



GEOPOLITICAL IMPLICATIONS OF INDIA'S AND PAKISTAN'S ACCESSION TO THE SHANGHAI COOPERATION ORGANIZATION

During the Astana Summit held on June 8, 2017, the Shanghai Cooperation Organization (SCO) granted full membership status to India and Pakistan. As a result, the SCO now includes four de-facto nuclear power states that increase the military and economic potential of the organization. However, it remains to be seen if the expanded size of the organization would have also equal growth performance in its geopolitical influence.

The SCO has grown since its Shanghai Five format, initiated in 1990's to settle border and territorial disputes between China and its newly independent Central Asian neighbors. Gradually with changing post 9/11 environment, the SCO's agenda has also shifted towards combating "the three evils", namely, terrorism, separatism and extremism, by the means of political, military and intelligence cooperation. To this end, in 2002 the SCO Regional Anti-Terrorist Structure (RATS) was instituted with a headquarter in Tashkent. Conducting regular joint military exercises and coordinating common security policies the SCO RATS provides a necessary platform for addressing potential terrorist threats preparing the Central Asian states, in particular those bordering Afghanistan, for various external and internal security challenges.

From a geopolitical perspective, the SCO is often seen as an organization established by Beijing and Moscow to jointly coordinate their interests in Central Asia. For China, the SCO was initially served as a tool to enter into the Post-Soviet space without disrupting Russia's political and military dominance, while from the Russian perspective the SCO is useful in preventing Beijing's ability to act unilaterally in the region bounding it by the institutional norms and practices. As for Central Asian states, the presence of China in the organization counterbalanced Russia's primacy in the region. However, all SCO member states have shared a vision on the need to limit the Western military presence in the region and ensure inadmissibility of interference in the internal affairs of other states.

Since 2011, being aware of the Chinese growing influence in Central Asia and general geopolitical shift in favor of Bei-

jing, the Russian policymakers have been actively advocating the SCO expansion insisting on joining India, a country with which Moscow has traditionally close ties, accession of which will restore the balance of power. Although China initially resisted the idea of enlargement, Beijing changed its position chiefly because of the possibility of Pakistan's accession, which could increase the clout of the SCO even further, while allowing for the status quo between the Moscow and Beijing to maintain. As a result, in June 2015, ahead of the Ufa Summit, the SCO member states approved the procedures for India and Pakistan to accede as full members.

With India and Pakistan officially on board, it is clear that the SCO entered into a new phase in its development that most likely would be associated with several challenges. Firstly, the SCO's expansion may lead to a reduction in the organization's efficiency given the historical adversary between India and Pakistan and existing geopolitical rivalry in Indian and Chinese ties. This may challenge future progress in strengthening economic and security cooperation as all decisions, according to the SCO Charter, are to be made by consensus. Secondly, seeking to gain international political legitimacy through expansion, the SCO member states could increase conviction of Europe and the United States in their intention to advance anti-Western political agenda, which make it problematic to consider the organization as a partner instead of anti-NATO alliance. Finally, it is difficult to expect from the SCO to pursue common global agenda since the member states will need some time to resolve the issues relating to the institutionalization process.

Nevertheless, despite the problems mentioned above, the SCO member states could strengthen their collaboration in an effort to find sustainable solutions to some of the regional security issues. Firstly, the SCO could develop a collective long-term strategy in promoting a settlement of the Afghanistan crisis. Although New Delhi and Islamabad have opposite views on this issue, the SCO could serve as a venue to balance their differences. The potential of various security mechanisms, namely,

Russia-led Collective Security Treaty Organization and four party consultation mechanism established by China, Tajikistan, Afghanistan, and Pakistan, could align their efforts under the SCO RATS. The ongoing withdrawal of American and the NATO forces from Afghanistan rises threats to the stability of the region. Given that Russia, China and India are de-facto countries who bear the prime responsibility for peace, stability and prosperity in Eurasia they should rise to the occasion and assume its responsibility to help Afghanistan to overcome "the three evils". Secondly, it is clear that the settlement of the Kashmir issue still remains to be a distant perspective and India would be reluctant to discuss this issue with Pakistan within the SCO framework under the watchful eyes of Beijing. However, since the heads of states and governments, as well as senior military officials, are in regular contact under the SCO activities, it could help to improve strained ties between India and Pakistan by opening another communication channel. Moreover, the SCO could also serve as a neutral arena for New Delhi and Beijing to discuss their border disputes and other issues of mutual interest establishing a more collaborative environment despite tense Sino-Indian relations.

In conclusion, earlier, the SCO largely addressed regional border, defense and security issues. However, with the strategic landscape changing in Eurasia, the SCO should improve the cohesion between new and old members to ensure that its agenda is in line with modern challenges. There is still a high risk that New Delhi and Islamabad will decrease the effectiveness of the organization. However, the SCO could facilitate fostering mutual trust and finding solutions to local collective action problems, if there are the political will and common desire for policy measures coordination among member states. In short, the SCO should plan these expansions in such a way that it can be transformed into a more institutionalized organization which is able to form comprehensive mechanisms for a regional integration.

Politics, Foreign Affairs and Security

- During his official visit to the Gulf countries, the President of Turkey, Recep Tayyip Erdogan, met the leaders of Saudi Arabia, Kuwait and Qatar. In Jeddah, the parties discussed efforts to combat terrorism and its sources of funding. In Kuwait City, the parties exchanged views on a wide range of issues including current international and regional problems of mutual interest, while in Doha, the sides discussed strengthening bilateral relations focusing on deepening security cooperation.
- During his official visit to Moscow, the Vice President of Iraq, Nuri al-Maliki, and the President of Russia, Vladimir Putin, discussed the implementation of the existing military-technical contracts between the two countries focusing on the possibility to widen the range of Russian-made military supplies.
- During the negotiations within the Normandy Four Format, the President of Russia, Vladimir Putin, the President of Ukraine, Petro Poroshenko, the President of France, Emmanuel Macron, and the Chancellor of Germany, Angela Merkel, exchanged opinions on the situation in southeastern Ukraine regarding the problems about the implementation of the Minsk Agreements reached in February 2015.
- The Foreign Minister of Azerbaijan, Elmar Mammadyarov, and his Hungarian counterpart, Peter Szijjarto, discussed the cooperation in transportation, agriculture, industry, education, pharmaceuticals and other spheres. The sides also mulled preparation for high-level talks and the next meeting of the Intergovernmental Commission on Trade and Economic Cooperation.
- During his official visit to Ashgabat, the Deputy Foreign Minister of Iraq, Nizar Issa Abdul-Hadi Al Khairallah, held political consultations with high-ranking officials of the Foreign Ministry of Turkmenistan. During the consultations, the sides discussed expanding bilateral cooperation in various fields expressing readiness for developing cooperation in combating terrorism.
- During his official visit to Tashkent, the Minister of National Defense of Turkey, Nurettin Canikli, and the President of Uzbekistan, Shavkat Mirziyoyev, discussed prospects for further deepening of military and military-technical cooperation between the two countries.

- The Ministry of Defense of Kazakhstan announced that the Phase 2 of the “Steppe Eagle-2017” peacekeeping tactical exercise started at the Ili training center base. The exercise mainly aims at working out the officers’ aptitude for peacekeeping and responding to crisis situations, preparing for the UN and the NATO operations, and achieving interoperability with the latter organization’s forces and facilities.
- The General Staff of the Armed Forces of Kyrgyzstan announced that the second Military Sports Games of friendly armies of the Commonwealth of Independent States started in Balykchy at Issyk-Kul Lake. The Games took place with the participation of more than 300 servicemen representing the Armed Forces of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan. Uzbekistan is participating in the Games as an observer.

Economy, Finance and Energy

- The Chinese CNPC company announced that the construction of the Tajik section of the Line D of the Turkmenistan-China gas pipeline project started. It was also reported that the 400-kilometers long section is expected to be completed in two years. It is expected that the implementation of this project will attract more than \$3 billion of China’s direct investment in Tajikistan’s economy.
- According to the statistics prepared by Turkey’s Energy Market Regulatory Authority, the country imported above 1.209 million tons of Iranian oil, which indicates a 3-time growth compared to April 2016. Moreover, during January-April 2017 Iran’s oil exports to Turkey reached 3.662 million tons compared to 1.738 in the same period last year. Turkey also increased gas imports from Iran during the mentioned period by 14% to 3.228 billion cubic meters.
- The President of Azerbaijan, Ilham Aliyev, signed orders to provide funding for the construction of Zire-Turkan highway and the creation of Hajigabul Industrial Complex. Under the presidential order, \$1.78 million will be allocated from the Presidential Contingency Fund (PCF) for the construction of the highway, while \$2.37 million will be allocated for the establishment of the complex.
- The President of Uzbekistan, Shavkat Mirziyoyev, announced that the country will create another free economic zone (FEZ) in the Parkent district of

the Tashkent region. It was noted that the government plans to attract investments worth \$100 million to organize the production in the FEZ.

- The Executive Director of Kazakhstan’s national company Kazakhstan Temir Zholy, Oralkhan Kulakov, reported that about 5 million tons of cargo was transported between Kazakhstan and China during the first half of 2017, which is 26% increase year-on-year. It was noted that a total of 499 container trains passed through the Alashankou-Dostyk railway crossing on the Kazakh-Chinese border and 221 container trains ran through Khorgos-Altynkol border crossing.
- The Ministry of Finance of Kyrgyzstan reported that in January-June 2017 the budget revenues of the country increased by \$130 million amounting to \$930 million compared to the same period last year. At the same time, tax revenues totaled \$600 million, which is \$66 million more than in January-June 2016, while non-tax revenues reached \$160 million, which is 47 million less than in the reporting period in 2016.

Society and Culture

- The Minister of Education and Science of Kazakhstan, Erlan Saghadiev, stated that a new alphabet, which provides a switch from a Cyrillic-based script to Latin, will be accepted by the end of 2017.
- The Deputy Chairman of Uzbekistan’s National Television and Radio Company, Bobur Alihanov, reported that the country launched a 24-hour television news channel, which will report in Uzbek, Russian, and English. It was noted that it is planned to add reports in the Kazakh, Karakalpak, Kyrgyz, and Tajik languages in future.
- The State Mortgage Company of Kyrgyzstan announced that the German Development Bank will provide the government with a grant of €11 million for the development of mortgage in rural areas and the construction of economy class housing. The grant will be distributed among the participating banks for a period of up to 15 years.
- The President of Uzbekistan, Shavkat Mirziyoyev, ordered the establishment of an Uzbek Consulate in Russia’s second largest city, St. Petersburg. It was announced that the opening ceremony would be held by the Foreign Ministry in cooperation with Russian authorities in two months.