may fall within the sphere of the EU’s eastern neighbourhood on the one hand and that of China on the other.

The disintegration of the USSR in December 1991 led to the emergence of five newly established independent states in Central Asia (and three in the Caucasus) and also generated opportunity for all global and regional powers to indulge in the “new game” and power projection (Duarte, 2012; Torbakov, 2007; Weitz, 2006). The Central Asian republics, composed of Kazakhstan, Kyrgyzstan, Turkmenistan, Uzbekistan, and Tajikistan, cover an area of roughly four thousand square kilometres. Spanning from the eastern shore of the Caspian sea, Central Asia extends eastwards to the Altai mountains along the Chinese border and from the southern border of the Russian Federation southwards upto the Tien Shan mountains and Afghanistan. As part of the regional architecture, the SCO’s present Central Asian membership commands a combined population of over 55 million (Uzbekistan followed by Kazakhstan) and a land mass greater than Western Europe. Similarly, the ECO’s Central Asian membership, commanding the same space as above, claims a total population of 83 million including Afghanistan.

In the post-Cold War period Moscow has kept one step ahead in the race, as bilateral relations with Russia remained and still remain important for most Central Asian states, due to a number of historic, cultural, economic, and geopolitical facts. Russia’s proactive foreign policy to regain its former domination in Central Asia served to deter other regional powers, notably Turkey, Iran, India, and Pakistan from playing more active role in Central Asia. Of these players, the two neighboring countries, Turkey and Iran, which, especially Turkey, have ethnic and regional ties with the Central Asian states, ardently competed while neither of them has been able to exert influence comparable to that of Russia and later by China, after burst of enthusiasm in the 1990s. These newly established Central Asian states first removed themselves from a Russian-centered security complex, considered and then rejected a Turkey-oriented security complex (Noi, 2006). At that time, even now, the Central Asian typically authoritarian regimes seemed to be convinced that their immediate and future security concerns and economic interests are better served by the Moscow-Beijing
Incorporation “SCO Inc”, noting that they all share a border either with Russia or China. In their external relations they, notably Kazakhstan, have tried to sustain the option of partnership with the West, the U.S. or the NATO. Their ECO membership was and is a part and parcel of the ‘balancing’ through ‘multi-vector’ foreign policy of maintaining good relations with all the large actors in the international arena (Öksüz, 2009).

Table 1- Regional Cooperation Arrangements in Central Eurasia and its Neighborhood

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<tr>
<th>CA Region:</th>
<th>CACO</th>
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Legend: CA = Central Asia; WCA = Wider Central Asia; X = member; (X) = membership under consideration; O = observer; (O) = observer status under consideration; D= dialogue states; CACO = Central Asian Cooperation Organization (a successor of CAEC since 2002). Russia joined in May 2004. CAREC = Central Asian Regional Economic Cooperation CIS = Commonwealth of Independent States ECO = Economic Cooperation Organization EurASEC = Eurasian Economic Community (EAEC). SAARC = South Asian Association for Regional Cooperation. SCO = Shanghai Cooperation Organisation CAEC = Central Asian Economic Union in 1994, by Kazakhstan, Kyrgyzstan and Uzbekistan. Tajikistan joined the group in 1998, and the Organization was then renamed Central Asian Economic Cooperation (CAEC). Source: Table is readapted from Byrd and Raiser (2006: 21).

As Table 1 above summarizes, there is a tendency of a complex ‘noodle bowl’ of regional arrangements in and around central Eurasia, as around seven sub-regional/regional institutions are identified, established within two or so decades. Of these, two, CIS and EurASEC, are Russian inventions. In terms of coverage of membership, ECO is having the biggest number of countries. Pending new members to join it, SCO would be the largest regional institution of its kind in Eurasia, in terms of
its geography, demography, and economy, if not political posture. The Central Asian nations are seen as members in cross-cutting formations. This would clearly have a number of advantages and disadvantages not only for these nations but also for the institutions they participate in.

3. Premises and Promises of the Economic Cooperation Organisation: ECO

Forged in the early Cold War period, to a larger extent to contain the Soviet threat and ideology, ECO finds its roots in the triangular alliance of Iran, Turkey, and Pakistan, which were the pillars of a regional security alliance, the so-called Central Treaty Organization. It was essentially a West Asian complement to the NATO and included regional powers plus the U.S. and United Kingdom. This entity transformed itself into Regional Cooperation and Development (RCD) established by the Treaty of Izmir, Turkey in 1964, and existed until 1979. As an outcome of revitalized efforts, the Economic Cooperation Organisation (ECO) was established in 1985 as a trilateral organisation between Iran, Pakistan and Turkey to promote multi-dimensional regional cooperation in economic, technical and cultural areas among members. It replaced the RCD (1964-1979). The 1979 Iranian Revolution removed the powerful pro-US monarchy from the equation, therefore, dissolving the 15-year-old organisation. Subsequently, in 1985, the organisation was restructured and revived under the present name, ECO, as each of the three founding members, Pakistan, Iran, and Turkey, realized that the revival of the RCD, under the guise of ECO, would serve their national interests. What made regionalism in ECO region suddenly so attractive was the emerging impact of regionalism in Europe and across the world. It was therefore inspired by the success of the EU as well as the ASEAN in promoting integration, trade and development (Achakzai, 2010:28; Afrasiabi and Jalali, 2001).

In November 1992, in the aftermath of the collapse of the Soviet Union, ECO was joined by nations from Central Asia and the Caucasus, namely Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan Tajikistan, Turkmenistan, and Uzbekistan. The participation of these new members in the activities of the Organisation commenced after their formal accession to the Treaty of Izmir at an Extraordinary Meeting of ECO Council of Ministers held in Islamabad on 28th May, 1992. Following its expansion in November 1992, of its membership rising from three to ten, ECO acquired a new role and vision, entailing structural change. The Extraordinary Meeting of ECO Council of Ministers, held in Izmir on 14 September 1996, revised its fundamental Charter, the Treaty of Izmir, and adopted the basic documents pertaining to the organisational rules and regulations, which came into operation in 1997. Thus, the revised Treaty of Izmir (Article-II) delineates the objectives of the institution with a focus to “promote conditions for sustainable economic development and to raise the standard of living and the quality of life in the member states” through regional economic cooperation, and the “progressive removal of trade barriers within ECO region and expansion of intra and inter-regional trade”. In addition to emphasis on economy and trade, ECO also pursues collaboration in social, cultural and scientific fields. The Organisation’s membership as of 2012 has now a population of 450 million, around 6% of the world population, with a cumulative GDP of $2.4 trillion, roughly 3% of World GDP, and covers an area of 8,620,697 square km, larger than Western Europe. The region’s share world trade is a little higher than 2%, while its intra-trade ratio is around 7% in 2012(ECOSECRETARIAT; ETDB).

The permanent Secretariat of ECO is located at Tehran. The Council Of Ministers, composed of the ministers of Foreign Affairs of the members states, is ECO’s highest decision making body, which meets at least once a year by rotation in one of the member states. The Regional Planning Council elaborates the basic policies, strategies, and guidelines for the implementation of the programmes of regional cooperation. Since the expansion of ECO in November 1992 from three to ten members, the
organisation has come a long way. The ECO Council of Ministers adopted during 1993, two historic documents which outline the long-term vision of the organisation, which has a number of specialized agencies, the Quetta Plan of Action for ECO and the Istanbul Declaration on Long-Term Perspective for ECO. In July 1993, the ECO Council of Ministers also approved, in principle, the establishment of an ECO Trade and Development Bank (ETDB) in Turkey, an ECO Reinsurance Company in Pakistan, and ECO Shipping Company and ECO Airlines in Iran. As one of the latest institutions launched the ETDB, a multilateral development bank, was effectively established on in August 2005, with headquarters in Istanbul, by the three founding members, Iran, Pakistan and Turkey, and joined by Azerbaijan as the 4th stakeholder in February 2013. The Bank is envisaged to provide the medium and long-term financing investments, and thereby contribute to regional development and integration.

ECO is arguably at an 'early phase of economic integration, led by trade liberalization. This is supported by trade facilitation so as to provide conducive environment for the promotion of intra trade; transit trade and transit transport framework agreements are being signed in the late 1990s. Moreover, the institutional and infrastructural projects are further expected to provide bases for regional development (Işık, 2005). In spite of the ineffectiveness of the preceding attempts or agreements, the member states of ECO have agreed on 17 July 2003, upon a Trade Agreement (ECOTA) at the Islamabad meeting of Ministers of Trade and Commerce. This Preferential Tariffs Agreement developed in cooperation with UNDP complements two protocols on preferential tariffs signed in 1991; it is meant to lead to a reduction in the highest tariff slab of each item to a maximum of 15 percent at the end of 8 years (on at least 80% of the goods) and to a reduction of paratariff barriers among member states. This agreement with high expectations, signed by Turkey, Afghanistan, Iran, and Pakistan, awaits ratification and implementation. In all this, it is a fact that the ECO potential remains severely constrained by the structural factors that characterize the region as well as the security concerns (ECOSECRETARIAT).

Figure 1: Map of ECO Member Countries, Central Asia, and the SCO space
Intra-regional trade, being an important instrument for promoting regional cooperation, remains a priority area in ECO’s scheme of work. Despite some efforts, lately a Protocol on Preferential Tariff Arrangements introducing an across the board 10% in tariff reduction has already been signed and is being implemented as a first step toward eventual elimination of trade barriers in the region. But, low and lopsided intra-member trade haunts the organisation. The ECO’s total trade is virtually dominated by three member states, led by Turkey, Iran, and Kazakhstan, commanding 78% share in the total trade volume-Turkey alone claimed a share of 44% in total trade ($436.9 billion exports and $428.6 billion imports) in 2012. Within an annual intra-regional trade flow of around $40 bil. (as measured in terms of exports), of the major trading partners, Turkey, Pakistan, Kazakhstan, and Azerbaijan each has a share of 7%, followed by Iran with 4.7%, as of 2011. Such a low level of intra-trade implies that the region’s principal trading partners are outsiders, such as the EU, China, India, Russia, and so on (ECO Statistical Report, 2014:24).

Yet, as underlined by Pomfret (1997a, 1997b), Işık (2005), and Byrd and Raiser (2006: 17) there is a set of fundamental structural issues regarding ECO grouping. Most countries in the wider Central Asia region share some common economic characteristics, such as difficult terrain and lack of direct access to the sea, underdeveloped transport infrastructure, and high commodity-concentration in exports. Many of the countries (although not all of them) have a legacy of substantial public sector involvement in their economies but at the same time face significant constraints in administrative capacity. ECO grouping is composed of a diverse range of economies, each at different stages of economic development, lack of complementarity and institutional maturity, as well as limited openness to trade and investment flows. For a long time, most of ECO member states remained closed and inward-looking, discouraging foreign direct investment and imports with high tariff and non-tariff mechanisms. Problems involving customs rules and procedures often posed serious impediments to routine operations of businesses particularly those of small and medium-sized enterprises, not to mention security and political stability on somewhat regional basis. Despite their geographical linkage-noting that seven out ten ECO members are landlocked- the current data presents a dismal picture of the intra-regional trade in ECO region, especially when expanding Turkish-Iranian bilateral trade is taken into account. Mutual trade in the region has become stagnant over time around 6.0-8.0%, thus making intra-regional trade marginal part of ECO’s overall foreign trade activity (Achakzai, 2010; Peimani, 2009; ECO Statistical Report, 2014). Achakzai (2010) finds in a gravity test model that trade between ECO member countries are is far lower than its inherent potential; restricted in the past by protectionist trade policies across the region, he concludes that intra-ECO trade will increase as these countries turn toward more open trade regimes, through more liberalization and the pending membership of the WTO.

Given the critical importance of the transport network within and beyond the region, ECO adopted in 2006 the Transit Transport Framework Agreement (TTFA) as the main vehicle to enhance cooperation in the field of transit transport in the region, which was supported by The TTFA Fund to ensure its speedy implementation. Despite the achievement of important infrastructural projects in road and rail transport, telecommunicaitons, energy pipelines, power interconnection, and so on, some major ventures such as the Istanbul-Tehran-Turkmenabad- Tashkent -Almaty railroad and block container train, the Iron Silk Road, has missed the deadline of 2007. A memorandum on the opening of international passenger traffic on Almaty-Tashkent-Turkmenabad-Tehran-Istanbul route of Trans-Asian Railway main line was signed in October 2001. ECO Istanbul-Tehran-Islamabad container train was launched on 14th August 2009 from Islamabad, so far 14 commercial trains operated in total from both ends. Extending to Istanbul, the third project linking Kars (Turkey)-Tbilisi-Baku railway line soon to become operational. With Project given a start in 2001, ECO Container Train on Bandar Abbas-Almaty Route was inaugurated on 17 October 2011. The return test run is currently being organized. In addition, the 8th Ministerial
Meeting on Transport and Communication in June 2011 (Ashgabat) decided to establish two road transport corridors, one between Islamabad-Tehran-Istanbul, and the other between Iran, Afghanistan, Tajikistan and the Kyrgyz Republic. When these major railway lines, notably the Iranian section is completed, and road links become operational, not only ECO trade and transport system would surely receive a boost, the Central Asia and SCO will be regionally connected in a New Silk Road with the Middle East and Europe.

The enlargement of ECO since 1992 provided new impetus to the organisation, through new opportunities of regional integration and benefits of cooperation in a larger market. Despite efforts and project based initiatives, ECO is yet to develop into a full fledged regional integration scheme like the ASEAN. In his extensive study, Peimani (2009) attributes ECO’s slow pace to political disagreement, geopolitical rivalry among the member countries, low cross-border mobility in goods and person, poor implementation of trade facilitation measures, low technical and bureaucratic capacity, ECO’s own institutional deficiency, and so on. One major external challenge would be posed by other regional integration projects with similar objectives but with deeper appeal. As part of its institutional ties with other regional and international organisation, it is observed that the ECO and SCO signed a Memorandum of Understanding on cooperation in 2007, covering such fields as trade and transportation, energy and environment, tourism as well as in other areas mutually agreed. A work programme was agreed to be prepared for that purpose. The representatives of the two organizations would be invited to important events of both organizations. It may be mentioned at this juncture, ECO Secretary General stated at the ceremony that “four of ECO member states were also members of SCO, while two ECO member states, Iran and Pakistan, has observer status in SCO. Both organizations covered essentially the same geographic area and shared important objectives” (ECOSECRETARIAT).

4. A Shangri-La Alliance: House of the Dragon and the Bear

The Shanghai Cooperation Organisation (SCO) was founded in Shanghai on 15 June 2001 by six Asian countries, China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. SCO is apparently built upon the ‘spirit’ of its predecessor named ‘the Shanghai Five’, which came into being on the basis of the two agreements (Shanghai Agreement on Enhancing Military Trust in Border Regions (1996) and the Moscow Agreement on Mutual Reduction of Forces in Border Regions (1997), signed by five states (except Uzbekistan, not a member at that time), as well as the summary documents signed during their meetings in Almaty (1998), Bishkek (1999), and Dushanbe (2000). The Organisation became the main vehicle for promoting confidence-building among Russia, China, and Central Asian countries (SECTSCO; Plater-Zyberk, 2007; Norling and Swanström, 2007; Germanovich, 2008; Schneider, 2008; Aris, 2009; Arunova, 2011).

The agreements formulated with a view to confidence-building in the border areas and mutual reduction of military forces in border areas. All essentially evolved out of cooperation regarding border demilitarisation and security issues that began as early as 1987 between China and the Soviet Union. Thus, the original purpose of the Shanghai Five group of nations was to solve or mitigate border disputes among them, particularly between China and the new Central Asian republics along the 7,000 km western Chinese border. The focus on border security was later expanded to include what China has termed the “three evils”: terrorism, separatism and religious extremism - all three perceived to be a serious challenge to the stability of SCO member states. As reiterated in the Declaration on Fifth Anniversary of Shanghai Cooperation Organisation, in Shanghai on 15 June 2006, SCO owes its smooth growth to its consistent adherence to the "Spirit of Shanghai" based on "mutual trust, mutual benefit, equality, consultations, respect for the diversity of cultures and aspiration towards common development". The members support each other in their principled
positions on and efforts in safeguarding sovereignty, security and territorial integrity. They will not join any alliance or international organisation and not allow their territories to be used in any way that undermines the sovereignty, security and territorial integrity of other SCO member states” (SECTSCO).

In recent years, SCO has grown to become a respected international organisation with an appealing functionalism; however, it is frequently portrayed as a China-dominated mechanism that constitutes part of the broader Chinese foreign policy of engaging with its Central Asian neighbours and creating friendly partnerships on its borders (Maksutov, 2006; Dadabaev, 2014; Panda, 2012; Mariani, 2013; Beshimov and Satke, 2014). Thus, initially contemplated as a confidence-building mechanism, the Organization has risen in stature and scope, making headlines in 2005 when, on July 5, 2005, SCO issued a declaration implicitly calling for the United States to set a timeline for withdrawing its military forces from Karshi-Khanabad Air Base in southern Uzbekistan; which came in the aftermath of sharp criticisms from Washington, in response to the brutally supressed uprising in the Andijan province of Uzbekistan (Öksüz, 2009: 715). With seven bodies now established and a permanent functioning bureaucracy in place, SCO model represents a relatively deep degree of institutionalism in the context of a region of ‘weak’ nation-states and the short time period since its formation. In less than a decade, SCO ‘has experienced transformation from being traditional security- to non-traditional security-oriented, single dimensional to comprehensive, and a non-institutional meeting mechanism to a formally institutionalized structure’ (Wang 2007: 119).

The geo-strategic potential of SCO can be hardly ignored. It marks the largest regional organisation in terms of both land mass and population, carrying the stamp of ‘made in China’. Furthermore, it reunites in one forum the two major powers - Russia and China - with their energy-rich Central Asian neighbours. The membership combined covers an area of over 30 million km2, or about three fifths of Eurasia, with a population of 1.455 billion, about a quarter of the world’s total- SCO members and observers together account for some 2.7 billion people out of 6.4 billion of the world population. Should India, Iran, Pakistan and Mongolia join the organisation, demography and geography of Eurasia, from the Baltic to the Pacific, will be portrayed in the largest political, economic, and military alliance, what some Western commentators call a ‘NATO of the East’. As Plater-Zyberk (2007: 5-7) points out, in order to organise SCO as a viable military bloc would require: political commitment (none of the current members sees the need for such an alliance), long term planning and coordination. Among important indications of SCO’s growing recognition and participation in international stage one can mention, first of all, the eagerness displayed by some neighboring countries to join the Organisation; secondly, several current studies about SCO have been published by Western institutions as well as others in the post-2002 period; thirdly, it is the Organisation’s acquisition of observer status at the UN General Assembly in December 2004. An increasing number of countries and international organizations have proposed to establish contacts and cooperation with SCO. At the security/military level, SCO has launched active maneuvers and drills, beginning in 2003. On 5 October 2007, during a CIS summit in Dushanbe, a signing of the MoU between SCO and CSTO (a Russian-designed Collective Security Treaty Organisation) took place, thus laying down a joint SCO-CSTO action. If SCO will endeavour to proceed on a way towards a full-grown security organisation, then closer ties with the CSTO would be anticipated (Haas, 2007: 24).

While fighting against extremism and terrorism are shared objectives, it is to be noted that the overall strategic aim of the alliance for Beijing and Moscow is somewhat geared to curb growing influence of the United States in Central Asia by way of establishing a joint sphere of influence at the backyard as well as across the continent. Indeed the Russo-Chinese relationship is partially constructed on a common perception that the existing international system’s rules and norms have an inherent Western bias, and shares common interest in creating a more mutually conducive system. To have critical bearing upon SCO’s future discourse, under Russian President
Putin, Sino-Russian relationship has steadily stabilized in the new century and has grown much closer, bound by their mutual distrust of U.S. hegemony and their perceived need to promote a multipolar world (Cohen, 1999; Wishnick, 2003; Cornell, 2004; Oliker and Shalpak, 2005; Weitz, 2006; Chin-Hao, 2006; Rumer, 2006; Olcott, 2006a; Schneider, 2008; Öksüz, 2009). Matveeva and Giustozzi (2008,7-8) highlights the view that one of the main successes of SCO was to allow China to establish a diplomatic foothold in Central Asia. With the passing of time, diplomatic and economic concerns seem to have risen further in terms of Chinese priorities within SCO. Particularly from 2006, China’s interest seemed to be shifting towards regional economic development as a main focus for SCO. From Russia’s perspective, the rationale for Russia joining the organisation in 2001 was, among others, to keep an eye on China’ expansion in Central Asia. For Russia, Moscow has allied with Beijing in order to restore some of its influence over its "near abroad." China in particular sees SCO as an important tool for this aim and "has an interest in showing that it can build an international bloc independent of the West and organized on non-Western principles" (Bailes and Dunay, 2007:13). The Chinese leadership has often touted the significance of SCO as a model of 'new interstate relations', 'new security concept' and 'new model of regional cooperation' (Wang, 2007:119).

Today, respective national interests of Moscow and Bijing have tended to converge more and more, as they are aware of the fact that it is not possible to realize those geopolitical interests without a healthy relationship ‘solidarity’ with each other (Norling, 2007; Alyson et al, 2007; Germanovich, 2008; Naarajärvi, 2012; Hancok and Lobell, 2010; Cabestan, 2013). As Kim and Indeo (2013) points out, the question of an alliance between Russia and China is ultimately a question about the future trajectory of the international system. It is also acknowledged that the Bear and the Dragon nurture conflicting aims and interests regarding the region in general and the Central Asia in particular (Oldberg, 2007; Contessi, 2010; Petersen and Barysch, 2011; Swanström, 2014). But, it is not to be forgotten that, at the basis, SCO is a Dragon Project; the organisation is a diplomatic innovation for China, which was traditionally isolationist and not much eager for multilateral associations. The decision to locate SCO’s headquarters in Beijing and to appoint a Chinese Secretary-General reflects an unchallenged Chinese say and influence. These administrative mechanisms have given the Chinese government much greater advantage over access to SCO decision-making.

Some commentators point out that a stronger SCO, particularly one with a military component and Iran as a full member, might serve as a check to U.S. interests and ambitions in the region (Olcott, 2006a; 2006c), while some others argue that SCO lacks the power and economic strength to counterbalance the U.S. (Cohen, 2006). From the point of view of both Russian and Chinese policymakers, SCO was and is a way to maintain the strategic Sino-Russian dominance over the wider Central Asian region, while engaging in friendly relations with their Central Asian neighbors (Huasheng, 2005; Snyder, 2008; Öksüz, 2009). Although China is an external participant in ASEAN Plus Three, the ASEAN Regional Forum, and CAREC; SCO is seen by the Chinese leadership as a tool for increasing their influence on the regional and international landscape, by way of expanding its ‘soft’ or normative power (Wang, 2007:119; Cabestan, 2008: 206). China in particular sees SCO as an important tool for building an international bloc independent of the West, an institution founded on ‘non-Western principles’, a model of ‘new interstate relations’, ‘new security concept’, and ‘new model of regional cooperation’ – forging a functioning and effective regional mechanism (Wang, 2007:119; Bailes and Dunay, 2007:13); Aris, 2009:462-463, 2011). For Beijing, another primary goal is to get a grip on the regional energy resources, while seeking markets for its goods, outlets for investment, and collaboration against Islamist and separatist independence movements in the Xinjiang Uygur Autonomous Region. This Turc populated region, which is potentially a serious source of concern and discomfort in the Turkish-Chinese relations.
5. Conceptualization of ‘Gravitational Pull’: The position of ECO vis-à-vis SCO

The ECO-SCO nexus is seen to have been established when four Central Asian member states, namely Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan, joined SCO as full members at the time its establishment. This move is being followed by attempts of other three members of ECO, Iran, Pakistan, and Afghanistan, all presently at observer status, to join SCO; Turkey, another founding member of ECO, is recently accepted as dialogue member. Therefore, except Azerbaijan and Turkmenistan, the entire membership of ECO has, in some form or degree established bilateral association with SCO. As mentioned above, the interests of Central Asian members in SCO are manifold and may be divergent. Yet, their common grounds to join the Organisation can be identified as nation-building, securing independence, non-interference and sovereignty, national security, protection of borders from internal and external threats, good neighbourly relations, control over and effective utilisation of natural resources, enhanced trade and commercial dealings, and access to world commodity and capital markets (Kim and Indeo, 2013; Ismailov and Papava, 2010). Whatever the underlying reasons or justifications provided at each case, it is a fact that the bulk of ECO’s nation states have demonstrated their aspirations to join a newer regional institution sharing the same geopolitical domain. Such moves by those nation states primarily underline on the one hand the weak structural capacity of ECOs compared to the anticipated high expectations regarding SCO. The question that needs to be posed is how far such process can be attributed to some degree of gravitational pull.

Given its enormously disparate membership in terms of power resources, there can be two main propositions to be made at the outset. Firstly, despite the existence of inherent distrust between stronger and weaker members and also rivals, both Moscow and Beijing co-habitated and have been so far able to trail a delicate course so as not to appear toTrail rulers within the organization (Aris, 2009:463). Secondly, there could be some theory-based explanation for the existence of a gravitational pull, which help understand a common behaviour of ‘balancing’ or ‘bandwagoning’ in terms of alliance formation (Waltz, 1979; Walt, 1985, 1987). Alliances play a central role in international relations theory and are mostly viewed as a response to threats. In strict sense, an alliance is a collective security arrangement among states in which all members of the alliance agree to ‘peaceful co-existence’, to take a common stand against defectors from this agreement whenever possible, and to threaten countries outside of the alliance whenever it is in their individual interest to do so. Articulated by him, Walt offers a refinement of balance-of-power theory, calls it balance-of-threat theory to explain the causes of alignment in The Origins of Alliances and several other works. When entering an alliance, states may either balance in the way of aligning in opposition to the principal source of danger or choose to bandwagon, in order to ally with the state that poses the major threat (Walt, 1985, 4). According to him, the level of threat that a state poses to others is the product of its aggregate power, geographic proximity, offensive capability, and the perceived aggressiveness of its intentions. The term “bandwagoning” as a description of international alliance behavior first appeared in Kenneth Waltz’s Theory of International Politics. In his structural model of balance-of-power theory, Waltz uses bandwagoning to serve as the opposite of balancing: bandwagoning refers to joining the stronger coalition, balancing means allying with the weaker side. By aligning with the threatening state or coalition, the bandwagoner may hope to avoid an attack on himself by diverting it elsewhere, or, a state may align with the dominant side in war in order to share the spoils of victory; that is, the motive would be profit as much as security.

In the same context, Schweller (1994) offers a theory of balance-of-interests, where he argues that states may tend to bandwagon for profit rather than security. He refers to conventional usage of the term which defines a bandwagon as a candidate, side, or movement that attracts adherents or amasses power by its momentum. The
phrase "to climb aboard the bandwagon" implies following a current or fashionable trend or joining the side that appears likely to win. Schweller further stipulates that bandwagons roll when the system is in flux; either when the status-quo order starts to unravel or when a new order is being imposed. In the first instance, the rise of an unlimited-aims expansionist power will attract a following of lambs-vassal states too weak and frightened to defend their autonomy-and of jackal states, who have their own revisionist aims to pursue. The goal of "jackal bandwagoning" is profit, while the motivation for jackal bandwagoning may also be security from the lion itself.

In reference to the present study, the question to be posed is, in their perception of security or threat, if ECO-member states or at least some of them tend to balance against strong or threatening powers within SCO ‘allying’ against them, or alternatively are they trying to "bandwagon" by allying with the most powerful or threatening states, that is China or Russia. In terms of Walt’s conception of the balance-of-threat theory, other things being equal, states that are in neighborhood are more dangerous; states with large offensive capacity pose a greater threat compared to states with no capabilities or intentions(who only seek to preserve the status quo) as aggressor. If balancing behavior is the norm, an increase in any of these factors—power, proximity, offensive capabilities, or aggressive intentions should encourage other states to ally against the most threatening power (Walt, 1987, 281). Both options are supposedly motivated by the quest for security, but bandwagoning is seen as a strategy for achieving it by giving in to threats rather than deterring them, as in the case of detente or balancing. Whthin the context of the present study, the Central Asian states, even may be the Russians, are concerned about the potential dominance of China in the region, while they could manipulate the alliance to galvanize support for their survival against opposition movements, economic development assistance and increased trade and investment (Aris, 2009, 462).

Another possible explanation for the geographical expansion of SCO would be provided by the ‘gravity model’. As Greenaway and Milner (2002) underlines, gravity models have been extensively used to evaluate the trade effects of regional trading arrangements and have performed remarkably well over a long period of time in explaining bilateral trade flows. At the heart of the model is an emphasis on countries’ GDP (Gross Domestic Product) being a positive determinant of trade and the distance between countries being a negative determinant. GDP is designated as a proxy variable for economic mass and distance as a proxy for resistance. The traditional gravity model drew on analogy with Newton’s Law of Gravitation. Thus derived from physics the gravity model is applied to international trade theory in order to explain the bilateral trade flows that are determined by two countries’ GDPs as well as geographical factors such as distance and population. As a corrolary in geopolitics, China’s economic mass plus power capacity (and that of Russia) would be acting as a pivotal gravity for the neighborhood to show interest in SCO as a promising regional formation.

In the same vain, another possible explanation for the demand to join SCO may be associated with the domino theory where the idea is that if a regional trading arrangement (RTA) is launched, the perceived threat posed towards non-members pushes them either to petition for membership or form their own RTA. Thus, once bloc formation is underway, there is an inherent dynamic that results in RTAs growing and multiplying. Greenaway (2000) and Sapiro (2001) are examples of this application; the latter focuses on Western Europe, the former on a range of RTAs. Both find evidence to support the idea that domino effects may have been important in stimulating enlargements in the case of the EU and the creation of new RTAs elsewhere in the world. In this instance, Rieder (2006) defends the ‘domino theory’ of regionalism as a reasonable explanation for the growth in EU membership over the past forty years. In essence, this theory states that the conclusion of a new regional trade agreement or the deepening of an existing one will induce non-members to join the trade bloc. The domino theory builds on Jacob Viner’s classical observation that any RTA leads to trade creation and trade diversion. Trade creation refers to the increase in trade
among members of an RTA thanks to the elimination of tariffs on intra-regional trade. Trade diversion denotes the RTA-caused shift from an efficient (lower cost) outside supplier to a less efficient (higher cost) regional one. For a long time, however, the debate on trade creation versus trade diversion was confined to the static level ignoring dynamic time path issues. Put differently, expansion of membership to RTAs was simply treated as exogenous (Greenaway, 2000).

With full acknowledgment, Baldwin’s (1993) “domino theory” is the first formal model to analyse the implications of trade diversion on membership in a particular RTA. Baldwin’s influential domino theory of regionalism rests on the argument that a self-sustaining momentum of proliferation of PTAs will develop. Once exporters’ interests are disadvantaged by an agreement signed by the government of the country in which their principal competitors are located, they will demand that their own government level the playing field by negotiating an equivalent agreement. As mentioned earlier, Rieder’s gravity analysis has revealed that the expansion and deepening of the EU had a negative impact on non-members by causing trade diversion. This is a necessary condition for domino effects, but it is not sufficient. It is found that the relative importance of the EU bloc for a particular country has a significant impact on the accession decision. This supports the domino theory in that, as the size of an RTA increases, non-members are more likely to join. Ravenhill (2009), in the context of East Asian regionalism, talks of a political domino effect, which reflects the primacy of political motivations in driving inter-governmental agreements on trade and finance. He concludes that the political domino effect to date has been more powerful than any economic domino effects. In reference to Japanese regionalism, the policy appeared to be driven more by geo-political concerns and a desire to enhance the effectiveness of Japan’s economic clout and to ensure Japan’s centrality within the emerging regional architecture diplomacy both within East Asia and globally, rather than by efforts to level the playing field for Japanese business.

6. ECO Membership Boarding the Train to 上海火车站: Realignment in Central Eurasia

Given its growing international recognition and weight, enhanced cooperation among its member states in different fields, the existence of leading countries in terms of economic prospects (China, Russia and Kazakhstan), the region’s huge market and rich resources, and its some distinctive features from other types of organizations it is observed that SCO has become a center of attraction for the neighboring countries like Pakistan, India, Iran and Mongolia (Turner, 2005; Noi, 2006; Norling and Swanström, 2007; Panda, 2012, 2013; Mousavi and Khodaee, 2013). From statements of Chinese and/or Russian officials at various times, one can assume an on-going moratorium on new members, and the fact that a set of common criteria for membership and for taking in new members do not appear to exist, while there is a demand for a full consensus, a reconciliation of the interests of the existing full members (Blank, 2008).

Such developments should be viewed in the light of the fact that the SCO is composed of two global powers and four relatively small states, thus in total ‘six unequal states’. Such large relative divergence in power or resource capacity between members in SCO could be viewed as a possible source of suspicion or distrust between stronger and weaker present and potential members, while there is an obvious challenge between the different visions of China and Russia on the future development of this organisation. As Dadabaev (2014) posits, those Central Asian member countries are haunted by the fact that the announced goal of improving the livelihood of people in SCO area could be threatened by economic and cultural expansion of ECO nominically, politically and demographically superior China. Although holding greater influence both Moscow and Beijing is seen fairly careful not to appear overbearing within the organization. Indeed, as noted by many, in order to gain
support, the organisation needs to position itself not purely as an organisation serving the interests of the demographically, politically and militarily larger China and Russia but as an organisation that articulates a common SCO regional identity and becomes the facilitator of security and stability (Aris 2009; Öksüz, 2009; Dadabaev, 2014).

It is to be reflected that Russia, and in particular the Central Asian Republics, are concerned about the potential dominance of China in the region as a result of its growing economic and geopolitical power. This would explain Russian position in favour of admitting new members (Iran and Pakistan) which might dilute China’s weight in the organization. In this way, just like the Russians, or perhaps even more, the Central Asian nations feel threatened by the growing Chinese economic strength (Aris, 2009, 2011; Bosbotinis, 2011; Dadabaev, 2014). This would provide an additional dimension for both these group of countries to welcome SCO enlargement. Of SCO membership, the two major powers, China and Russia, will mutually decide the admission of new members through realistic considerations to meet their national interests and geopolitical calculations. In the case SCO expansion, there seems to be no serious agreement among members as to which potential countries and when should be given greenlight. Apart from the Central Asian membership, there is fairly serious differences of opinion or priorities between Pekin and Moscow (Blank, 2008).

SCO expansion is facilitated with the inclusion of three categories of membership, observers, dialogue partners and guests. If one assumes that SCO’s clear criterion for membership involves states that share a border with China and/or Russia, then SCO region’s its optimal full membership would be what it is today plus Uzbekistan and possibly Turkmenistan (Sengupta, 2013,179). Except Azerbaijan and Turkmenistan, the entire membership of ECO has already established, in some form or degree, bilateral association with SCO. Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan were full members at the time of SCO’s establishment. Other three members of ECO, namely Iran, Pakistan, and Afghanistan, are presently at observer status, while Turkey has been given a position of dialogue member (Sengupta, 2013). In 2004 Mongolia received observer status; in 2005 Iran, Pakistan and India joined as observer members. At SCO 2012 summit in Beijing, Afghanistan joined the organization as an observer. The six present SCO members and five standing observer nations together account for more than half of the world population (Mousavi and Khodaei, 2013).

In fact, while positions of the Central Asian countries of ECO may be justified, the eager efforts of the founding members of ECO, like Iran, Pakistan, and Turkey who individually to queu for membership or to become a partner in SCO may have to be discussed at own merit. When realized, such a move is bound to have serious negative dynamic effects on the long term sustainability or viability of the organisation which they have shaped. Even though there may be no such expectation that ECO would lose membership when each of them eventually joins SCO, there is a danger of reigning dormancy. If the ASEAN evolution is a norm, ECO would falter as a non-performing regional integration scheme.

In a fairly resembling episode, the experience of the European Free Trade Association (EFTA) is most telling. EFTA was established in 1960 as an economic counterbalance to the more politically driven European Economic Community (EEC) with its 7 members: Austria, Denmark, Norway, Portugal, Sweden, Switzerland and United Kingdom. Subsequently, Finland joined EFTA in 1961, Iceland in 1970 and Liechtenstein in 1991. The United Kingdom and Denmark, along with Ireland quitted EFTA in 1973 as they participated in the European Community (EC- previously EEC, and now the EU). The trio were followed by Portugal in 1986 and by Austria, Finland and Sweden in 1995. Today the EFTA member states are only four: Iceland, Liechtenstein, Norway, and Switzerland.

Given such low level of integration and the ongoing regional dynamics, it may be rightly argued that shift of positions notably by the three founding members of ECO in favour of SCO will be observed over time to erode the weight, dynamic prospects and promises what ECO, a more experienced and balanced regional institution, would
have delivered over time. In this particular case, the behaviour patterns of the three founding members, Turkey, notably that of Iran and Pakistan, will largely determine the course of evolution of these two regional institutions respectively. In totality, the pro-SCO ‘balancing’ or ‘bandwagoning’ strategies of Iran, Pakistan, and Turkey would leave ECO in doldrums. While seriously enhancing the regional consolidation and institutional standing of SCO, steps on the way boarding the train to Shanghai will no doubt demonstrate to the remaining members of ECO, namely Azerbaijan and Turkmenistan, the futility of the ongoing efforts and visionary aims of the organisation. The organisation would then have little appeal for any possible enlargement within the region (i.e. Middle East).

In regards to determining the future trajectory of ECO, the two neighbouring states, most comparable in geographic, demographic and socio-economic size, Turkey and Iran should be viewed in focus, as they are the key players such that the future of ECO is largely dependent upon. Relations between the two and with other regional powers have special aspects and are loaded with historical legacies. Between the two nations, there is the legacy stemming from the century-old rivalry of the two former empires (Ottoman and Persian) in territorial, political, cultural as well as religious. In the latter case, the ideological contrast between the two regimes is stark, particularly after the 1980s of regime change in both nations (Hentov, 2011; Demiryol, 2013).

With the end of the Soviet era and the Cold War order, the Turkish-Iranian tensions took a new dimension in the 1990s with their foreign policy orientations involved the Caucasus and Central Asian space. In the game, the two nations became competing powers in Eurasian geopolitics. While Turkish-Iranian rapprochement began in 2000, three fundamental parameters of the bilateral relationship have been transformed since 2002, as the ruling Justice and Development Party (AKP) was elected into the office. Since then Turkish engagement with neighbors and the Islamic world took a new turn. Turkey recognizing itself as a important player with greater regional activism and trade-driven foreign relations designed to achieve a ‘zero problem’ status quo. Instead of solely being a junior anchor of the Western alliance, Turkey has sought to take part in multiple alliances that maximised its operational independence and helped to maintain a balance of power in its adjacent regions Hentov (2011).

Ankara’s rejection of support for the invasion of Iraq in 2003 and the subsequent gradual deterioration of the Turkish-US relationship marked a new era of rapprochement between Tehran and Ankara. Turkish-Iranian relations became stabilized and centred around energy trade, as Turkey’s growing gas and oil needs are met by its energy-rich neighbor. For Iran, Turkey is a close growing energy market for its natural gas supplies. Turkish-Iranian trade, which languished at barely over $600 million in 1998, by 2004, trade stood at close to $3 billion and exceeded $10 billion in 2008. Since 2006, Ankara has sought to engage its neighbor within an effort to play a mediating role in the negotiations over Iran’s nuclear program, as Turkish decision-makers have contemplated how to cope with the major security threats posed by Iran’s nuclear development. As Hentov (2011) underlines, the rapprochement between Tehran and Ankara is threatened by the regional power game. This competition will primarily play out in the construction of the new regional order in the Middle East. It was already visible in 2010 over the election and formation of Tehran-leaning government in Baghdad, and later sectarian Syrian conflict of 2011 are seen grounds of divergent geopolitical calculations on both sides in the Eurasian space (Aras, 2003; Alterman and Barrett, 2013; Larrabee and Nader 2013; Kuchins and Mankoff, 2013; Wheeler, 2013).  

In summary, as Alinza et al (2013) identified, ‘Turkey-Iranian relations have had their ups and downs. There are fundamental limitations on a wary partnership, given enduring rivalry, suspicion, and deep sectarian and cultural differences. Both governments have a strategy of using mutually beneficial economic and energy ties as a way to keep their competition peaceful’. Improved bilateral ties between the two will critically contribute to the peace and prosperity even beyond the ECO region.
In pursuance of new activism in the post-Soviet era, another shift in the Turkish foreign policy took place at the turn of the century with the AKP forging a strong government, envisaging new vision and orientation with neighbors and beyond (Oniş and Yılmaz, 2009; Sandrin 2009; Evin et al, 2010; Esenbel and Atlı, 2013; Ali Rıza et al, 2013). The focus is to actively expand its regional and international role and influence. In words of Bremmer (2012), Turkey “is an increasingly important emerging market, with per capita income nearly double that of China and four times that of India. Many in the Arab world look to Turkey as a dynamic, modern Muslim state. Add to this its position at the crossroads of Europe, Asia, the Middle East and the former Soviet Union, and Turkey is the very model of a modern major pivot state”. Yet, in parallel to the deterioration in the U.S.-Turkish relations since the Iraqi invasion (CFR, 2012), Ankara’s ties to the EU also worsened despite the historic October 2005 recognition of Turkey as an official EU accession country. In the Turco-EU association, initial euphoria was soon followed by the Cyprus issue-excused de facto freeze of bilateral negotiations; then the accession process became bogged down on the basis of identity and eligibility. In the process, Turkish public opinion developed antagonism against the EU and slowing Turkey’s drive toward integration with the West.

In regards to Turkey’s interest in SCO, for countries subject to the dialogue partnership process in line with Article 14 of SCO Charter, it is officially stipulated that they internalize SCO’s principles and goals. As noted by Sengupta (2013), there are two sides of the coin in assessing the Turkey-SCO relations. One is the Turkey’s Eurasian foreign policy and its current disillusion or frictions with the EU and the U.S. that entails search for alternative partner or alliances. On the other side, whether the entry of Turkey as a NATO member is to be welcomed by China and Russia. In optimismTurkey’s entry into SCO would reaffirm Ankara’s role as a geopolitical bridge (Weitz, 2006). Turkey joined the Shanghai Cooperation Organisation as its dialogue partner, by signing a memorandum of understanding in the Kazakh city of Almaty on 26 April 2013. At the background to the new game, Ankara, in particular, had envisaged its own idealistic vision of Turcic World (Wheeler, 2013), spanning from Adriatic coast to Xinjiang; it was also a modelling project, which did not get off the ground basically due to Turkey’s limited capacity to reach and preoccupation with the membership of the European Union— that is looking westward. Given its geo-strategic position, links with the EU, a corridor for oil and gas pipelines from Caucasus-Central Asia onto Europe, and a NATO member, viability, timing, and justification of Turkey’s interest in SCO may be questioned. Whether a NATO nation can become a member of a security organization besides NATO, like the SCO is controversial, the Turkish foreign minister is quoted to argue such dual membership is possible now that Moscow and Beijing are no longer considered enemies by NATO (VOA, May 6, 2013). Among many justifications proposed, Ankara’s signing of the cooperation agreement with the SCO is meant to send a message to the European Union, and the West in general; it is also a fact that Ankara is attracted by the SCO because it shares cultural values with those SCO member states of Central Asia.

As for Iran, Tehran expressed its desire to become full member of SCO clearly with a speech made by President, Mahmoud Ahmadinejad at the recent summit held in Shanghai on 15 June 2006. It was not until 2008 that Iran officially applied for full membership through formal procedures required by SCO (Aylin, 2006; Noi, 2006; Mousavi and Khodaei, 2013). As stated by Noi (2006), the prospective SCO membership might give Iran a chance to establish good relations with these four SCO member states which perceive Iran as destabilizing and threatening due to its particularistic characteristic as an Islamic state with its revolutionary ideology. In the opinion of some experts, while Russia’s position seem more accommodating, China has a number of motives to resist Iran’s membership. Teaming with Russia, Moscow-Tehran nexus would threaten China’s energy independence along with that of its Central Asian suppliers by opening a way to an energy cartel within SCO where everyone else would be dependent on Moscow and to a lesser degree Tehran for
energy supplies at somewhat dictated prices. As Beijing has systematically pushed its bilateral relations with individual countries in Central Asia, the clash of interests with Iran, Pakistan, and India would intensify to the detriment of the Dragon, which is acting unchallenged. Moreover, taking Iran into the club, SCO would be converted into anti-U.S./NATO military or political bloc; China would not risk internalizing Iran’s security relations and regional and global rivalries (Blank, 2008). Considering the current international environment, membership of Iran in SCO seems remote and very much depends, on the one hand on future progress of negotiations over Iran’s nuclear dossier, and on the other hand on relations between SCO members and the West (Mousavi, and Khodaee, 2013). Following Iran’s membership in SCO as an observer in 2005, many discussions rose inside and outside this organization about Iran’s possible full membership. The decision makers for this application are current SCO members; yet the international political environment, internal condition of members, the Iranian international outlook, and relations between Russia-China and the U.S.-EU can affect the outcome of this decision (Mousavi and Khodaee, 2013; Pikayev, 2008; Brummer, 2007).

As another founding member of ECO, Pakistan’s interest in SCO has many dimensions. One part is related to the Indian-Pakistan rivalry. For India, with a complex set of factors shaping its policy direction in Central Asia, China is a rival for power and influence in Asia. In this respect, Pakistan views its relationship with China as a vital strategic partnership for safeguarding its regional security. Apart from hegemony, security and geopolitics, China and India have another competing ground, as they heavily rely on foreign suppliers of energy resources to meet rising domestic demand and need access to markets in the periphery, namely the Central Asia. Despite their developmental similarities, China and India’s bilateral strategic rivalry means that they have competing priorities on most major global issues. As Khan (2013) strongly argues, it is in Pakistan’s strategic interest to work jointly with the Sino-Russian strategic nexus (Turner, 2005, Panda, 2013). China is the time-tested friend of Pakistan. The “all weather” bilateral relationship between the two countries has always been uninterrupted and trust-bound. In the past, their strategic partnership was driven by their mutual need to counter the growing influence of India, a common adversary. China provided moral, political, military, financial and diplomatic support to Islamabad against New Delhi in two Indo-Pak wars of 1965 and 1971 respectively. In the post Cold War era, China became the most important strategic partner in its defence, economy, and politics. Given its strategic location, Pakistan can become a serious partner in SCO area. The construction of new Gwadar deep water maritime port on Balochistan coast and its connected routes with Afghanistan reduces the distance by 500 km between Pakistan and Central Asia. The facility will provide a new route for the transfer of Central Asia’s vast energy resources to world markets. The port of Gwadar which Pakistan is developing with Chinese help lies only 250 miles from the Straits of Hormuz, a region containing 40 percent of the world’s oil reserves. The port is designed to serve as an important regional shipping hub, providing the landlocked Central Asian republics, Afghanistan, and the Chinese Xinjiang region easy access to the Arabian Sea. The Almaty-Karachi road via the Karakorams (Almaty-Bishkek-Kashgar-Islamabad-Karachi network) is under construction. Lastly, membership in the organization will help Pakistan cultivate better relations with Russia and its close socio-cultural and commercial ties with Central Asia.

7. Conclusions

Undoubtedly, the recent times have witnessed the resurgence of the traditional “geopolitical game” among the major internal and external players with interests in central Eurasia. As part of regional architecture of integration, SCO is positioned as a potential powerhouse engaging the attention of the neighbors across Asia to join. Projecting itself as the largest regional organisation in terms of both land mass and population, the geo-strategic potential of SCO cannot be downplayed. It has so far succeeded to bring together the two major powers, Russia and China. These two
regional powers set aside their diverging political and ideological ambitions, and also succeeded in coaxing their client energy-rich Central Asian neighbours. Despite many differences and incompatibilities among member states, SCO has developed to the point that many other regional powers like Iran, India, Turkey and Pakistan have expressed their desire for membership.

Although the two leading countries of SCO- China and Russia- have shared desire to eliminate the U.S. influence, both countries have different expectations from SCO. Russia wants to transform SCO into a club of energy producers in which Russia would play a leading role and also seek to restore their position in their lost sphere of influence as old dominant power of Central Asia through SCO. Whereas China wants to use SCO as a facilitator of regional trade and investment as well as politics where China would enable to play a leading role. China's new assertive role as Asia's largest economy and its growing security complex would provide the foundation for a Sinocentric order in within greater Central Asia as well as in Asia, leading to a prolonged geopolitical contest in the region. Apart from economic considerations, China's engagement with Central Asia through SCO is its part of overall effort to foster a stable and productive international environment around China's periphery while fostering a more widely accepted Chinese leadership role. However, over time, neither China nor Russia will be willing or comfortable in letting the other to dominate the organisation on its terms. Yet, SCO's clout will rise and diminish in line with Chinese interest in the project. China has so far proved willing to pour substantial diplomatic and economic resources into this long term project. In this equation, being yet a significant player, Russia lacks Economic financial resources and the human resources to mobilize as well as the diplomatic sophistication to lead the organization. For the third party, cornered by these two regional powers, the Central Asian states will endeavour to preserve their national identity and sovereignty through pursuing balancing acts or multi-vector policies. They will thread cautiously so to deal with Moscow's and Beijing's long term policies and regional ambitions, particularly when it comes to the utilization of energy reserves and natural resources. However, they would not be brushed aside in decisions regarding the admission of new members.

For the outsiders, those observers or dialogue members like Iran, Pakistan, and Turkey, they have to watch the game on play with some apprehension. Given an 'expanded' SCO and its control of a large part of the world's oil and gas reserves, growing economic power, and nuclear arsenal, SCO's political, military, and economic clout would rise, not only within the Eurasian space, but also as an international actor. A stronger SCO, particularly one with a military (nuclear arsenal) component, lined up by new powers: Iran, Pakistan, and India as full members, will then become the third leg of the multipolar world order, let alone a paper tiger. Notably for Beijing, as for other members as well, an aggressive SCO would however run counter to the members vital interests - benefits of cooperation with the West.

Sharing the same geography, ECO’s future prospects will be seriously undermined when its two or more founding members join SCO. It may not mark an end or a downturn in efforts and activities of the organisation, but it will surely lead to its demise in the long term, sharing the fate of EFTA, or even worse. Of the two founding members, Iran and Pakistan seem to have narrower options of securing an alliance besides SCO, opting out of isolation or non-alignment. Pakistan needs to balance against India, if not the entire neighborhood, as the latter is emerging as a global power to reckon with. Iran would be able to tie up with Russia in a deeper form.

However, in the shadow of the current simmering geopolitical crisis at two fronts, the Russia-Ukraine on the west and the China versus many regional countries (led by Japan, Taiwan, Vietnam, the Philippines, Malaysia, and Brunei-where the problem is about sovereignty and control over parts of the China Sea and South China Sea) on the east, the Bear and the Dragon are separately engaged in regional conflicts. In both cases, the aggressive push by both Russia and China for territorial claims which have both security and economic resource implications would no doubt adversely
affect not only their position regionally and globally and their prospective standing within SCO, but also, no doubt, the latter’s overall gravitational pull in the years ahead. Some of the key questions facing the future of collective action in Asian regionalism are what the Chinese leadership might mean in institutional terms, the full economic and strategic implications of a new type of Asian regionalism with Beijing as its leader, and the role of other Asian powers such as the U.S., Japan, India, and Russia in such an order. The future depends on so many parameters, mainly or mostly on how China, at the driver seat, can carefully navigate through the troubled waters and how the other principal players will act or react in this power equation. While the status of Russian-Chinese bilateral relations is the key, it remains to be seen whether the convergence of interests of such disparate members can be sustained in the years ahead. Much also depends on how SCO’s smaller, but nonetheless fiercely nationalistic Central Asian members’ relationship with Russia and China would proceed. At this juncture, the possible membership of India, Iran, Pakistan, and possibly that of Turkmenistan will turn out to be a real test.

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