



Striking the right balance

The greater role of the SCO remains largely attached to its consequential economic significance for the Eurasian region in a more open, balanced and multilateral setting

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The 18th summit of the Shanghai Cooperation Organization (SCO), at Qingdao, China marked a 'positive development' towards greater regional cooperation among partner states on key issues of economy, security and people to people exchanges. Noting the period of major changes and reconfiguration in the world, the Qingdao declaration reiterated for a more 'diversified and multipolar world' based on closed ties among countries. Earlier, India had reiterated its expectations from the summit to strengthen 'constructive multilateral engagement' in the vast Eurasian region. The summit hosted a range of world leaders including President Xi Jinping (China), President Putin (Russia) and Prime Minister Narendra Modi (India) and representation from observer States including Iran, Afghanistan, Belarus and Mongolia.

Looking back, as an important trans-regional grouping, the idea of SCO was envisioned by China in 2001, and traces back its origin to Shanghai Five (1996) in order to address its 'peripheral concerns' with newly independent Central Asian states in the post cold war era. Over the years, the SCO has developed and evolved its agenda for cooperation on security, connectivity, energy, economy and culture among partner countries.

For India, SCO has always been a key platform towards fostering 'new and wider links' with the Eurasian region. It also remains critical for India's greater engagement with Central Asian States, which have limited land connectivity with India. The region also forms part of India's extended neighbourhood and maintains historical-cultural relations with India. Ever since it got the role of observer status in SCO in 2005, India has been quite keenly displaying its desire "to play a larger, wider and more constructive role in the SCO". In the Tashkent summit (2013), India pushed its growing enthusiasm and a more proactive role in Central Asia. With the admission of India and Pakistan in the SCO, the organisation has found new potential for 'cooperation and expectation', as noted by President Xi Jinping in his address to SCO security officials in May, 2018.

Moreover, Chinese economic advances in the Central Asian region have remained mostly bilateral, which undercuts the notion for SCO to play the role of a key multilateral economic organisation in the region. Economic coordination figures in the SCO (2001) charter but fails to make its multilateral footprints. There is plenty of scope for multilateral cooperation in the Eurasian region, and with the addition of India's impressive economic clout, SCO can foster a broader scope for trade and economic cooperation in the Eurasian region. For Central Asian states too, the presence of a multilateral economic



cooperation framework and 'balanced power equations' in the region will allow for more acceptable and sustainable development partnerships.

One can also sense a certain level of convergence between India's interests and the objectives of the SCO. Both find 'common grounds' in SCO's fight against the 'three evils' of terrorism, separatism and religious extremism, since it's beginning and to which India has been a victim for long. Moreover, the new global challenges of drug smuggling and organised crime call for a greater collective cooperation among major SCO States, as noted by the Qingdao Declaration, 2018. In the last few years, the challenge of extremism surrounds much of the SCO region, and given India's long practised model of 'religious pluralism', it can certainly find appeal amongst the SCO countries. On the institutional level, the Regional Anti-Terrorist Structure (RATS) based in Tashkent, forms an effective anti-terror structure for cooperation among SCO states to promote all around safety, security, and peace.

Despite being a multilateral forum, the SCO Summit also provided scope for certain levels of cooperation and engagement, which can have a positive impact on the regional climate and bilateral relations between partner countries. The meeting between President Xi and Prime Minister Modi at Qingdao carried forward the 'Wuhan spirit' of broader understanding and personal bonhomie between both the leaders, with President Xi accepting the invitation of India for an informal summit in 2019. This could facilitate good way to institutionalise a kind of 'annual summit' between both the countries, which till date India

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only has only with Japan and Russia. Both the sides also signed two bilateral agreements at Qingdao on the issues of sharing hydrological data on the Brahmaputra River and the export of non-basmati rice from India.

As agreed in the Wuhan meeting, the two sides formally agreed to undertake a joint project in Afghanistan, pertaining to "capacity building". On the economic front, both sides agreed to set up a new bilateral trade target of \$100 billion by 2020. Moreover, the photos of the Indian PM exchanging pleasantries with his Pakistani counterpart at the Qingdao summit and much recently, the visit of Indian delegation to Pakistan for participation in SCORATS meeting, makes for optimism on bilateral relations amidst uneasiness between both. Interestingly, the 'added space', which multilateral forums like SCO provide, offer a good show of 'political statesmanship' with their limited but positive effect on bilateral relations with other countries. The summit also witnessed the reflection of India's consistent position on promoting connectivity but giving due respect to states' sovereignty and territorial integrity.

In his address, Prime Minister Modi emphasised on the importance of linking the region with transport corridors and also in promoting efforts to ensure people to people contact. He coined an acronym 'SECURE' for building wider cooperation among SCO countries which is explained as promoting security, economic development, connectivity in the region, unity, respect of sovereignty and environment protection in the Eurasian region. India insisted on welcoming projects in the region

which are "inclusive, sustainable and transparent" in nature.

The economic component of the SCO still remains weak but the Qingdao summit has moved forward in this direction. The establishment of the Inter bank Consortium with special lending facilities and opportunities for cooperation in human resources development are a welcome development. In addition, by reiterating for making collective efforts against any challenge to economic globalisation by protectionist policies, the Qingdao summit attempted to reinvigorate the 'economic dimension' of the SCO as a major component for world economy and cooperation. Despite constraints in the international economy, the summit has pushed for 'trade facilitation' among major economies.

On the regional front, the resolution of regional security issues like the row between South and North Korea, the Iran Nuclear deal and stability in Afghanistan, the summit called for political dialogue and role for a consultative processes. The summit also agreed to conduct fruitful cooperation in areas including culture, education, science and technology, environmental protection, health, tourism, youth, media and sports. In sum, the consensus at SCO 2018 was in reflection of support for an open, inclusive and rule based multilateral trading system. However, the greater role of the SCO remains largely attached with its consequential economic significance for the Eurasian region in a more open, balanced and multilateral setting in future.

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