

ECONOMIC COOPERATION ORGANIZATION (ECO) AS A REGIONAL ORGANIZATION: ROLE, HURDLES AND PROSPECTS

AKM Iftekharul Islam*

Abstract

In world politics, regionalism and regional organization have become important elements. Regional organizations, as opposed to international organizations, are created by independent states based on their geopolitical, geographical proximity, economic, or political ties in order to promote socio-economic development and regional integrity. Using a qualitative methodology and secondary data sources, this research attempts to shed light on the fundamental justifications for the creation of Economic Cooperation Organization (ECO) as a regional organization; its economic and socio-cultural practices; interstate rivalry among its members; divisions, and difficulties; ECO's role and prospects in the current political unpredictability of the world; solutions to current problems and techniques for fostering regionalism in ECO, and the organization's prospects for the future. Additionally, it assesses ECO's regional integration considering integration theory and shows whether ECO has been effective in fostering regional cohesion. In light of this, this paper contends that the ECO region has not received enough attention from the vast majority of academics despite having enormous human and natural resource potential and it also implies that in the long run, the ECO region might provide the EU, ASEAN, and other developing countries with a steady supply of energy markets that in turn can play a positive role for the development of the region. The ECO region may also represent a sizable market for the export of technology and equipment by a number of sophisticated economies. The paper concludes the BRI project and the Indo-Pacific Strategy have greatly raised the ECO's geostrategic significance.

Introduction

The organization known as the Regional Cooperation Development (RCD) has been succeeded by the Economic Cooperation Organization (ECO). The RCD was a multigovernmental entity that was established on July 21, 1964. Its three member countries were Iran, Pakistan, and

* Associate Professor, Department of Islamic History & Culture, University of Dhaka

Turkey. The RCD essentially fell apart and was eventually disbanded due to its inability to provide a format practical for increasing commercial opportunities; the political unrest in Iran; and, later, its involvement in the war with Iraq (Moonakal, 2020). However, in 1985, seven new members from Central Asia, South Asia, and the Caucasus emerged as ECO along with the previous three members of RCD, which marked the end of the RCD. In the course of history, the ECO's geopolitical significance has been present and moved through a variety of phases. In fact, the nature and scope of international politics in the 21st century are completely different from what they were in the 20th century. The international political landscape has become more challenging and anarchic so as has the regional political landscape (Belmonte et al., 2021). In point of fact, the established international order, as well as the politics of the entire world, have been subjected to profound shifts in the past few decades. There are many other factors that have contributed to these one-of-a-kind shifts. For instance, the increasing advancement of science and technology, the advent of non-conventional security threats such as transnational organized crime, climate change, ethnic strife, and so on, the rise of China, the shrinking tendency of US hegemony, the global energy crisis, the beginnings of multipolar world order, globalization and its multifaceted repercussions on nation states, the appearance of new regional economic and military initiatives such as Indo-Pacific Strategies (IPS) and Belt and Road Initiative (BRI), and so on (Srikanth, 2014 and Zhao, 2019) significantly restructured and influenced the patterns and scopes of world politics during the latter half of the 20th century. Moreover, the turn of the century has created unprecedented dynamics, trends, and challenges in politics at both the global and regional levels (Haynes et al., 2013). There has been a recent rise in the importance of new economic and security alliances, such as QUAD, AUKUS, and IORA, in the process of establishing the order that governs global trade, security, and the economy (Roychoudhury, 2021). These recent developments have brought about a myriad of opportunities and challenges for various regional organizations, such as the ECO. In light of this, there is an urgent need to reevaluate how nations that are members of the ECO may develop their sense of regional identity and make the most of opportunities presented by the current state of global ferment.

Objectives of the Study

Based on the introduction, the prime objective of this study is to

evaluate ECO as a regional organization. The aims and objectives of this study also include:

- Analyzing ECO's regional integration on the premise of integration theory;
- Explaining how successful or unsuccessful the ECO has been in promoting regional cohesion in the region;
- Evaluating how the members of ECO may make the best use of opportunities presented by the current state of global unrest.

Research Question

An in-depth analysis of this research attempt presents some questions those need to be answered. The research questions of this study therefore will be-

1. What were the founding objectives of primarily RCD and then ECO?
2. How far is ECO successful as a regional organization?
3. What are the prospects and problems of ECO?

This research tries to get started on a methodical investigation of these research questions.

Methodology

This article employs secondary sources as its primary means of data collecting in order to highlight the arguments surrounding the research issues. In this regard, the paper is qualitative in its overall approach. In this study, a wide range of sources, including books, research articles, academic papers, government policy documents, conference papers, archives, websites, newspapers, and numerous academic journals, were subjected to in-depth analysis and evaluation. This approach is quite helpful for a variety of reasons. In the beginning, this research has determined the knowledge gap that exists between the many available pieces of literature, which are quite substantial. After that, it makes an effort to begin a methodical investigation of its research problem after conducting an extensive evaluation of the secondary data. These secondary data, therefore, provide the contemporary context of the Economic Cooperation Organization (ECO), inter-state competition within ECO, and other relevant issues affecting the activities of ECO.

Region, Regionalism and Regionness

The problem of defining regions is a complex one. In the context of international affairs, a region is typically defined as a territorial zone that contains some elements in common. Academics contend that a region is characterized by a multitude of realities, including the spatial proximity of its states, their socio-economic similarity, the homogeneity of their political and governmental structures, their religious beliefs and values, their interrelatedness across numerous levels, and the expression of a general perception in a variety of phenomena among them. In addition to the physical or purely natural regions, there are also political regions, economic regions and transnational region (Knox et al., 2016).

Regionalism is a more complex term that extends beyond the boundaries of both a region and its regional characteristics. According to Robert Longley (2021), the term 'regionalism' refers to the establishment of ideological and socio-economic frameworks that rely heavily on the loyalty of a distinct region wherein individuals of a uniform category express their shared identity and traditions. As a political ideology, regionalism places a heavy emphasis on the consolidation of political and economic power and the attainment of self-determination for the people of the region (Meadwell, 1991). To put it another way, its primary objective is to attain substantial political and economic autonomy in a manner that encourages policy integration, sustained economic growth, the advancement of free trade, and the underpinning of collaboration in a variety of different fields of state affairs (Libman, 2007).

In order to establish a sense of regional identity and contribute to the formation of a sense of unity, regionalism plays a role in the formation of inter-subjective meanings of regional culture, politics, and other material things. It also helps to create interstate relationships among a collection of states, facilitates the identification of the commonality of their interests, and works to successfully handle challenges and threats that endanger regional peace and security. Some notable examples of regional arrangements are the European Union (EU), Economic Cooperation Organization (ECO), Association of South East Asian Nation (ASEAN), the African Union (AU), Gulf Cooperation Council (GCC), South Asian Association for Regional Cooperation (SAARC), Arab League (AL) etc.

On the other hand, the idea of regionness is more all-encompassing than the concept of region itself. Hettne and Söderbaum (2000) provided a

definition of regionness in which it was claimed that the diverse effects that unfold during the process of regionalization of a particular geographical region are considered to be part of the definition of regionness. To them, the concept of regionness can be understood in parallel with the concept of “stateness” and “nationness” (Hettne and Söderbaum, 2000). According to their perspective, it is the process of elevating a region from the status of a receptive object to that of an active subject. In its most basic form, the concept of regionness refers to the act of artificially creating a region, completing the process of regionalization, bringing together the concerns of the region on a variety of different levels, and thereby enhancing the togetherness and exclusiveness of the region. There are varying degrees of regional authenticity (Hettne, 2003). According to Hettne and Soderbaum (2000), these layers consist of a regional space, a trans-local structure, an international society, a regional commune, and a regionally organized polity.

From RCD to ECO

According to integration theory, integration in an organization can take place on many levels and in many dimensions, such as economic, social, and policy integration. These are all examples of integration (Weiss, 1999). Integration is unquestionably a process that occurs at the macro level and raises the degree to which members of an association are dependent upon one another (Keohane and Nye, 1975). On the other hand, the functional approach in international politics is an additional technique to foster regional integration among countries that are at odds with one another. This method contends that cooperation should initially be initiated on low-level or micro-level topics such as sports and cultural activities at the very beginning of the process (Hass, 2008). According to this strategy, it is anticipated that this kind of low-level cooperation may, in the future, throw open new doors for higher-level cooperation. In the following discussion, it will be made clear how integration has increased the interdependence among the members of ECO and how it benefits the organization to achieve substantial results in a variety of areas of socio-economic development. In addition, it will be made clear how integration has increased the interdependence among the members of ECO.

Before examining the establishment of ECO due to a spillover effect, it is necessary to take a closer look at its precursor organization, the Istanbul Pact, also known as the RCD. On July 21, 1964, the Regional Cooperation for Development (RCD), was formally established. Iran, Pakistan, and

Turkey are its founding members, and it was formed as a multigovernmental platform with the goal of fostering socioeconomic and commercial growth in the three nations (Yeşilbursa, 2009). The establishment of the Central Treaty Organization (CENTO) in the year 1955 is mainly credited as being the impetus behind the development of the RCD. The Bagdad Pact's successor, the CENTO, was primarily established as a military alliance in accordance with the North Atlantic Treaty Organization (NATO) in order to fulfill a defense-related mandate (Zonis, 1990 and Jasse, 1991). In the beginning, CENTO served as the common basis upon which the three members of RCD, along with Iraq, the United Kingdom, and the United States, could collaborate in order to accomplish their goals. The primary objective of the establishment of CENTO was to establish a barrier and compete with the policies of the Soviet Union, which was the dominant power in the region at the time (Yeşilbursa, 2020). Despite the fact that this platform was never successful, it did provide Iran, Pakistan, and Turkey with a single platform from which they could work on and discuss issues that were affecting the area in a similar fashion. RCD members share a strong religious, geographical, cultural, political, and historical bond and legacy is portrayed as a positive feature of this organization (Hashmi, 1979). These connections paved the way for more engagement and cooperation on common ground in the region, and they opened the door to both of those possibilities.

The inability of CENTO to effectively promote commercial opportunities and the acceleration of regional development served as the fundamental impetus for the establishment of a new cooperative framework. Iran, Turkey, and Pakistan did not have a forum that was efficient in promoting regional prosperity; hence, achieving this objective was the primary objective of the RCD (Faheem and Xingang, 2021). In the beginning, this organization demonstrated its potential and made some progress, such as lowering postal rates, establishing a payment union for trade among the nations, establishing a regional cultural institution, abolishing the visa system among the member nations to promote tourism, and launching a shipping service. However, RCD did not last long and the organization collapsed in 1979 after fifteen years of its foundation.

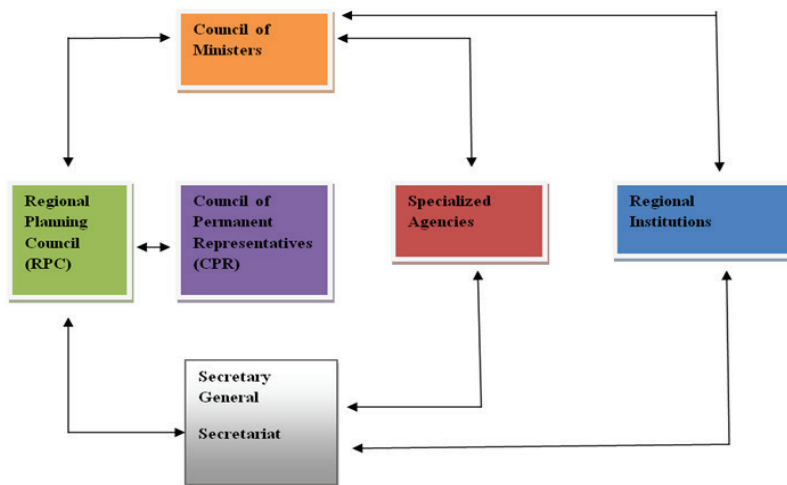
RCD's demise was not a dramatic occurrence; rather, its fractures occurred gradually over time. Nonetheless, several causes of RCD failure are described below. In addition to a large number of shared characteristics, members of the RCD had a number of divergent foreign

policy stances (Bahae and Saremi, 2002). Firstly, Tehran and Ankara contracted with Islamabad over the recognition of Israel, whilst Islamabad was incompatible with Tehran and Ankara regarding their cordial relations with China. Secondly, the member countries' foreign policy shifts and political regime instabilities have weakened their connections over time (Chawla, 2017). In February 1979, the Iranian Revolution was the third and most fundamental cause. This event drastically altered the geostrategic options and interests in the region, and consequently sparked the regional unrest (Chawla, 2017). Regional trade was impeded as a result of the global economic sanctions imposed by the United States on Iran's trade with major NATO allies, such as Turkey, following the Iranian revolution. The invasion of Afghanistan by the Soviet Union and the outbreak of the Iran-Iraq conflict in the 1980s were the final blows that destabilized the region's political and geostrategic landscape and halted the organization's progress (Chawla, 2017). In 1979, following the Iranian Revolution, the CENTO and RCD were both dissolved. Its failure to offer a framework for promoting regional trade among its member states was also a major factor in its demise (Moonakal, 2020).

In this context and nearly six years later, there was a desire to revitalize the organization in a fresh way, including a new name and structure (Chawla, 2017). In 1977, member states of the erstwhile RCD, Iran, Turkey and Pakistan signed the Izmir Pact, paving the way for the creation of the ECO. Later, formally 1985 saw the establishment of ECO from the ashes of RCD. Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, and Turkmenistan joined the organization in 1992 and the succeeding years of the Soviet Union's dissolution. As a result, ECO experienced a significant economic uptick and extended its operations into numerous new domains. Instigating the formation of ECO as a regional and international platform were the attainment of member countries' development objectives and the promotion of trade and economic possibilities (Chawla, 2017). In other words, the objectives of ECO grew to encompass three domains: economic, cultural, and scientific (Chawla, 2017).

Other objectives of the ECO include economic growth, improvement of living standards, promotion of socio-cultural consonance, collaboration in science and technology, growth of inter-regional trade, cooperation in infrastructure, transport, and communication sectors, and development of agriculture, energy, and human resources, among others (Chawla, 2017). As a strategically significant region that provides access to Europe,

Central Asia, South Asia, and vast marine access, this region lacks meaningful strides on a diverse range of international issues. In addition, this region lacks a robust domestic market, excellent economic efficiency, and competence in the utilization of untapped prospects in the scientific, infrastructural, human, and mineral extraction domains. For this region to overcome this hurdle, ECO must evolve into the dominant organization. The ECO's legal framework was established by the 1977 Treaty of Izmir. This pact set the groundwork for the ECO's aim, which primarily grew into the fields of preferential trade measures, the progression of the energy industry, and enhancement of the transportation systems (Chawla, 2017). The Council of Ministers (COM) is the main policy and decision making body which is comprised of Ministers of Foreign Affairs of member states. The Secretariat initiates, coordinates and monitors the implementation of ECO activities. The Organizational structure of ECO is as follows:



Source: Devised by the author based on information of ECO Secretariat, Tehran

Other important components of the ECO structure are its four sectoral directorates (Akram, 2008). These are:

- i. Directorate of Industry and Agriculture
- ii. Directorate of Trade and Commerce
- iii. Directorate of Energy, Minerals and Environment
- iv. Directorate of Transport and Communication

The member states have signed the ECO Trade Agreement (ECOTA), the Transit Trade Agreement (TTA), and the Transit Transport Framework Agree-

ment (TTFA) (Chawla, 2017). In addition, the ECO established a number of specialized agencies, linked groups, and regional institutions to facilitate regional collaboration. ECO established, for instance, the Trade and Development Bank, the Seed Association, and the Regional Coordination Center for Food Security in Istanbul; the Cultural Institute, the Regional Center for Risk Management of Natural Disasters, and the College of Insurance in Tehran; the Science Foundation, the Reinsurance Company, and the Postal Staff College in Pakistan; the Educational Institute in Kazakhstan; the Chamber of Commerce and Industry in Afghanistan; and the Institute of Environmental Science and Technology (Subsidiary and Affiliated Bodies, 2022).

There were other all-inclusive summits that aided in the planning, collaboration, and consolidation of ECO's future endeavors. In March of 2017, the Heads of State or Government of ECO member states gathered in Islamabad to strategize for future enhancements to the organization's objectives. ECO's evolution was aided in a variety of ways by the development of solid organizational structures over time. ECO functions are carried out by its different institutions and bodies, such as the Secretariat, the Council of Ministers (COM), the Council of Permanent Representatives (CPR), the Regional Planning Council (RPC), expert and working groups, etc. (Organs, 2022). In addition, under the UN Charter, ECO is now an ad hoc body. As a result, ECO has emerged, altered, and developed into a significant regional organization.

Economic Activities of ECO

a) Intra-regional Economic Activities

Since the beginning of the ECO, significant resources and efforts have been invested in strengthening intra-regional commercial operations through a variety of channels. In order to derive the most advantage possible from the organization, its member nations have set up a variety of subsidiary and connected agencies, organizations, and businesses. The creation of these subsidiary and associated organizations has been motivated by the need to expedite commercial and economic interactions between the organization's member states (Najafi Alamdarlo, 2016). ECO's commercial activity mostly grew to revolve around 12 separate fields over time. They are things like commerce, investments, transportation, telecommunications, energy, minerals, the environment, agriculture, industry, tourism, human resources, and the development of sustainable communities. They are best understood in relation to three primary spheres: the economic, the scientific, and the cultural. In 2003, ECO countries came together to sign the ECOTA agreement, which aims to encourage inter-regional trade and investment

(Javaid and Siahmardy, 2017). However, other than in the energy sector, it did not make any substantial advances in these other areas. In addition, members of the ECO signed the ECO Commerce Promotion Agreement (TPA) in 2009 with the intention of increasing intra-regional trade and establishing a common market (Javaid and Siahmardy, 2017). In addition, despite the fact that all member states signed the Ashgabat Agreement on improving transportation in order to strengthen regional economic ties with the Central Asian Nations, significant progress has not been made in the transportation sectors. This is even though the goal of the agreement was to improve transportation (Javaid and Siahmardy, 2017). As a direct result of this agreement, both the Europe-Caucasus-Asia Transport Corridor (TRACRCA) and the North-South Transport Corridor have been established.

To enhance ECO economic activities, the member nations have signed the ECO Trade Agreement (ECOTA), the Transit Trade Agreement (TTA), and the Transit Transport Framework Agreement (TTFA) (Chawla, 2017). Despite the poor level of multilateral trade amongst ECO members, bilateral trade appears to be on the rise for the foreseeable future. In the year 2020 alone, bilateral trade between Turkey and Iran accounted for \$3.30 billion in U.S. dollars (Farzi et al., 2021). The export of 1.16 billion US dollars' worth of commodities from Iran to Turkey in 2020 represented the highest level in the preceding twenty-five years. Pakistan's bilateral commerce with Iran and Afghanistan continues to be suboptimal. As of 2018, Pakistan's trade balance with Afghanistan increased while its trade balance with Iran decreased.

PAKISTAN'S BILATERAL TRADE AS OF 2018			
	Imports (Mn US\$)	Exports (Mn US\$)	Trade Balance (Mn US\$)
India	1,928.47	383.05	- 1,545.42
Afghanistan	508.36	1,347.93	839.57
Iran	373.97	22.77	- 351.20

Table 01: Pakistan's Bilateral Trade with its neighbors.

Source: (Business Council, 2022)

However, both Iran and Pakistan agreed to expand their bilateral trade to US\$ 5 billion by 2023 (Khan, 2021). ECO-Vision 2025 was endorsed during the 13th Summit in 2017, with the intention of further strengthening commercial connections.

b) Inter-regional Economic Activities

Over the past two and a half decades, ECO's commercial activities with other important global and regional organizations have exploded. ECO's global trade volume reached approximately US\$ 648 billion in 2015 and US\$ 661 billion in 2016, which is still below the organization's trading potential (Trade Figures, 2022). ECO's global trade volume in 2017 reached US\$ 733 billion, a 9.8 percent increase compared to 2016's trade volume (Trade Statistics, 2022).

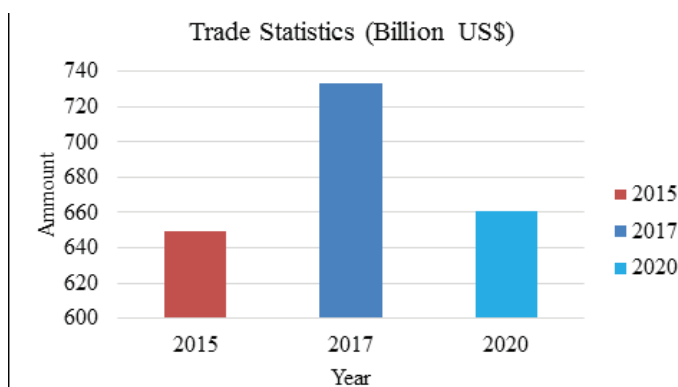


Figure 01: Trade Volume of ECO.

Source: (Javaid and Siahmardy, 2020).

Due to expanded economic interactions with other regional bodies and governments, Foreign Direct Investment (FDI) in ECO skyrocketed from 2000 to 2015, about 11-fold (Javaid and Siahmardy, 2020).

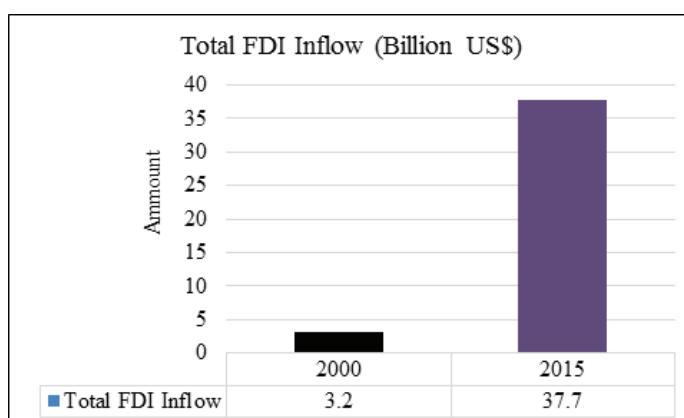


Figure 02: The amount of total FDI inflow in ECO region.

Source: (Javaid and Siahmardy, 2020).

Regarding foreign trade, ECO is one of the main importers of EU's machinery, healthcare and electrical devices, mechanical components, clothing and garment accessories (Trade Figures, 2022). On the other hand, the majority of ECO's exports to the EU consist of oil, gas, and other petrochemical products. Regarding ASEAN, ECO exports primarily mineral fuels, oil, and bituminous substance, while its imports include seafood and crustaceans as well as other aquatic invertebrates (Trade Figures, 2022). In 2020, ECO's exports to EU totaled US\$ 102.8 billion and imports totaled US\$ 93.7 billion, representing 35.4% of ECO's total exports and 25.2% of total imports, respectively (Trade Figures, 2022). During the same period, ECO's exports to ASEAN totaled 3.67 billion US dollars. ECO also worked with World Trade Organization, International Monetary Fund, World Bank and many others international organizations.

Socio-Cultural Activities of ECO

The Economic Cooperation Organization (ECO) has not yet made any significant achievements in terms of the participation and promotion of socio-cultural activities (Hafeznia et al., 2012). To improve the well-being of local residents and their standard of living was one of the primary motivations behind the establishment of the ECO in the first place. The successful implementation of cross-cultural cooperation has enabled member nations to collaborate on the sharing of culture, the interchange of values, and the creation of a positive image more effectively through socio-cultural activities within the area (Mujahid, 2015). In order to work toward this objective, ECO formed a cultural institute with the purpose of promoting mutual comprehension and ensuring the continued viability of the diverse cultural traditions practiced by its members. However, there is a significant amount of work that needs to be done in order to encourage cooperation and collaboration among member states in the fields of socioeconomic difficulties through the use of policy mechanisms that are multifaceted and supportive (Mujahid, 2015). To combat various socio-economic and cultural challenges, such as migration, anti-drug initiatives, quality education, health problems, and poverty alleviation through engaged participation of locals in the region, it is therefore essential to have active participation from member states.

Among the nations of the ECO, social welfare activities such as expenditure on health care are much lower than in other countries; as a result, governments in these countries need to pay sufficient attention

for its progressive improvement (Samadi and Rad, 2013). The growth of healthcare pays off since it produces healthier workers who are more productive in the job than those who are not healthy (Bolin et al., 2003). Although health expenditures continue to rise in many ECO members states, such as Iran, which saw an increase in spending from US\$ 80 in 1995 to US\$ 247 in 2005 in terms of per capita income, the general status of the health care system has not improved to the degree that was anticipated (Samadi and Rad, 2013).

Problems of ECO

The smooth operation of ECO is being adversely affected by massive obstacles. The renewal of RCD as the ECO in 1985 and its subsequent enlargement in 1992 with the northern CARs did not make the ECO a successful organization (Akram, 2008). The analysis that follows identifies a number of the most significant obstacles to ECO's growth and development. First, the ECO region lacks a robust free trade framework to accelerate its economic growth and accomplish its basic goals. There are certain instances of preferential trade between some of ECO's member states, including as preferential trade between Iran, Afghanistan, and Pakistan, but there is no complete free trade framework inside the organization. This deficiency has a significant impact on ECO's ability to expand and maximize its potential. Despite few evidences of economic cooperation, no customs union among the states has transpired yet which casts a shadow of doubt on its chances of success only as an economic bloc (Akram, 2008). Second, the cost of conducting business and intra-regional commerce in the ECO is comparatively greater than in the majority of other regional organizations. Additionally, rising and complex structural and non-structural trade barriers, like as tariffs and customs charges, undermine ECO's ability to accomplish the necessary economic growth in the region. Thirdly, this region's transportation and communication systems have fallen significantly behind. Seven out of ten of its member states are landlocked, and they do not have access to the ports of Turkey, Iran, or Pakistan via road or rail. Fourthly, Central Asian nations, despite being rich in gas, oil, and other minerals, were unable to use their resources and contribute to the increase in ECO exports. In terms of scientific and technical innovation and availability, the ECO region lags well behind. Even though it is endowed with abundant natural resources, such as gas and oil, and has vast importing opportunities in neighboring EU, China, and India, a lack of adequate technical, scientific, and technological capacities

has impeded its ability to extract these resources and thus accelerate economic growth. Fifth, the ECO's capacity to develop the region into a powerful trading block is being hindered by a variety of factors, including its restrictive industrial policies, heterogeneous foreign and domestic policies, inadequate capital, and ineffective governance (Koolae, 2007). The number of persons in the ECO region who were undernourished in 2015 amounted at 53 million, which is equivalent to 12 percent of the overall population of the ECO region (Productivity, 2022). In addition to this, the economic progress and purchasing power of ECO members are among the lowest of any category (Bahae and Saremi, 2002). Another significant issue that plagues ECO nations is the fact that they are the birthplace of a significant portion of the world's terrorists. In addition, the political system in many nations, including Pakistan, is deeply mired in bribery and corruption. The United States has imposed severe sanctions on Iran's commercial activity. As a result, Iran's participation in international trade is significantly lower than that of other nations in the ECO. The foreign interest in the region's resources often runs counter to the interest of the region. In essence, the ECO is surrounded by a variety of challenges, and in order to properly resolve them, it needs to work closely with the countries that are a part of it.

Potentials and Opportunities for the ECO in the Context of the Current Global Situation

It is undeniable that the Economic Cooperation Organization's standing in the eyes of the international community is rapidly improving, which is especially noteworthy in light of the current political unrest that can be seen all over the world. Although the ECO's strong organisational structure may be subject to scrutiny (Gordon, 2021). Three main topics are discussed in this section: the Ukrainian War of 2022, the Belt and Road Initiative (BRI), and the Indo-Pacific Strategy (IPS).

(a) The Ukrainian War of 2022

The beginning of the conflict in Ukraine has resulted in a significant increase in the cost of energy everywhere since it has caused a disruption in oil production and supply to Europe. For Europe to be able to maintain its manufacturing and industrial operations, it is critically dependent on Russia to continue supplying it with oil and gas. In addition to this, there is an increasing demand for energy produced in Russia from countries of the

world other than Europe, particularly China, South Asia, Southeast Asia, and other developing nations (Accenture, 2022). The price of gasoline and crude oil in Europe has increased by about fifty percent, and experts predict that the trend will continue in the years to come. It is not possible to find a rapid solution to the problem that the conflict in Ukraine has caused in the supply of oil and gas across Europe and more generally across the world. The reasons behind this include time constraints to increase the production capacity of alternative sources such as renewable or nuclear energy; the lack of adequate liquified natural gas (LNG) from OPEC; and the associated problems with using coal that could hinder many countries' global environmental commitment to de-carbonization. All of these factors contribute to the situation (Accenture, 2022). Russia is the main supplier of petroleum oil and natural gas to Europe, and Europe's largest imported products include crude oil (61.8% of the EU's total imports) and natural gas (24.9% of the EU's total imports). Russia is also the top supplier of natural gas to Europe (Eurostat, 2022). The daily demand for crude oil around the globe surged by more than one million barrels beginning in 2021 (Accenture, 2022).

Oil, natural gas and solid fossil fuel imports of EU in 2020		
Serial no.	Country name	Amount (% of total import)
1	Russia	29%
2	USA	9%
3	Norway	8%
4	Kingdom of Saudi Arabia	7%
5	Kazakhstan and Nigeria	6%

Table 02: Oil, natural gas and solid fossil fuel imports of EU in 2020.

Source: (Eurostat, 2022).

In addition, one analysis reveals that the European Union's (EU's) economic reliance on imports for the fulfillment of its energy requirements reached 58 percent (more than half) in the year 2020. (Eurostat, 2022). In light of this, countries that are part of the ECO could constitute a good alternative for Europe and other developing nations in terms of satisfying their requirements for energy, particularly in terms of the supply of oil and gas.

Oil Reserve& Production by OEC country (2021)		
Country Name	Oil Reserve (Billion Barrels)	Production (Barrels Per Day)
Iran	208.60	2,566,000
Kazakhstan	30.00	1,937,000
Turkmenistan	0.60	186,000
Uzbekistan	0.59	4,400
Pakistan	0.54	83,000
Turky	0.37	67,000
Tajikistan	0.01	300
Kyrgyzstan	0.001	700
Total	240.71	4,844,400

Table 03: Total Oil Reserve & Production by OEC country (2021).

Source: 1. Oil Reserve (Global Economy, 2022)

2. Production (World Population Review, 2022)

In this context, the Economic Cooperation Organization (ECO) might provide Europe and other developing nations in Asia with the cheapest and fastest supply of oil due to the small distance between them. ECO will be able to create a wonderful relationship with Europe if it continues to progress through these means since Europe's advanced machinery, technology, and scientific advances can substantially feed the necessary demand for ECO's technological shortfalls.

(b) Belt and Road Initiative (BRI)

The Belt and Road Initiative (BRI), which is an ambitious program initiated by China, is another big event that is coming to deliver huge benefits for the ECO region. As of March 2022, between 140 and 147 countries have signed memorandums of understanding with China to become part of the Belt and Road Initiative (BRI). It is said that the BRI is the world's largest project in terms of spending, and it already includes more than 70 countries from around the world (Wang, 2022). Researchers, academicians, and policymakers have all come to the same conclusion: if BRI is properly implemented, it has the potential to radically alter the conventional strategic balance of the area. During his state visit to Kazakhstan in 2013, the President of China, Xi Jinping, made the announcement of this significant endeavor (China Daily, 2013).

Establishing a ‘Silk Road Economic Belt’ and a ‘Maritime Silk Road’ are both components of the Belt and Road Initiative (BRI), which has two dimensions.



Figure 03: Road and Maritime connectivity under BRI with Central Asian nations.

Source: (China.org.cn, 2022)

The entirety of the ECO area is at the heart of the BRI initiative. For example, it’s been suggested that the Silk Road Economic Belt will create a transcontinental passageway that will link China with South Asia, Southeast Asia, Central Asia, Russia, and Europe. The Belt and Road Initiative (BRI) has several primary objectives, the most important of which are to strengthen policy coordination, increase investment, encourage the growth of infrastructure, construct ports, roads, railroads, and airports, and strengthen telecommunications networks. Because the members of ECO are participating in this effort, and because China is actively working to change the power balance in both the region and the world through the promotion and implementation of this project, ECO countries stand to gain a significant amount from it. To put it another way, member states of the ECO might be eligible for sizeable financial assistance to help them address the infrastructure and communication gaps that have long hampered their collective advancement. In addition, all of the member nations are included in China’s two economic corridors as participants. It is anticipated that all 381 districts of Kazakhstan, Uzbekistan, and Kyrgyzstan will be linked to all 2048 sub-provisional units in China via the China-Central Asia-West

Asia Corridor (Gill et al., 2019). Through Pakistan's Gawdar port and Iran's Chabahar port, this corridor will provide these landlocked central Asian countries with access to port facilities that are connected to the fastest transit network. It is believed that the successful implementation of this corridor will provide countries in Central Asia with the possibility to reach the global market with greater levels of domestic production. On the other hand, it is anticipated that the China-Pakistan Economic Corridor (CPEC) will contribute at least 1.5 percent to the growth of Pakistan's GDP. Furthermore, it will open a new door for the fastest oil supplies from the countries in Central Asia.

(c) Indo-Pacific Strategy (IPS)

The great power rivalry active in the region is an additional crucial aspect of securing strategic leverage. China rose to prominence on the international stage in the 21st century. Chinese economic and military expansion pose a persistent threat to the region's strategic and tactical interests, particularly those of the United States, as well as those of the SAARC and ASEAN regions (Lardy, 2003). In reaction to China's expanding influence in the Indo-Pacific region, the United States and its allies devised the Indo-Pacific Strategy (IPS) to protect their interests in the area (Farhi and Maggiori, 2019). India, on the other hand, is attempting to become a regional force alongside China (Wani, 2020). Controlling the maritime lanes along the coasts of the South China Sea, the Indian Ocean, the Arab Sea, the Gulf region, and the Red Sea region is currently their primary objective of IPS (Paskal, 2021). China, on the other hand, is building its road and maritime networks along the coasts of these seas, namely near the ports of Pakistan, Turkey, and Iran (Khan, 2013). As a result, this has caused instability in the ECO region. Under these conditions, ECO nations can gradually and strategically strengthen their ties with China and Europe, as they might offer a massive oil and gas market and provide the region with robust connectivity and technology (Li, 2016). In essence, the member states of ECO have many opportunities to seize within the current unstable global order. Nonetheless, only cautious and calculated action can result in significant success for the region's development.

Analysis

The commencement of ECO did not signal meaningful progress toward its basic aims. Despite the ECO's potential to integrate, none

of the ECO states are each other's major trading partners (Akram, 2008). However, it did recently achieve significant progress in areas such as trade and investment, regional connectivity, and to promote a single market for products and services in the region. Despite all of the obstacles, the ECO has a lot of potential to develop into a powerful and vibrant regional organization like the EU and ASEAN. There are a great number of compelling reasons to have faith in ECO's optimistic outlook for the future. To begin, the year 2022 has been designated as the 'Year of Strengthening Connectivity' with the intention of fostering a strong political will to improve transport connectivity in the region. This is a crucial step in the process of creating economic integration at the regional level and securing competence. This project intends to enhance transportation infrastructures, establish uninterrupted cross-border transit, digitalize interstate trade, improve communication networks, and improve connection with prosperous regional organizations all over the world (ECO, 2022).

Second, the world is facing a crisis in terms of adequate and affordable supplies of oil and gas. The ongoing conflict in Ukraine has made it abundantly evident how severe the global energy crisis may become if a significant conventional supplier of oil and gas (such as Russia) were to stop its customary delivery for a set amount of time (Hutter and Weber, 2022). Under these conditions, the ECO region has the potential to become a significant destination for oil and gas imports for the rest of the world. The ECO might tighten its ties with the EU in order to supply the EU with a substantial quantity of oil and gas in order to fulfill the EU's increasing need for energy. Third, the growing engagement of China, which brings with it enormous economic incentives like as connectivity associated to the BRI, has the potential to amplify the regional integration of the ECO (Hoh, 2019). In addition, if the anticipated infrastructural link is carried out in the appropriate manner, this economic bloc would be able to achieve brisk trade across the regions (Vakulchuk and Overland, 2019). It is possible that the expansion of port facilities and the linkage of Central Asian countries to these ports (Chabahar and Gawadar) could result in an increase in the volume of trade and investment in the region. Fourth, every single member of ECO has made a concerted effort to enhance the quality of life and social welfare of the people they serve on a constant basis (Ravangard et al., 2014). These kinds of activities might make a substantial dent in the region's problems with poverty and unemployment. In addition, the

region may benefit from the multi-pronged strategic efforts that ECO has developed to protect the environment and limit environmental damage.

To further explain, the ECO's members have already negotiated a number of agreements to eradicate terrorism, militancy, smuggling, and the drug trade in the area (Nazir, 2010). Additionally, a deliberate effort has been made to reduce tensions between countries by finding amicable solutions through dialogue. The result of all these activities taken together offers ECO some exciting potential and role to play in the region.

Recommendations and Methods to boost Regionness in the ECO

Interstate rivalry is another crucial aspect of the regional organization like ECO. This is the main problem to emerge a region for this organization. Such rivalry whether apparent or hidden, often leads to the stagnation and inefficiency in the organization (Hashi, 2020). There is rivalry between Iran and Turkey, Iran and Pakistan. There must be some effective efforts to resolve interstate rivalries, whether bilateral or multilateral, among the member states through diplomacy and discussion. Besides, effective mechanisms can be developed to eradicate sense of hostility among the parties in order to improve the peace and security of the region. For regionalism to flourish, both a distinct regional identity and strong links within the region itself are key prerequisites. Despite the fact that the ECO is home to a significant portion of the world's oil and gas reserves, as well as a significant portion of the world's production of tangible goods and supply of low-cost labor, this forum has not yet received sufficient attention from policymakers and investors all over the world (Javaid and Siahmardy, 2017). Very few countries can claim to have substantial economic ties with the participants in this conference. However, there are many different things that can be done in order to foster regional integrity and relationships. For instance, in order to deepen the sense of regionness present in ECO, extensive common physical and institutional processes are required. For this purpose, there is a need to boost trade and investment inside the region as well as across regions, taking into account the potential for commerce in the area. It might be easier to accomplish this objective if we made better use of both human and natural resources (Chawla, 2017). On the other hand, improved political will and support must be maintained in order to continue improving regional connections, information and communications technology, and energy infrastructure. Fostering regional connection and infrastructure development will unquestionably contribute

significantly to the region's overall industrialization and trade liberalization efforts. Adjusting regional policies to better align with domestic policy is one more essential step to take (Javaid and Siahmardy, 2017). In addition, the coordination of macroeconomic and financial policies, the exchange of technologies, the removal of trade barriers, and an increase in the domestic capacity of governance are all potential ways that ECO's regional integration could be sped up and made more robust.

Other aspects of improving the sense of regionalism include promoting and exchanging cultural activities within the region. For example, SAFF games held in the SAARC region still continue to foster a sense of regional identity in the South Asian region (Shaheen, 2013). All of the member states can be brought together on one platform via exchanging educational activities, research, artistic creations, literary works, cultural festivals, common visa facilities, culinary creations, and musical works. Working together against common concerns such as terrorism, transnational organized crime, and climate change can also be an engaging method for boosting regionalism in the ECO (Cordier, 1996). In addition, one of the most important things that can be done to build a more strong sense of regional identity in the ECO region is to forge partnerships in the areas of agricultural and healthcare development (Marat, 2008). As a result, member states have a responsibility to take the initiative in promoting collaboration and, consequently, increasing the sense of regionalism within ECO.

Conclusion

The Economic Cooperation Organization (ECO) has possibility to evolve into a platform for both economic progress and interstate competitiveness in the south-western region of Asia. However, the members in the area have so far shown a range of competing interests, which has hindered the organization's capacity to advance its development. In spite of this, in recent years, numerous coordinated and multi-pronged efforts have been made to foster tangible improvement in a variety of domains, including but not limited to: combating terrorism, reducing poverty and unemployment, fostering tangible improvement in the areas of trade and investment, facilitating policy coordination, boosting industrialization, fostering tangible improvement in the areas of trade and investment. In essence, both the stakes and the challenges involved in achieving these objectives are high. Due to this, in order for the ECO to flourish as a

meaningful region, its members must work closely together and overcome political difficulties.

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