

## Reviving Economic Cooperation Organisation (ECO) for Regional Connectivity

Authors

Ameer Abdullah Khan  
Lecturer & PhD Scholar, IR Department, NDU Islamabad

&

Ameer Osama Khan  
IR Graduate, SzéchenyiIstván University (SZE), Győr, Hungary

### Abstract

*The spectacular success of the European Union in terms of regional connectivity and prosperity ushered the world into an era of regional economic cooperation. The following decades witnessed a mushroom growth of the regional organisation across the globe. In the same wave of regionalism, RCD was established with the high aim of unveiling the marvellous potential of Pakistan, Iran and Turkey for economic growth backed by regional connectivity, untapped resources, geostrategic location and close historical, cultural and ideological ties. After the end of the cold war, RCD was expanded and renamed ECO. Despite the presence of almost every necessary ingredient required for regional economic development and connectivity, ECO has remained a sorry tale of underachievements and let-downs. This paper traces the roots of the evolution of ECO and provides an in-depth analysis of multiple challenges and obstacles that ECO has been facing. It also investigates the potential for its revival and carries policy recommendations for making it an effective tool of regional cooperation and achieving peace and prosperity for the member states.*

**Key Words:** Regional connectivity, ECO, Economic Growth, Strategic contiguity, Economic Cooperation

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### Introduction

Established in 1985 as an intergovernmental organisation under the Treaty of Izmir, Economic Cooperation Organisation ECO was intended to serve as a platform for regional connectivity for Pakistan, Iran and Turkey<sup>1</sup>. Today, ECO comprises ten countries and connects Europe, Central Asia, South Asia, Middle-East and Caucuses. Other than three founding members, Pakistan, Iran and Turkey, new members of ECO include Azerbaijan, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan and Afghanistan. ECO countries cover a total area of around 8 million km<sup>2</sup> with an estimated population of 460 million. ECO member states share their borders with Russia, Europe, the Middle East, China and India providing its enormous potential for inter-regional connectivity by placing it in the middle of all-important regions in the heartland. Article 13 of the Treaty of Izmir, which

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<sup>1</sup>“About ECO History,” *Economic Cooperation Organization*, accessed August 17, 2021, [http://www.eco.int/general\\_content/86055-History.html?t=General-content](http://www.eco.int/general_content/86055-History.html?t=General-content).

created ECO provides a very broad pathway for the future membership of the organisation by stating that any state sharing borders with any of the ECO members or sharing the objectives or principles of the organisation may also seek the membership of the organisation<sup>2</sup>.

## Objectives

Objectives of ECO as enlisted in article II of the Treaty of Izmir 1996 include the promotion of conditions for the sustainable economic development of member states and raising the standards of living, promotion of interregional and intraregional trade respectively through gradual removal of trade barriers and connectivity. It further emphasises mutual experience sharing in socio-economic, cultural and technological domains, maximising benefits of globalisation and trade liberalisation for the people of this region, full exploration and exploitation of the industrial, agricultural and mineral resources of the region and joint efforts against issues like drugs and environmental degradation. Article III of the treaty lays down principles of cooperation among the member states including respect for sovereign equality, linking ECO's objectives with national economic plans of the member states, cooperation with other regional and international organisations and exchanges in educational, technical, scientific and cultural fields.

## Organisational Structure

ECO's organisational structure<sup>3</sup> includes the Summit as the top body which according to article-IV of the treaty, should be convened biennially to review the performance of the organisation and make possible the exchange of views at the topmost level<sup>4</sup>. Council of Ministers (COM), Council of Permanent Representatives (CPR), Regional Planning Council (RPC) and the Secretariat follow in the organisational structure.<sup>5</sup> COM, comprising of foreign ministers or other representative ministers is intended to serve as the top policy decision-making body of the organisation. CPR, including special representatives, serves as the main administrative body for implementing the policies. RPC is intended to serve as a platform for planning and streamlining the plans of the organisation with its objectives. It comprises the heads of the planning commissions of the member states. Article-X of the treaty also opens the pathway for establishing specialised agencies and regional institutions under ECO. Two Specialized Agencies and six Regional Associations have been established under the administration of the General Secretariat.

## ECO Vision 2025

A document titled ECO Vision 2025 was published by ECO in February 2019<sup>6</sup>. Taking into consideration the changing global environment and emerging threats and opportunities, it envisioned the achievement of sustainable economic development, free trade and good governance through cooperation. It sets sustainability, integration and the creation of an

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<sup>2</sup> ECO. (1998, May 09). Rules of Procedure of the ECO. Retrieved November 06, 2020, from [http://www.eco.int/parameters/eco/modules/cdk/upload/content/general\\_content/3512/1499586739563jk8s96cm6jnohhj2556coont44.pdf](http://www.eco.int/parameters/eco/modules/cdk/upload/content/general_content/3512/1499586739563jk8s96cm6jnohhj2556coont44.pdf)

<sup>3</sup> ECO. About ECO, History. Retrieved November 06, 2020, from <https://www.citationmachine.net/login>

<sup>4</sup> ECO. (1996, September 14). TREATY OF IZMIR. Izmir; Economic Cooperation Organisation.

<sup>5</sup> ECO, C. O. M. (2009, March 9). *ECO Rules of Procedure*. E. [http://www.eco.int/parameters/eco/modules/cdk/upload/content/general\\_content/3512/1499586739563jk8s96cm6jnohhj2556coont44.pdf](http://www.eco.int/parameters/eco/modules/cdk/upload/content/general_content/3512/1499586739563jk8s96cm6jnohhj2556coont44.pdf).

<sup>6</sup> ECO. *ECO Vision 2025 & Implementation Framework*. [http://www.eco.int/parameters/eco/modules/cdk/upload/content/general\\_content/3624/1506486491201cflnbtm0acra83f5arho4dgc65.pdf](http://www.eco.int/parameters/eco/modules/cdk/upload/content/general_content/3624/1506486491201cflnbtm0acra83f5arho4dgc65.pdf).

environment conducive to economic development as the core principles to support this vision. Trade, transport & connectivity, energy, tourism, economic growth & productivity, social welfare and environment have been highlighted as the major areas of cooperation between the ECO states as part of vision 2025.

### **Tracing the Journey of ECO**

In order to trace the journey of the Economic Cooperation Organization (ECO), it is important to understand the development of the world and regional politics in the post-World War-II era. The defeat of Fascism in Europe and East Asia at the hands of capitalist and communist powers failed to establish endearing peace in the world. Soon, capitalism and communism found themselves daggers are drawn at each other and the world was witnessing another display of power politics. In the coming years, Turkey, Iran and Pakistan joined the western block due to their own varying reasons and contexts. These states were also part of the Baghdad Pact<sup>7</sup>, a cold war military alliance. In parallel, the world was witnessing the fruits that Western Europe was enjoying from regional economic integration. This paved the way for the establishment of many regional organisations across the globe. Pakistan, Turkey and Iran, due to their geographical contiguity, and strong cultural and historical ties to their adherence to the Western Block also got the impetus to initiate a program of economic integration to benefit more from these factors.

#### **a. Regional Cooperation for Development**

The above-mentioned regional and global political advancements led to the creation of the Regional Cooperation for Development (RCD), then called Istanbul Pact. It was an intergovernmental organisation comprising Pakistan, Iran and Turkey established in July 1964 after years of negotiation and deliberation for the promotion of multidimensional regional cooperation aimed at building situations for continued socioeconomic development in its founding states<sup>8</sup>. The founders of RCD dreamt of ushering in a new era of prosperity for the people of these states by cooperating in businesses, promoting peace and reducing dependency on the major powers. Soon after its inception, RCD started achieving significant successes and displayed its spectacular ability to fully meet its potential and achieve its objectives. Under RCD Pakistan, Iran and Turkey were able to create a payment union aimed at facilitating trade<sup>9</sup>. In addition, RCD members established an institution for enhancing cultural linkages<sup>10</sup>. RCD states also agreed to reduce postal charges and abolish visa requirements for tourism. Furthermore, ferry service was also started. RCD also achieved success in enhancing cooperation in banking, transportation, currency printing, commerce and industry. Significant progress was made to liberalise the trade between these states which resulted in an increase in trade among RCD states.

#### **b. Revival and Expansion**

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<sup>7</sup> U.S. Department of State. *The Baghdad Pact (1955) and the Central Treaty Organization (CENTO)*. U.S. Department of State Archives. <https://2001-2009.state.gov/r/pa/ho/time/lw/98683.htm>.

<sup>8</sup> ECO, T. *Economic Cooperation Organisation, "History."* Economic Cooperation Organisation Official. [http://www.eco.int/general\\_content/86055-History.html?t=General-content](http://www.eco.int/general_content/86055-History.html?t=General-content).

<sup>9</sup> Yeşilbursa, B. K. (2009). The Formation of RCD: Regional Cooperation for Development. *Middle Eastern Studies*, 45(4), 637–660. <https://doi.org/10.1080/00263200903009759>

<sup>10</sup> RCD Cultural Institute: *UIA Yearbook Profile*. RCD Cultural Institute | UIA Yearbook Profile | Union of International Associations. <https://uia.org/s/or/en/1100056825>.

This journey to regional integration suffered a setback from the 1979 Islamic revolution in Iran. For the next six years, the aim of regional integration faced a hiatus as the revolution in Iran changed the whole outlook of regional politics. The revolutionary government was hostile towards the USA whereas Pakistan and Turkey were still allying with her. Soviet invasion of Afghanistan pushed Pakistan even closer to the US because of its security concerns and resultantly in estranging Iran from Pakistan. An immediate outcome of this, among several others, was the abandonment of RCD. Once the revolutionary government of Iran was able to stabilise itself, a proposal for the revival of RCD was presented. It reflects the belief in the power and potential of regional integration between Pakistan, Iran and Turkey.

In 1985, Regional Cooperation for Development was revived and renamed to Economic Cooperation Organization (ECO). The revived organisation shared almost the same aims, structure and principles as its predecessor. After the disintegration of the Soviet Union and the independence of Muslim states of Central Asia, seven new states acceded to the Tehran Treaty in 1992 that had established ECO. The SCO expansion was motivated by newly independent Central Asian states' desire to revive their Islamic identities after getting liberated from Communist rule. It also reflected the will of these states alongside Afghanistan to revive their centuries-old cultural and economic ties with the people of ECOs founding member states. The inclusion of these new states made ECO one of the largest Asian regional organisations with regard to area, population, resources and geographical access. Before 1992, the presence of different members in different cold war camps prevented the expansion of the organisation. In 1992, The Treaty of Izmir formalised the inclusion of new members to ECO. In commemoration of the expansion of ECO, November 28 is celebrated as ECO Day in all member states.<sup>11</sup>

### c. Through the 90s

The expansion of ECO was the result of the removal of multiple barriers, therefore a harmony of interest and approach was witnessed in ECO at all levels of decision-making in the 90s. It not only led to the efficient working of ECO but also paved the way for multiple structural changes as per the requirements of the time. ECO, till its expansion failed to make an impact contrary to its predecessor RCD. However, the inclusion of new members provided the much-needed impetus for advancement on the front of economic cooperation. It was during the formalisation of the expansion of ECO that a Protocol on Preferential Tariffs was agreed upon by the original members in May 1991. Under the protocol, these states agreed to provide preferential treatment to each other by reducing the tariffs to 10%.<sup>12</sup> Subsequently, a list of items for preferential trade was prepared. Pakistan and Iran had a list of 16 items for the said purpose, but the Turkish list was more extensive yet limited. After the start of the implementation of the protocol, it was felt that the 10% margin was too little to create a significant impact. Later, the signatories to the protocol agreed to expand the list of items and double the tariffs reduction margin but the progress on implementation remained disappointing.

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<sup>11</sup> Chawla, M. I. (2017). Economic Cooperation Organization: A Historical Perspective. *Journal of Political Studies*, 24(2), 575–588.

<sup>12</sup> Pomfret, R. (1997). The economic cooperation organization: Current status and future prospects. *Europe-Asia Studies*, 49(4), 657–667. <https://doi.org/10.1080/09668139708412465>

In February and July 1993, a plan for future cooperation was agreed upon under the Quetta Plan of Action<sup>13</sup> and Istanbul Declaration respectively. USD 0.3 million funds was created with equal contributions from the founding members for financing the conduct of feasibility studies under these plans.<sup>14</sup> In October same year at Almaty, a project-oriented Outline Plan was adopted for developing transport and communications in the ECO region. In 1996, the agenda of discussion also included the consequences of the Uruguay Round and the WTO for ECO countries.<sup>15</sup> As the inclusion of new members also increased the potential of the ECO by manifolds and the religious homogeneity and cultural overlapping made future cooperation easier, in September 1996, an extraordinary session of the COM was held in Izmir Turkey. It led to the amendment of the original Izmir Treaty and revitalised the ECO's objectives and framework for cooperation.

#### **d. In the 21st Century**

From the cold war environment RCD to the expanded ECO in the 21st century, the journey of Pakistan, Iran, and Turkey towards integration of this region has not been consistent. Though the overall stature and power of ECO have relatively increased, it can rightly be labelled as a marvellous story of underachievement. In the 21st century, ECO states signed ECO Trade Agreement (ECOTA) and established ECO Trade Promotion Organization (TPO) in 2003 and 2009 respectively.<sup>16</sup>

Despite the presence of all the necessary ingredients, the dream of establishing a common market till 2015 was not fulfilled. The main obstacle in the path was the shift of the member states' focus from economic development to security problems as the upshot of the 9/11 attacks and the US invasion of Afghanistan.

#### **Potential of ECO**

From the time of inception of RCD, this organisation attracted the interests of major players in world politics. Mainly because of its geostrategic location and the potential to provide connectivity to the world, ECO is considered to have immense potential to usher in an era of economic prosperity for the people. After the inclusion of CARs into ECO, the potential for connectivity and untapped natural resources increased manifolds and the overall resource potential also increased. Resource-rich, landlocked CARs are seeking access to the outside world that is only possible through Pakistan, Iran or Turkey. CARs, while adhering to ECO, also enjoy membership in some other regional organisations. However, these organisations either have too broad an agenda with less substance to make an impact or are too limited in scope that these can be called single-issue fora.

As mentioned earlier, the total population of ECO states is around 460 million which is about 6% of the world population. The area covered by ECO is nearly two times that of the European Union. The most important thing to consider while analysing the potential of ECO is connectivity. ECO lies at the heart of the world heartland while serving as a crossroad for

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<sup>13</sup>Mazari, S. *32 years of Economic Cooperation Organization: goals and achievements*. Azeri Today. <https://azeri.today/articles/3439/>.

<sup>14</sup>Yeşilbursa, B. K. (2009). The Formation of RCD: Regional Cooperation for Development. *Middle Eastern Studies*, 45(4), 637–660. <https://doi.org/10.1080/00263200903009759>

<sup>15</sup>Pomfret, R. (1997). The economic cooperation organization: Current status and future prospects. *Europe-Asia Studies*, 49(4), 657–667. <https://doi.org/10.1080/09668139708412465>

<sup>16</sup>Abbasi, M. U. (2011). Benefits of Regionalism and the Potentials of Economic Cooperation Organization (ECO). *JSSRA Papers*, 3(1), 1–35.

the world's most important regions. ECO is the only region of the world that connects five important regions of the world. By its ability to provide this inter-regional connectivity, ECO possesses the potential to serve as the trade hub for global trade. It is worth noting that ECO countries are a part of China's BRI programme which can be helpful in further integrating the region.

In addition to the geostrategic location and connectivity potential, the ECO region is also important for the immense potential of untapped energy resources present in Central Asian republics. According to estimates, 11.62% of the world's total crude oil whereas 20.15% of natural gas is present in the ECO region<sup>17</sup>. The total reserves of CARs include 150 billion barrels of crude oil and 1234 trillion cubic feet of natural gas. Kazakhstan, Azerbaijan, Iran, Turkmenistan and Uzbekistan form the oil and gas-rich countries of this region. Hydro-electricity is another energy product of the ECO region that has an attraction for the world's developing regions emanating from Tajikistan and Kyrgyzstan. Being landlocked, CARs can only convert their potential resources into their real wealth and power if they get access to the buyers of their energy in China, South Asia, East Asia and Europe. Traditionally, CARs have felt a lesser need to connect southwards. However, in the form of ECO, these states can seek access to markets in the south while freeing themselves from the historical influence and control of Russia over their resources, economies and politics.

Apart from this, ECO also possesses agriculture-rich areas. From the plains of the Indus in Pakistan to Iran and Central Asia, an enormous potential for agricultural products is present in ECO. Wheat, cotton, sugarcane, rice, barley, tomatoes, potatoes and dairy items are major agricultural products that are produced in this region. This vast agriculture potential is waiting for the introduction of modern technologies and innovation to make an impact. Furthermore, access to intra-regional and inter-regional markets can also be a major contributing factor in fully exploring the agricultural potential of this region. Thus, here is formed a peculiar combination of resource richness with the geostrategic location.

### **Challenges to ECO Revival**

ECO being primarily a forum for economic cooperation has less to deal with the security matters that its member states are facing. A broad set of varying security concerns of ECO members has prevented these states from giving their fullest to this organisation. In addition, the region, for most of the time in recent history has lacked much necessary political stability that serves as a prerequisite for economic development/ Thus, in the presence of greater security concerns and the absence of domestic and regional political stability, the revival of ECO remains a challenge. In these circumstances, even the projects that have been implemented, have not proven to be as fruitful as they were expected to be. Below is given a brief analysis of the challenges to the revival of ECO.

### **Challenges within ECO**

#### ***a. Security***

The biggest set of challenges to ECO arises from within ECO. Security problems remain the biggest obstacle. Afghanistan, more than a decade before the expansion of ECO is burning in

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<sup>17</sup> Chawla, M. I. (2017). Economic Cooperation Organization: A Historical Perspective. *Journal of Political Studies*, 24(2), 575–588.

the flames of war. As the map shows that Afghanistan shares a border with more states than any other ECO members. Thus, instability in Afghanistan has posed severe security threats directly to Pakistan, Iran, Tajikistan, Uzbekistan and Turkmenistan. Pakistan, after the 9/11 attacks has fought a long war against terrorism and suffered a heavy toll in the shape of lives and economic costs till its security forces were able to restore stability. Iran also faces threats from its neighbours as well as from the US because of its nuclear programme. Turkey, owing to its proximity to Europe and the Middle East and being a part of NATO has various security-related concerns.<sup>18</sup> For CARs, extremism has served as the primary security concern. In these circumstances, for most of the time in this century, the focus of policymakers remained on high politics and economic cooperation and development were relegated to the status of low politics. This remains the biggest challenge for ECO's revival.

### ***b. Political Instability***

All the member states of ECO have witnessed episodes of political upheaval and instability in past decades. Central Asian Republics (CARs) are still trying to overcome the impacts of almost a century-long totalitarian Communist rule. Similarly, Afghanistan has a long history of political instability due to its unique tribal culture and ethnic division where only a few times the peaceful transition of power been made since the inception of this state in 1747. Similarly, Pakistan and Turkey have a long history of military rules and democracy has started getting footholds only recently. Iran, though, has been able to establish a stable regime after the revolution but faces severe challenges on the external front making it difficult for the government to function at home and to pursue the agenda of economic development in its foreign relations.

### ***c. Institutions***

In addition to this, ECO countries have not been able to strengthen the framework of institutions which it primarily seeks to develop for ensuring maximum exploitation of their potential. Though the organisation has a well-established structure, the subsidiary institutions have either not been established or have not been functioning with the desired efficacy. ECO states have shown their commitment to establishing new institutions including the Trade and Development Bank, reinsurance company and common shipping and airline companies. The establishment of the bank, reinsurance company and shipping firm are respectively mentioned in articles V, VI and X of the amended Treaty of Izmir<sup>19</sup>. The raising of an ECO Airline is mentioned in the Quetta Plan of Action. Though, after exuberant debates and discussions, it has been agreed that Istanbul will house the ECO Trade and Development Bank whereas Pakistan will house the ECO Reinsurance Company, the member states have still a long way to go for the actualisation of these aims. The tedious and time-consuming negotiations that preceded the agreement on these matters demonstrate the problems and differences within ECO states regarding the functioning, jurisdiction and locations of these institutions. ECO Cultural Institute, Science Foundation, Educational Institute, Chamber of Commerce and Industry, College of Insurance, Regional Coordination Centre for Food Security, Institute of Environmental Science and Technology, Consultancy & Engineering Company and Regional Centre for Risk Management of Natural Disasters are other

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<sup>18</sup> Khan, M. S. (2020b). Dynamics of Pakistan-Turkey Relations. *Pakistan Review of Social Sciences*, 1(2), 14–24.

<sup>19</sup>ECO, T. (1996, September 14). TREATY OF IZMIR. Izmir; Economic Cooperation Organisation.

institutions which are either yet to be established despite a showing of commitment but lack of will or to be made efficient<sup>20</sup>.

*d. Infrastructure*

In addition to this, the necessary infrastructure is also lacking in ECO countries which is the precondition to making full use of the available resources in the region and providing a platform for the sustainable development of ECO nations. The member states are yet to establish a network of railway and road linkages. The ongoing war in Afghanistan serves as the biggest challenge for working on cross-regional infrastructure development.

*e. Imperial Influences*

All the ECO member states remained in two conflicting camps during the cold war period. Even before that, apart from Turkey, some of the states remained under British Imperial influence while others were dominated earlier by Russia and then the Soviet Union. This led to the creation of a historic condition where mutual trade between ECO states could not take place up to the fullest of its potential. Thus, the ECO faced the challenge of reviving the trade links between its founding members and CARs that were put into abeyance for more than two centuries of imperial intervention.

*f. Trade Model*

It is worth noting that despite having the objective of free trade between ECO states, most of the steps that are being taken so far are based on preferential trade. Though, both have similar outlooks but vary in implications. Preferential trade agreements remain dependent on the sweet will of the states for implementation and the list of items for preferential trade remains a point of divergence because of a multiplicity of reasons. On the other hand, free trade involves the complete removal of trade barriers and involves unhindered movement of capital, goods and individuals. While ECO states have been running behind in achieving preferential trade goals, the real target of free liberalised trade remains far from sight. The step-by-step approach that has been adopted by ECO has not worked so far.

### **Challenges Outside of ECO**

Not all the problems that ECO faces today are homegrown. If we conduct a system-level analysis, it is apparent that the power asymmetry of ECO states with other regional and global powers, super powers' rivalry, conflicts in neighbouring regions and geopolitics have also played their role in making ECO less successful. Below is given a brief analysis of these issues:

*a. Afghanistan Quagmire*

As mentioned earlier, due to its unique geography, history, culture and tribal structure, Afghanistan has faced turmoil for most of its history. Because of being a buffer state between Tsarist Russia and British Indian Empire, Afghanistan was able to maintain a relative degree of autonomy and saved itself from direct occupation. However, it failed to modernise. Attempts by different rulers to modernise Afghanistan resulted in failure and most power

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<sup>20</sup> Organization, E. C. *ECO subsidiary and affiliated bodies*. ECO Official.  
[http://www.eco.int/general\\_content/85066-ECO-subsiary-and-affiliated-bodies.html?t=General-content](http://www.eco.int/general_content/85066-ECO-subsiary-and-affiliated-bodies.html?t=General-content).



transitions have been bloodied and marked by violent conflict. The recent turmoil in Afghanistan started in 1979 when Soviet forces invaded Afghanistan to support the PDPA government.<sup>21</sup> It led to almost a decade-long war by different Afghan groups backed by Pakistan, the USA, the Kingdom of Saudi Arabia and others against Soviet Forces. A swift Soviet withdrawal following the Geneva Accord and the aloofness of the USA after obtaining its goals pushed the country into a civil war that ended with the ascent of the oppressive Taliban Regime into power.

The 9/11 attacks and subsequent invasion of the USA ended the Afghan regime but initiated another long war that continues to date. This has resulted in the loss of valuable time and opportunities not only for three Afghan generations but also for the region and neighbouring states. Projects like TAPI, railway and road linkages, ECO airline and others have remained in the doldrum because of the war in Afghanistan. As a result, most of the ECO members have focused either on mutual trade or trade outside the region resulting in lost opportunities. Now, as the war in Afghanistan can be expected to reach a conclusion, one can expect a more extensive program of regional integration to be launched with Afghanistan at its focus. Afghan Taliban's announcement of engaging in constructive partnership with regional states presents a silver lining for the future of Afghanistan.

#### ***b. Sanctions on Iran***

Iran's nuclear program has remained a challenge for Iran and the sanctions imposed on Iran by the US and other western states have impacted the performance of ECO. It is a fact that most of the ECO states have not been able to escape from western pressure and have kept their trade with Iran at the minimum level. Though the Joint Comprehensive Plan of Action (JCPOA) 2014 brought a ray of hope for ECO the recent advancements by the Trump administration in the US have put several question marks. The US remains a major ally and trading partner of Pakistan and Turkey whereas its forces are present in Afghanistan. In addition, CARs have also been unable to fully come out of the international pressure. European Union has announced not to ditch its part of the JCPOA deal but Iran has shown suspicion towards the intentions of western powers. Therefore, if the JCPOA fully collapses and sanctions on Iran are restored, it will again put the ECO under a strain.

#### ***c. Regional Conflicts and the ECO States***

Iran, Pakistan and Turkey, three major players and founding members of ECO are witnessing ongoing conflicts in their backyards and have also remained directly engaged in different conflicts. Iran's uncomfortable relations with Saudi Arabia, the ongoing crisis in the Middle East and the involvement of Iran and Turkey, Pakistan's Kashmir problem and the spillover of the Afghan crisis into its mainland have all created multifaceted security challenges for ECO states. This has led to the creation of policy dilemmas for these states undermining the ECOs mission and objectives. In addition, ECO being an economic organisation does not carry the capacity to address political and security matters.

As a result, these conflicts dominate the policy calculations and states are mainly absorbed by the strategic concerns. Pakistan's dilemma becomes graver in case of rising hostility

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<sup>21</sup> Khan, M. S. (2020c). Emerging Trends in the Security Architecture of South Asia: Role of Pakistan. In *Conflict and Cooperation in South Asia: Role of Major Powers* (pp. 103–112). IPRI.

between Saudi Arabia and Iran<sup>22</sup>. Here, the sectarian rift is visibly increased because of increasing Saudi-Iran tensions. In addition, the unresolved Kashmir conflict and Pakistan's threat perception from hostile India add to the complication in foreign policy choices for ECO states. With the Kashmir conflict still unresolved and attempts by India to destabilise Pakistan by supporting terrorist groups<sup>23</sup> and keeping Pakistan in consistent fear of encirclement, Pakistan's expectations from ECO states change drastically. This ultimately creates a situation where the trust deficit seems widening between Pakistan and Afghanistan as well as between Pakistan and Iran. These negative developments further exacerbate the problem. Similarly, the Syrian question makes Iran-Turkey relations uneasy resulting in barring progress on trade at the ECO level.

## Conclusion

It is evident from the above discussion that ECO's marvellous potential to bring prosperity and development to the states of this region has yet to be converted into real achievement. ECO states are going to enjoy a position at the centre stage of the world economy. There is a need to bring this consciousness to every level of policy-making in ECO states. The very first task to do in this regard should be the opening up of ECO countries' borders for people and businessmen. In the absence of people-to-people contact, the vast cultural similarities and historical and ideological linkages become unable to make an impact on policy choices. In regions like ECO where people share a lot with each other, the Sociological Interdependence theory gets higher chances of success. Therefore, there is a need to use the ECO forum for increasing recreational and business tourism and the flow of people within the region.

It will further necessitate the overhauling of transportation and communication infrastructure which will further aid the economic integration of the region. Apart from increasing people-to-people ties through increased cross-border movement of people within the region, there lies the untapped potential for increased cultural cooperation. Student exchange programmes and joint celebrations of festivals like Nauroze, Aashura and Eids can help in bringing the people closer and removing many socio-political obstacles. In addition, the promotion of a mystic culture that is common in all ECO states can serve as another point of cohesion.

The role of Turkey, Iran and Pakistan remains primary in the revival of ECO. Its stronger economy and proximity to Europe make it the most important player viz-a-viz ECO's connectivity with Europe. Furthermore, historical Turko-Persian influence on CARs, Afghanistan and Pakistan can be utilised constructively to revitalise the linkages. There is also an immediate need to realign the economic cooperation with the BRI project of China. This is going to have its own pros and cons. China's massive economic power can provide ECO countries with the much-needed capital for the initiation of several development projects for economy and infrastructure. In addition, China's energy requirements can be fulfilled by ECO states up to some extent which will bring these states in a position to better bargain with China. Some countries offering energy while others offering a passage to pipelines can make the deals balanced for ECO states which otherwise fear unfair and unbalanced deals by China. Furthermore, Chinese presence can also be helpful in resolving several conflicts in the region mainly the Afghan war.

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<sup>22</sup>Mehr News Agency. (2018, August 29). *Pakistan offers to mediate between Iran, Saudi Arabia*. Mehr News Agency. <https://en.mehrnews.com/news/137236/Pakistan-offers-to-mediate-between-Iran-Saudi-Arabia>.

<sup>23</sup>Tribune. (2019, February 19). *Pakistan rips apart India's contradictory claims in Jadhav case at ICJ*. The Express Tribune. <https://tribune.com.pk/story/1913899/1-indian-funding-terrorism-pakistan-says-islamabads-counsel-icj/>.

Trade liberalisation, which is the ultimate target of ECO, needs to be achieved through significant measures. The step-by-step approach and preferential trade model have yielded lesser results. Therefore, the future revival of ECO demands swift action by ECO states. Even if the preferential trade approach has to go forward, the number of items for reduced tariffs and the rate of tariff reduction should enormously be increased. Furthermore, incomplete projects and dysfunctional institutions like railway services, ferry services, airlines, joint bans etc. merely need renewed political will.

Another significant demand of the future for reviving ECO is getting rid of historical influences and baggage of regional conflicts. It must be realised that the distinction between high politics and low politics has not been beneficial. The onus lies on Pakistan, Iran and Turkey together to view ECO from a different perspective than from the traditional security-centric outlook. Despite the presence of multiple conflicts within and around the region, mutual economic cooperation among ECO states should not be affected.

Despite the presence of almost every necessary ingredient required for regional economic development and connectivity, ECO has remained a sorry tale of underachievements and let-downs. In light of this study, it can be concluded that the lack of political will serves as the major problem behind the sluggishness of ECO. In order to revive the ECO, the revival of political will is a must, particularly in Pakistan, Iran and Turkey.