

SHANGHAI COOPERATION ORGANIZATION IN SHAPING REGIONAL CONNECTIVITY

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THE EARLY STAGE CONDITIONS

The Central Asian states, as well as the broader post-Soviet region, were charged from the start with addressing some of the most difficult problems that affected almost every part of their daily lives. Naturally, the leaders of the nations that made up the former Soviet Union attempted to draw on existing world experience when performing this job within the framework of integration goals.

Market reforms in the regional states, considering their national specifics and orientation, further strengthened the negative results of the collapse of a single state and a common economic space, since their target was fundamental changes in the socio-political system and the system of economic relations¹.

With the general focus of reforms on the creation of a socially oriented market economy, the reform of economic relations in the post-Soviet states is carried out according to various scenarios based on different approaches to the choice of priorities, stages and timing of their implementation, the mechanisms and tools necessary for this. This circumstance objectively reflects the differences in the socio-economic situation of states, the correlation of socio-political forces, national characteristics and traditions, the expectations of the population and the degree of its readiness for reforms.

Socio-political transformations in the states of the region are limited mainly to the tasks of power and strengthening of existing political systems, bringing the

¹ Shumsky N. Prospects for Post-Soviet Integration and the Commonwealth of Independent States. - Society and economy. 2015, No. 11-12, p.274.

economy into a phase of stabilization and reducing social tension in society. Market reforms are carried out to the extent that the leaders of states and part of the emerging national elite understand the potential dangers of conservation of the old or new, but deformed, flawed political and socio-economic relations, and at the same time are limited by the fact that these reforms seriously affect the interests of existing and emerging new elite groups, and are also fraught with tendencies to destabilize society.

Central Asians have a greater interest in collaborating economically with more advanced nations and economic groups. Through such collaboration, they can acquire cutting-edge technology, update, and build industrial facilities of the highest caliber. The choice of institutional partners is now based on the opportunities offered and the viability of the foreign policy approaches. At the moment, the region is more of a political club that allows the states' interests to be brought together and harmonized. It can also be referred to as an economic community, albeit to a much lesser level.

REGIONAL SEGMENTS

The Central Asian region of the Commonwealth consists of five Central Asian republics that were part of the USSR: Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan and Tajikistan with a total area of 4 million square meters. km, with a population of over 70 million people. The peoples inhabiting them, except for the Tajiks and related ethnic groups, mainly belong to the Turkic-speaking group.

Historically, it is difficult enough to draw boundaries between these peoples, and the ethno-national situation in the region was largely complicated precisely by the arbitrary establishment of administrative boundaries in the Soviet period. The peoples of the Central Asian countries, for the most part, profess the Islamic religion.

At the same time, it should be noted that despite the important role of Islam in shaping the cultural community of this region, the degree of Islamization of the republics is very different.

It is impossible to deny the existence of objective prerequisites that determine the necessity and reality of the integration of the Central Asian republics. There are a number of objective prerequisites that dictate the need to expand cooperation between the Central Asian republics. From the point of view of geographical position, all the republics are located in the central part of the Eurasian continent, far from the seas and oceans, as a result of which their geopolitical position is equally unfavorable, since they are completely dependent on neighboring states in terms of access to trade routes. In any perspective, the well-being of these countries will be linked to the stability in certain states and the nature of relations with them.

The current impetus for regional cooperation was reflected in the first informal summit of Central Asian leaders in Astana in March 2018, which reinforced the relevance of the India experience in developing joint solutions to common problems. Renewed efforts to develop Euro-Asian relations have increased the SCO interest in sustainable cooperation. The strengthening of relations between Central Asia and Afghanistan has set new parameters for the India efforts to bring peace to the country. New initiatives by some of the Central Asian states to play a more active role on global and regional issues will improve opportunities for cooperation with the India in pursuit of common goals.

INSTITUTIONAL EXPERIENCE

In the current approaches of Central Asian nations for different forms of mutual connectivity and multilateral diplomacy, the experience of India is in many contexts' indicative and worth to study thoroughly. Thinking about the Shanghai Cooperation Organization (SCO) as the potential platform for such interaction, India's long hesitation on real efficiency from participation in it is understandable.

It was largely connected with the position of China, which, in turn, linked its consent to India's membership with the simultaneous entry into the organization of its ally Pakistan².

The region is rich in natural resources and minerals, but access to them is difficult due to the lack of access of the countries of Central Asia to sea ports. Member states' trade relations with them depend on the passage of goods through third countries and the specifics of political regimes in them. The Central Asian partnership can help create opportunities for the countries of the region to enter the market of the partner states, on the one hand, and, on the other hand, ensure direct access of wider SCO community goods and technologies to the 70 million consumer market.

For example, an important step was seen in frame of the expansion of ties with Iran through the construction of the Chabahar port and the associated railway network. The \$500 million contract was signed by Indian Prime Minister N. Modi and Iranian President H. Rouhani in May 2016³. At the same time, Pakistan is blocking the land route to the Central Asian region of India and participating in one organization, in turn, it also gives the opportunity for diplomatic influence that India's northern neighbor will not be able to demonstrate a sharply negative perception.

It is impossible not to consider the interests of India in the implementation of ambitious CASA-1000 projects, agricultural projects and others that will allow the state to productively cooperate with the countries of Central Asia in the field of economy and energy. The CASA-1000 project is one of the largest energy grid projects, which involves the creation of an electricity market that unites the countries of Central and South Asia⁴. Since 2016, along with the largest

² Laruelle, M., Huchet, J., Peyrouse, S. & Balci, B. (Eds.). (2011). *China and India in Central Asia: A New "Great Game"?* N.Y.: Asian Politics & Policy.

³ Kharina, O.A. (2017). Strategic interests of India in SCO: energy and security

⁴ Ibidem

international companies and banks, the Electricity Networks of India company has been participating in consultations on the project.

In scope of the SCO activity, Central Asian countries had the opportunity to observe the important constructive steps taken by India, which was interested in strengthening diversified relations during N. Modi's visits to the region recently, when many economic agreements were signed and new initiatives announced⁵. Despite the successes and the desire of the parties to implement the project, there are objective difficulties. Establishing cooperation between India and the countries of Central Asia in the multilateral format of the SCO may lead to a review of the potential of the TAPI project and suggest other initiatives⁶. Some of the negative opponents of the project in India itself, politicians and experts fear the strengthening of Pakistan's influence in such endeavors⁷.

The intensification of cooperation between the states of Central Asia and India in the field of agriculture, small and medium-sized businesses, pharmaceuticals and information technology can also bring tangible benefits to the parties involved.

The geopolitical crisis in Eastern Europe has suspended the implementation of China's ambitious trans-regional transport projects and paralyzed Russia's model of economic integration within the EAEU, which also affected the pace of economic cooperation between the countries of the region.

Such challenges, pushes Central Asia nations to re-consider the economic, diplomatic and transport potential of the SCO member states, involving to the Trans-Afghan Corridor project, and participating in its implementation together,

⁵ Ibidem

⁶ Stopdan, P. (2016). *India's Stakes in SCO*. New Delhi: The Institute for Defense Studies and Analyses.

⁷ Ibidem

may also join the Uzbek-Azerbaijani project "South Caucasus - Zangezur Corridor - Central Asia".

It is worth dwelling separately on the project of the Trans-Afghan corridor Mazar-i-Sharif-Peshawar: a corridor to a new future for Central and South Asia. The Mazar-i-Sharif-Kabul-Peshawar railway project will not only open a new and shortest route to promising markets in South Asia, but will also contribute to peace in Afghanistan.

On February 2, 2022 Tashkent hosted the first trilateral meeting of Uzbekistan, Afghanistan and Pakistan on the implementation of the Mazar-i-Sharif-Kabul-Peshawar railway construction project. The significance of this meeting is due to many reasons. First of all, a firm tripartite consensus has been reached on the need to build a trans-Afghan highway. Moreover, a joint Action Plan ("Road Map") for the construction of the Mazar-i-Sharif-Kabul-Peshawar railway has been developed and signed. Already in March, it is planned to start conducting geodetic, hydrogeological and topographic studies along the route of the road.

The project was supported by China, United States. Representatives of the World Bank, ADB, EBRD, EIB, IDB, AIIB, International Development Finance Corporation showed interest in building a railway in the Peshawar direction. In this scenario, the issue of the source of funding should not become an insurmountable problem.

Through institutional Prism of SCO and from the perspective of the countries of Central Asia the trans-Afghan corridor will open a completely new and shortest route to the promising markets of South Asia. New opportunities for economic interaction with South Asia are due to the macroeconomic indicators and growth dynamics of this region. With a combined population of 1.9 billion

people ($\frac{1}{4}$ of the world's) and a GDP of \$3.5 trillion, South Asia is the fastest growing region in the world (up to 7.5% per year).

Today, the region's contribution to global growth is 15%, by 2040 it could increase to more than 30%. If the outpacing growth dynamics is maintained, South Asia should become the new locomotive of the global economy.

As many SCO experts note, it would not be correct to compare the Mazar-i-Sharif-Peshawar project with the Mazar-i-Sharif-Herat route. Corridors in the direction of Iranian ports, more precisely the port of Bandar Abbas, already exist, and transportation through them has been established. Today, Uzbekistan's foreign trade cargo is delivered to Bandar Abbas (in the future, to Chabahar) via three rail and two road routes, which makes it costly at the certain degree.

Last year, despite the coronavirus pandemic, transit in the Iranian direction grew by 5%, and by rail - by 31%. Unlike the highway to Peshawar, which will provide a completely new transport and transit vector for Central Asia, the road to Herat with further access to Chabahar will only expand the available opportunities.

The construction of the trans-Afghan corridor will also diversify the transport flows of Central Asia. Since the countries of the region will already have two routes to access the southern seas. On the one hand, there are already existing corridors to the ports of Chabahar and Bandar Abbas, on the other - "Mazar-i-Sharif - Kabul - Peshawar" with subsequent access to the port of Qasim.

Such an alignment will contribute to the formation of a more flexible pricing policy of Iran and Pakistan. This, in turn, will also significantly reduce export-import costs. From the position of the South Asian countries, the commissioning of the Mazar-i-Sharif-Kabul-Peshawar railway route will significantly reduce the delivery time of goods to Central Asia, and the

participation of the Indian side as an equal partner will balance the role of Pakistan in the region.

For example, with the full implementation of the project for the transportation of goods, it will take only 3-5 days instead of 35 days. Instead of a journey of almost a month, the journey will take less than a week. The difference is enormous, to say the least. In turn, shortening the route means reducing the cost of transporting goods, which means saving money. According to preliminary calculations, laying the route will reduce the cost of transporting one 20-pound container by almost 3 times.

More attractive freight rates are also what distinguishes the Pakistani route from the Iranian one. According to preliminary expert calculations, the cost of transporting a container from Tashkent to Karachi will be approximately \$1,400-1,600, while the route "Tashkent-Bandar-Abbas" or Tashkent-Chabahar is about \$3,000. That is almost 2 times less.

But that's not all. Continuing this logical chain, one can already predict now that an increase in the profitability of transportation will automatically contribute to the growth of freight traffic, and hence trade.

Ensuring the transit of goods from India and Pakistan to the countries of the region through Uzbekistan is estimated at the level of 3-4 million tons per year. The launch of the Mazar-i-Sharif-Peshawar railway will also create a powerful platform for achieving inclusive economic development in Central and South Asia.

The multiplier socio-economic effect will be expressed in the creation of new jobs, the construction of roadside infrastructure, and the formation of conditions for the development of rich mineral reserves along the railway route. Only during the construction of the canvas, itself, it is planned to build an additional 264 bridges, 7 tunnels, 641 culverts. The Mazar-i-Sharif-Peshawar

project will also contribute to the expansion of the transport and communication network within Afghanistan. Moreover, the Mazar-i-Sharif-Peshawar line will become part of the wider infrastructural connectivity of Central and South Asia. The road between Mazar-i-Sharif and Kabul already runs along this route, power lines from Uzbekistan and Tajikistan leading to the capital of Afghanistan are stretched.

The presence of already existing infrastructure and proven routes is another advantage of the Mazar-i-Sharif-Peshawar project over the railway route to Herat. Since the railway line in the Iranian direction will have to be laid through the completely undeveloped territory of Afghanistan, where there are absolutely no communications.

India, as the full member of the SCO, expressing its interest in Eurasian projects, on the one hand, demonstrates its serious intentions in the field of strengthening regional ties, and, on the other hand, asserts its position as a global power influencing world process. India's participation in regional projects can maximize its benefits from economic projects, as well as facilitate the involvement of the state in existing and developing projects.

SECURITY SEGMENT

In the field of security, the Central Asian states, being active members of the SCO, remain committed to the fight against the “three evils”: terrorism, separatism and religious extremism, which is fully consistent with the tasks of India, which itself has become a victim of constant terrorist attacks⁸. In addition, India is a state surrounded by countries in which radical groups operate⁹.

⁸ Stopdan, P. (2016). *India's Stakes in SCO*. New Delhi: The Institute for Defense Studies and Analyses.

⁹ Kharina, O.A. (2016). *Features of the formation of alliances in South Asia by the example of China and Pakistan relations*. *Azimuth of Scientific Researches: Economics and Management*, 1 (14), P. 96—100. (in Russ.).

Therefore, it is beneficial for her to be part of an organization whose goal is to counter terrorism.

The threat of terrorism is particularly acute on the agenda due to the crisis in Afghanistan, where the influence of the Islamic State remains. Recently, the desire of Beijing to activate the Afghan vector of its foreign policy has become noticeable for Central Asia. Both India and CA5 nations are cooperating in this area by promoting joint projects. India is also expanding its cooperation with the Regional Anti-Terrorism Structure (RATS) as the security body of SCO, designed to promote coordination and interaction between the competent authorities of countries in the fight against terrorism, separatism and extremism.

Central Asia is of the utmost importance to India in terms of national security. In Delhi, the region is seen as a source of religious extremism, and the Indian leadership is concerned about the growing number of radical Islamist groups in Central Asia.

Considering that terrorism is transnational in nature and militants can cooperate with other radicals in neighboring countries, this cannot but cause concern for India, which is extremely afraid that new such groups may appear on its territory. A considerable level of tension remains in the state of Jammu and Kashmir, where the radical cells of Hizb ul-Mujahiddin, Al-Badar, Jamaat Tabligh and Harakat ul-Mujahiddin are already actively operating, the latter of which at one time had a direct attitude towards groups that threaten the security of the countries of Central Asia and India.

The process of India's accession to the SCO coincided with the issuance of a joint communique by the United States and India on a strategic vision for the Asia-Pacific region and the Indian Ocean region. The security objectives discussed in this paper make it clear that the policy of containing China is one of Washington's main tasks. At the same time, India's position is not to follow in the

wake of US foreign policy, but to promote its own security goals. Delhi continues to balance and maneuver in the global strategic arena, including in the SCO¹⁰. And after Iran joins the organization as a full member, India will be in an even more advantageous position.

Central Asia is a zone of India's strategic interests. However, India's cooperation with the countries of the region in such areas as security, politics, economy, trade, investment, and energy cannot fully develop. One reason is the lack of a common border. India's full participation in the SCO will improve the situation. Moreover, within the framework of the organization, the number of negotiations at the highest level will increase significantly, which will accelerate the formation of the idea of India as a reliable partner ready for dialogue and cooperation among the leaders of the Central Asian states.

The establishment and expansion of ties with the SCO member countries will lead to the strengthening of the geopolitical positions of the state¹¹. India will become closer to China by entering into a common security system for all members of the organization. Delhi's participation in the "Peace Mission" in 2017 (joint exercises of the SCO countries) will become a kind of phenomenon, because so far it has agreed only to very modest-scale joint exercises with China and categorically rejected such actions in a multilateral format.

Most preferably India's participation in the activities of the SCO will lead Beijing to somewhat reconsider its line on limiting the role of Delhi in South Asia. The PRC and the Republic of India are brought together by the fact that they are ready to support cooperation within the framework of the SCO; to strengthen military and political confidence in the region; fight the "three forces of evil": terrorism, separatism and extremism, as well as drug trafficking; make joint

¹⁰ Stopdan, P. (2016). *India's Stakes in SCO*. New Delhi: The Institute for Defense Studies and Analyses.

¹¹ Lunev, S.I. (2012). *India as one of the new centers of global influence*. *Comparative politics*, 2. P. 90—104.

efforts to ensure the stability of power in the countries of Central Asia. Within this framework, it is possible to strengthen the annual counter-terrorism dialogue between China and India.

The recent SCO Summit in Samarkand once again confirmed that there is no alternative to the regional security agenda in 2022. And although the members of the organization themselves seem to have no illusions about its effectiveness in resolving conflicts, none of them is ready to miss the opportunity to express their vision of the future and discuss the tracks of development of relations in a changing environment. Indeed, today the SCO family consists of China, Russia, Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan, India, Pakistan as full members, four countries - Iran, Afghanistan, Mongolia and Belarus - in the status of observers, as well as Azerbaijan, Armenia, Turkey, Cambodia, Nepal, Sri Lanka, Egypt and Qatar as dialogue partners of the SCO. Approximately 3.4 billion people live in the SCO countries, which is slightly less than half of the world's population.

At the Samarkand SCO summit, Indian Prime Minister Narendra Modi said that "now is not the time for wars", making it clear that India will not abandon the principles of peaceful diplomacy.

Agreement signed on the sidelines of the summit on the construction of the China- Kyrgyzstan-Uzbekistan railway suggests transition on the constructed section to the Chinese standard gauge instead of the Russian one - this can hardly be explained by anything other than the strengthening of the role of China in the region.

CONCLUSIONS

The goal of the Central Asia's search of cooperation and connectivity is motivated with the need of rebalancing of the economic and political process in the region in more predictable and fair way. In this context, SCO, as the strong

and influential institutional actor of global affairs would play a positive role for the whole region.

Regional cooperation in scope of partnership with such actor, would help the Central Asian states to better manage their interdependence, unlock and increase their potential for economic growth, influence in international affairs, and assert their independence and uniqueness. Both Central Asian states determining the ways of develop voluntary forms of regional cooperation, and the SCO as their multilateral partner are interested to support these processes, based on their political experience and advantages in developing cooperation mechanisms.

The emergence of a new political environment in the area shows that the India and Central Asian nations in process of closer involvement in bolstering peace and stability in the region, which become an objective reality, and openness in relations with one's nearest neighbors lays the groundwork for sustainable development throughout the entire world.

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