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The Economic Cooperation Organization (ECO) and Turkey's Global Actorness: The Strategic Role of Regional Integration

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Abstract

This study examines Turkey's economic and diplomatic position within the Economic Cooperation Organization (ECO) through the lens of liberal international relations theory and tests the contribution of regional integration to the country's process of becoming a global actor. The magnitude of "650 million people and five trillion dollars," frequently repeated in the literature on ECO, has often been presented as if it were a present reality, yet it has never been tied to a concrete model or a measurable projection. To close this gap, the study adopts a theory-testing, mixed-methods (quantitative–qualitative) design; drawing on the population, income, and trade data of the member states, it constructs a three-scenario projection—baseline, moderate, and deep integration—and compares its findings against the European Union and ASEAN. The findings show that, although ECO brings together roughly seven percent of the world's population, its share of world trade remains around two percent; while intra-organizational trade accounts for only one-tenth of the member states' total foreign trade, this ratio exceeds sixty percent in the European Union and twenty-five percent in ASEAN. The five-trillion-dollar threshold at current prices is attainable only under the deep-integration scenario and only toward the mid-2030s, whereas at purchasing power parity this magnitude has already been surpassed. The study establishes that the organization's true constraint is not geographic size but institutional depth, and that size can be converted into economic power only through common rules, connectivity, and financial coordination. Within this framework, the full implementation of ECOTA, the coordination of customs facilitation with Middle Corridor investments, the strengthening of the ECO Trade and Development Bank, and the redesign of the decision-making order are identified as priority policy areas. The results indicate that Turkey's use of its anchor-state position by spearheading institutionalization would strengthen both regional stability and the country's capacity for global actorness.

Keywords: Turkey, Economic Cooperation Organization (ECO), regional integration, liberal theory, global actorness, interdependence, institutional capacity

1. INTRODUCTION

In the twenty-first century, a state's weight within the international system is determined not only by the power it generates within its own borders but also by the density of the cooperative networks in which it is embedded. Globalization—which accelerated after the end of the Cold War and entered a new phase as information technologies dispersed production into fragmented global value chains—has bound countries to one another more tightly than ever, transforming states from units acting alone into actors interlinked through shared institutions and markets (Baldwin, 2016). The regional trade and cooperation arrangements that have proliferated across the world since the mid-1980s are the most visible face of this transformation. This new wave of regionalization is regarded less as an alternative to the multilateral order than as a complementary instrument to which states resort in order to position themselves in global competition (Mansfield & Milner, 1999). As it has become accepted that regionalization is not an experience peculiar to Europe but a worldwide phenomenon that assumes different forms across different continents, the field has increasingly been examined on comparative ground (Börzel & Risse, 2016). In such an environment of deepening interdependence, a state's influence is directly linked to the frequency and depth of the cooperative relationships it builds (Keohane & Nye, 2001).

The concept at the center of this discussion is “global actorness.” Actorness denotes a capacity that captures a unit's ability to exist in a distinguishable manner in the international environment, to be treated as a counterpart by others, and to produce outcomes in line with its own preferences; the concept was first introduced to explain the European Community's ability to assume external roles (Sjöstedt, 1977). Rather than reducing actorness to a single criterion, subsequent work defined it as the resultant of three dimensions: an actor's “presence” on the international stage, the “opportunity” offered by the prevailing conjuncture, and “capability” in the sense of possessing the means to seize that opportunity (Bretherton & Vogler, 2006). This distinction matters, because military or economic size alone does not produce actorness; it turns into global influence only when combined with coherent instruments and a favorable context. For the same reason, the concepts of “regional power” and “global actor” are likewise distinct from one another: a state may be decisive in its own neighborhood, yet converting this superiority into weight that shapes the global agenda requires additional institutional leverage.

Within this conceptual framework, Turkey is frequently assessed as an actor that is influential at the regional scale and rising at the global scale (Gürzel, 2014). The country's position, cutting across Europe, the Middle East, and Eurasia, keeps it at the intersection of several regions and affords it the flexibility to assume roles on different cooperative grounds (Davutoğlu, 2001). Geography alone, however, is not sufficient; a rising power's projection of its influence to the global level usually takes place through a regional platform that it can lead. Regional leadership enables a country both to carry its own preferences onto a multilateral footing and to acquire, through representation, a bargaining power it could not attain on its own. It is also emphasized that Turkey's interest in the Eurasian geography has developed, beyond a purely geopolitical calculation, on a ground of historical and cultural affinity rebuilt with the region (Aras & Fidan, 2009). The central question for Turkey, therefore, is through which platform and with which

instruments it can convert its global-actorness potential into concrete weight.

Among these platforms, the Economic Cooperation Organization (ECO) holds a special position for Turkey. The organization was founded in 1985 by Turkey, Iran, and Pakistan as a continuation of the Regional Cooperation for Development (RCD), established in 1964; following the dissolution of the Soviet Union, it reached its present ten-member structure in 1992 with the accession of Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, and Turkmenistan (Pomfret, 1997). Spanning an area of roughly 8.2 million square kilometers and linking Central Asia, South Asia, and the Middle East, the organization is situated right at the center of the land bridge between Europe and China. This geography offers its members rich hydrocarbon resources, a large internal market, and strategic transit opportunities along the east–west axis. Yet, despite the forty years that have passed since its founding, the region's endowment has not been converted into a shared and sustainable economic power; integration initiatives in the Central Asian context have largely fallen short of expectations (Pomfret, 2024).

The scale of the organization also reveals this potential in numerical terms. The region today is home to a population of roughly 567 million and produces output of around US\$3.8 trillion in nominal terms and more than US\$10 trillion in purchasing power parity terms (International Monetary Fund [IMF], 2024). The figures of 650 million in population and US\$5 trillion in economic volume, frequently cited throughout the study, are not ready-made data but a threshold that could be reached over the next twenty to thirty years if the population growth and growth trends in the member countries are sustained. In this study, this figure is treated not as a slogan but as a projection that can be tested under specific assumptions; the conditions under which this threshold could be approached are evaluated within the framework of a numerical scenario in the sections that follow. The key point is the following: such size does not turn into power on its own; the realization of a potential depends on the existence of mechanisms that will set it in motion.

The clearest indicator of the gap between the organization's potential and its actual performance is the low level of intra-regional trade. The trade that ECO members conduct with one another amounts to only about 9% of their total foreign trade; the same ratio exceeds 60% in the European Union and 24% in ASEAN (Economic Cooperation Organization [ECO], 2017; Asian Development Bank, 2024). This picture shows that the region's demographic and resource-based size has not yet been converted into economic integration. The comparative regionalism literature argues that a geography's transformation from mere physical proximity into a genuine “region” is a gradual process measured by shared institutions, tightening economic ties, and a shared sense of belonging (Hettne & Söderbaum, 2000). Judged by these criteria, ECO occupies an intermediate position: it has moved beyond being a zone of geographic proximity but has not yet become a mature regional community. The principal question of the research, therefore, is not the region's size but how the institutional and political mechanisms that would set this size in motion can be built.

The theoretical framework of the study is the liberal approach to international relations. Whereas the realist tradition reads interstate relations primarily through the distribution of power and relative gains (Waltz, 1979), the liberal approach holds that states

can obtain absolute gains through cooperation and that interdependence sustains stability by raising the cost of conflict (Keohane & Nye, 2001). According to this approach, institutions—by regulating the parties' expectations, disseminating information, and increasing the cost of cheating—render cooperation sustainable even in the absence of a dominant power (Keohane, 1984). The theory of regional integration likewise, along the same line, describes a gradual process of deepening that extends from a free trade area to a customs union and a common market (Balassa, 1961). The experience of European integration has shown that this process advances not as a technical necessity but through the bargaining of national interests and by the will of states (Moravcsik, 1998). This theoretical choice provides the study with both an expectation as to why ECO could integrate and an explanation as to why it has not.

Nevertheless, regional belonging cannot be explained by interest calculation alone. States' sense of "we" is also shaped by conceptions of shared identity and belonging; in the case of ECO, historical, linguistic, and cultural affinity provides a ground that nourishes this sense of "regionness" among members (Wendt, 1999). The new regionalism literature, too, treats integration not as a purely economic order but as a multidimensional political and social process shaped by globalization and reconfiguring state-market relations (Hettne & Söderbaum, 2000). This perspective requires that, alongside ECO's trade and investment dimension, its cultural and institutional dimensions also be taken into account. At the same time, it must not be forgotten that the gains of integration are not distributed automatically or evenly; liberalization has losers as well as winners (Stiglitz, 2002). For this reason, the study treats regional cooperation not as an unconditional source of benefit but as a process whose returns and costs must be assessed together.

The decisive variable in applying the liberal framework to ECO is institutions. The sustainability of development and economic integration depends on strong institutions that secure property rights, ensure the enforcement of contracts, and reduce uncertainty (North, 1990). The findings that whether institutions are inclusive or extractive determines long-term prosperity also hold at the regional scale (Acemoglu & Robinson, 2012). The observation that common resources can be managed effectively only through clear rules, monitoring, and enforcement mechanisms is likewise instructive for multilateral cooperation (Ostrom, 1990). In the case of ECO, this institutional weakness is concretely visible: the ECO Trade Agreement (ECOTA), the organization's core trade arrangement, although signed in 2003, has to this day not fully entered into force because half of the members have not completed the ratification process (Economic Cooperation Organization [ECO], 2003). The long-term road map the organization adopted in 2017 clearly set out the goals of increasing intra-regional trade, strengthening connectivity, and developing institutional capacity (Economic Cooperation Organization [ECO], 2017); at the 2021 summit, the will to revitalize cooperation was likewise declared (Economic Cooperation Organization [ECO], 2021). Yet the translation of these goals into practice has remained slow. The picture indicates that the obstacle before the organization is not a lack of vision but the inadequacy of the institutional will and coordination needed to bring that vision to life.

Turkey's available levers may prove decisive in closing this institutional gap. The first of these is geographic: the country is both the region's gateway to the West and the node of transportation between Asia and Europe. The Middle Corridor—

running from China through the Caspian and the South Caucasus to Turkey and from there to Europe—is an axis that could shorten ECO countries' access to global markets; strengthening regional connectivity is among the principal factors that nourish integration by lowering trade costs (Asian Development Bank, 2024). The second is energy: Turkey is a critical transit country linking the resources of producer members to world markets, and pipelines such as the Trans-Anatolian Natural Gas Pipeline (TANAP) and the Baku–Tbilisi–Ceyhan Pipeline are concrete examples of this role. This position makes Turkey a natural intermediary between energy-producer members (Iran, Azerbaijan, Kazakhstan, Turkmenistan) and consumer members (Pakistan, Afghanistan) and offers a ground that could deepen interdependence within the organization.

Turkey's second type of lever is institutional and diplomatic. The country's Customs Union relationship with the European Union and its G20 membership serve as a bridge that could facilitate the organization's connection with Western markets and global governance processes. The experience gained with structures of advanced institutionalization such as the European Union offers a transferable body of know-how for strengthening ECO's weak decision-making and implementation mechanisms. In addition to these material and institutional instruments, soft power grounded in shared history and culture also reinforces Turkey's position in the region (Kirişçi, 2012). Ties to be built in fields such as education, culture, and scientific cooperation can strengthen the social foundation of economic integration. Turkey's leadership capacity is thus shaped along several mutually complementary axes: geographic position, energy and transport infrastructure, institutional experience, and soft power.

Measuring the organization's integration potential constitutes the empirical backbone of the study. International economics has developed an approach positing that the volume of trade between two countries depends largely on the size of their economies and the distance between them; this approach allows the "unused trade potential" to be estimated from the difference between realized and expected trade (Tinbergen, 1962). In the case of ECO, the geographic proximity and economic size of the member countries suggest that the current 9% intra-regional trade share is far below what it ought to be. Trade theory holds that reducing tariff and non-tariff barriers increases specialization on the basis of comparative advantage and thereby raises welfare (Ricardo, 2004; Krugman et al., 2018). A regional liberalization can be evaluated within this framework not only as the shifting of trade from outside the region to within it (trade diversion) but also as the creation of new trade (trade creation). Using these theoretical tools, the study aims to estimate under what conditions and to what extent intra-ECO trade could grow and how this would be reflected in the organization's total output.

The existing literature contains a gap at this point. A substantial part of the studies written on ECO and on Turkey's role within the organization proceeds along a line that describes the organization's potential and lists recommendations as to what should be done. Although these studies are successful in setting out the organization's strategic importance, they remain weak in terms of analyses that test the claims they advance against data and that are comparative and projection-based. Yet the comparative regionalism literature has shown that a regional organization's success can be understood only when it is compared with similar cases and through measurable indicators (Börzel & Risse, 2016). In

particular, the claim that ECO could become an “alternative economic bloc” is most often voiced without a concrete scenario, a comparative benchmark, or a numerical estimate. This study aims to fill that gap; it addresses Turkey’s leadership capacity within ECO together with both the concepts of liberal theory and the organization’s current trade, production, and population data.

The fundamental problem of the research is how Turkey’s leadership role within ECO can be rendered more effective and to what extent this role can contribute to the country’s goal of becoming a global actor. Within the framework of this problem, the study seeks answers to the following questions: In what respects and through which mechanisms can the organization’s institutional structure be strengthened? Through which instruments can economic integration among member countries be deepened? With which levers at its disposal can Turkey assume a more effective leadership in this process? Under what conditions can increasing intra-regional trade and production turn the organization’s “alternative bloc” potential into reality? And finally, how can this leadership within ECO contribute concretely to Turkey’s goal of global actorness?

The hypothesis of the study is formulated as follows: “Turkey’s strengthening of its leadership role within ECO and its deepening of economic integration within the organization will support both ECO’s becoming a stronger actor in the global economic system and Turkey’s attainment of its goal of becoming a global actor.” This hypothesis is tested at three levels throughout the study. At the first level, a theoretical analysis is conducted through the liberal theory’s concepts of interdependence and institutional cooperation. At the second level, the organization’s current population, output, and trade indicators are analyzed descriptively, and ECO is compared with more deeply integrated cases such as the European Union and ASEAN. At the third level, the conditions under which the organization’s trade volume and total output could approach the threshold of 650 million in population and US\$5 trillion—depending on variables such as the liberalization of intra-regional trade, the simplification of customs procedures, the strengthening of logistics infrastructure, and the enhancement of energy connectivity—are estimated through three separate scenarios, namely optimistic, moderate, and cautious. The study thereby ceases to be merely an assessment offering policy recommendations and becomes an analysis that grounds the claim it advances in data and in a comparative framework.

The scope and limits of the study also arise from this design. The unit of analysis is ECO as a ten-member regional organization and Turkey as an actor within that organization; the time horizon, while covering the period from the organization’s founding to the present, focuses for the purposes of the projections on roughly the next thirty years. “Global actorness” is defined in the study as a state’s capacity to influence the international agenda and to participate in rule-making processes, while “regional integration” is defined as the gradual deepening of trade, investment, energy, and institutional ties among member countries. The principal limitation of the study lies in the imbalances in the quality and timeliness of the data pertaining to ECO countries; statistics for some members may be incomplete or delayed. In addition, factors that are difficult to foresee—such as political instability, international sanctions, and security problems—naturally constrain the precision of the projections. For this reason, the numerical estimates presented should be read not as definite forecasts but as

scenarios indicating possible trajectories under specific assumptions.

The study’s original contribution is twofold. First, it brings to the existing and predominantly descriptive literature on ECO an integrated analytical model that combines the concepts of liberal theory with the organization’s current data and with a comparative framework. Second, it undertakes to evaluate systematically—through comparative benchmarks and a multi-scenario projection—the much-voiced but rarely tested claim that the organization could become an “alternative bloc.” In this respect, the study aims both to add empirical depth to the ECO literature and to ground the debate on Turkey’s global actorness in a concrete regional case.

The study proceeds hereafter in the following order. The next section reviews the relevant literature on ECO and regional integration; the conceptual framework grounded in liberal theory is then elaborated. The methods section explains the research design, the data sources, and the assumptions of the scenario projection; the findings section analyzes the organization’s economic indicators and presents the comparative analysis together with the projection results. The discussion section evaluates these findings in the light of liberal theory and in the context of Turkey’s goal of global actorness; the conclusion then summarizes the principal inferences and sets out recommendations for policy and future research.

2. LITERATURE REVIEW

Regional economic integration has been perhaps the most fertile point of intersection between the literatures of international economics and international relations in the period following the Second World War. The question of whether states can jointly enhance their welfare by lowering tariff barriers, establishing common markets and coordinating their monetary and competition policies has been debated for decades, beginning with Balassa’s (1961) theory of the stages of integration, which remains a point of reference to this day. Balassa conceived of regional integration not as a single condition but as a sequence of steps running from a free trade area to a customs union, then to a common market, an economic union and ultimately full political-economic integration, demonstrating that each step demands deeper policy coordination than the one preceding it. This framework has become a common language employed by subsequent generations in classifying formations ranging from the European Union to the Association of Southeast Asian Nations (ASEAN), and from North America to the African Continental Free Trade Area. Precisely where the Economic Cooperation Organization (ECO) stands along these steps, in which direction it might advance, and what structural obstacles lie before such advancement are the principal questions that render the organization worthy of examination.

The theoretical tension underlying these steps is important for understanding why regional integration deepens in some settings and remains superficial in others. On the economic side, the debate reaches back to Ricardo (1817/2004); the theory of comparative advantage, by positing that countries can emerge from trade liberalization with mutual gains, forms the core of the pro-integration view. Viner’s (1950) analysis of the customs union, however, substantially qualified this optimism. Viner demonstrated that regional preferential arrangements may generate not only *trade-creating* effects, which increase purchases from the more efficient producer, but also *trade-diverting* effects, which exclude

the more efficient extra-regional producer in favour of the more expensive intra-regional one. This distinction implies that whether a regional bloc genuinely raises member welfare must be tested empirically, and it is especially pressing for an organization such as ECO, whose members produce similar baskets of goods and whose economies substitute for, rather than complement, one another.

On the international relations side, the most powerful theoretical vein explaining regionalization is the liberal-institutionalist and interdependence approach. With the concept of complex interdependence, Keohane and Nye (2001) argued that interstate relations do not proceed solely along the axis of military power; in a world of proliferating channels of trade, investment and communication, as states grow mutually dependent the costs of conflict also rise. Keohane (1984) carried this a step further, contending that even in a post-hegemonic order international institutions render cooperation sustainable; by lowering transaction costs, increasing the flow of information and stabilizing expectations, institutions make it easier for states to enter long-term commitments. This view converges with the institutional-economics literature: North (1990) showed that institutions are the fundamental determinant of economic performance and that rules, together with the manner of their enforcement, directly affect productivity, while Ostrom (1990) demonstrated that, even in the absence of central coercion, credible rules and mechanisms of mutual monitoring can produce durable cooperation in the management of common resources. Taken together, these three strands suggest that the success of a regional organization depends far less on the number of its members or its geographic size than on its degree of institutionalization and its capacity to render commitments binding.

Liberal intergovernmentalism, which accounts for why European integration advanced so far, also completes this picture. Moravcsik (1998) explained the history of the European Union not through the spontaneous expansion of supranational institutions but through bargains among member states—particularly the strong economies—reflecting the preferences of their domestic interest groups; he tied the deepening of integration to deliberate choices made at critical junctures where states regarded the transfer of sovereignty as serving their own interest. In the case of ECO, this approach suggests that the domestic political-economic preferences of member states and the leadership appetite of the larger members will determine the organization's future. The realist school standing opposite the liberal tradition paints a more cautious picture. Carr (1939) and Bull (1977) held that order in the international system ultimately rests on balances of power, while Waltz (1979) emphasized that states may refrain from cooperation out of concern for relative gains, since today's partner may be tomorrow's rival. Wendt's (1999) constructivist contribution transcends this dichotomy: by arguing that interests and identities are not given but constituted through interaction, it points to the possibility that a shared historical-cultural identity may facilitate regional cooperation. Where ECO is concerned, this theoretical plurality is productive, for the organization is seen to harbour simultaneously the liberal opportunities for cooperation, the realist obstacles, and the soft power of shared cultural bonds.

After the 1990s the theoretical debate took on a new form under the heading of *new regionalism*. In analysing the explosion in the number of regional trade arrangements after the Cold War, Mansfield and Milner (1999) showed that this wave, unlike the

classical customs-union logic, was nourished by global competitive pressure, domestic political coalitions and security concerns. Bhagwati (2004), by contrast, approached this proliferation critically, warning that the complex web formed by numerous overlapping preferential agreements—in his own phrase, the tangle of interlocking rules—renders trade costly and unpredictable rather than facilitating it. Baldwin (2016) rereads the picture in terms of the unbundling of production; as information and communication technologies lowered costs, the production process became dispersed across global value chains, so that the success of contemporary regionalization depends far less on tariff reduction than on *trade-facilitation* elements such as logistics, customs procedures and digital infrastructure. This view is directly relevant to the ECO region, for the organization's real bottleneck lies not so much in tariffs as in poor connectivity, border-crossing costs and logistical deficiencies.

The empirical counterpart of this theoretical framework is found in the comparative record of successful and unsuccessful regional formations. The European Union, conducting roughly 60% of its member states' foreign trade within itself, offers the deepest known instance of integration; this ratio is a consequence of strong supranational institutions, common law and the effective removal of borders (WTO, 2024). In ASEAN the intra-regional trade share fluctuates between 22% and 25%; notwithstanding a looser institutional structure, the spread of production networks across the region renders this ratio noteworthy (Asian Development Bank, 2024). In North America the intra-regional trade share has historically stood around 40%, with geographic proximity and value chains feeding this density (WTO, 2025). This comparative picture shows that a high intra-regional trade share does not arise spontaneously but emerges from the conjunction of institutional depth, productive complementarity and physical connectivity. Stiglitz's (2002) warning concerning the unevenly distributed gains of globalization recalls the other side of the coin: integration does not automatically diffuse welfare in countries with weak institutional capacity and fragile production structures, and may even load the costs of adjustment unevenly.

Turning from this general framework to ECO, the academic literature directly addressing the organization is found to be comparatively limited. As one of the first systematic scholarly assessments of ECO, Pomfret (1997) established that the organization was founded in 1985 under the leadership of Türkiye, Iran and Pakistan—as the successor to the Regional Cooperation for Development of 1964—and expanded to ten members in 1992 with the accession of Azerbaijan, Afghanistan and the five Central Asian republics; yet this rapid increase in membership was not supported by institutional deepening. Already at that date Pomfret held ECO to be an organization ambitious at the level of declarations but weak at the level of implementation, and argued that behind the persistently low level of intra-regional trade lay similar production structures, inadequate transport infrastructure and political mistrust. That this diagnosis has largely retained its validity over the intervening quarter-century is also evident in Pomfret's (2024) more recent work on regional integration in Central Asia and Eurasian connectivity; while approaching with cautious optimism the potential of connectivity investments and transport corridors to revive the region's historical crossroads position, this study underscores that mistrust among countries and institutional weakness constitute the standing obstacle before that potential.

ECO's own documents both confirm this picture and reveal the organization's strategic orientation. The 2003 ECO Trade Agreement (ECOTA) envisaged preferential tariff reductions within the region; however, owing to insufficient ratification by members and the failure to establish implementation mechanisms, it has largely remained on paper (Economic Cooperation Organization, 2003). The ECO Vision 2025 document, which charts the organization's medium-term road map, designated trade, transport, energy, tourism and industrial cooperation as priority areas; although it set concrete targets, it could not display the same resolve regarding their monitoring and enforcement (Economic Cooperation Organization, 2017). The more recent Ashgabat Consensus for Action and the AWAZA Programme of Action (2024–2034) updated the organization's connectivity, digitalization and sustainability agenda, while the post-2025 vision consultations likewise indicate that the organization is aware of its own limits and in search of restructuring (Economic Cooperation Organization, 2021, 2024a, 2024b). Read together, these documents lead to the conclusion that ECO possesses a wealth of intentions and targets but lacks the institutional capacity to translate those targets into binding rules and measurable outcomes.

The actual level of intra-regional trade and the measurement of trade potential

The indicator that most starkly exposes the organization's economic-integration deficit is the intra-regional trade share. According to current data, trade among ECO members stands at only around 8–9% of members' total foreign trade; in the recent period the volume of intra-regional trade has been approximately USD 83 billion, whereas members' total trade with the world exceeds USD 1 trillion (Asian Development Bank, 2024; WTO, 2024). Compared with the share of roughly 60% in the European Union and around 25% in ASEAN, this ratio is strikingly low and reveals that much of the organization's economic potential remains dormant. That Türkiye stands out in the same data as the country making the largest contribution to intra-regional trade is also indicative of the distribution of weight within the organization (Asian Development Bank, 2024). Behind this low share operate, in concert, the structural causes noted earlier—production baskets that substitute for rather than complement one another, high transport and customs costs, the weakness of payment and financing mechanisms, and political tensions among members (World Bank, 2023a; Pomfret, 2024).

At this point it is necessary to draw attention to an important methodological gap in the literature. Although ECO's *unrealized trade potential* is frequently invoked, the magnitude of this potential is mostly asserted through descriptive comparisons rather than grounded in an empirical model. Yet the established tool for estimating the trade potential between two countries or within a region in international economics is the gravity model, pioneered by Tinbergen (1962). This model predicts that trade between two economies is directly proportional to the economies' size (gross domestic product) and inversely proportional to the distance and trade barriers between them. Anderson and van Wincoop (2003) strengthened the model's theoretical foundation with the concept of *multilateral resistance*, showing that a country's trade with a given partner depends not merely on bilateral costs but on costs relative to all alternative partners. Egger (2002), in turn, proposed a scale for interpreting the ratio of observed trade to the model's prediction: a ratio below 0.8 points to significant untapped potential, a range of 0.8–1.2 to a normal level, and a figure above

1.2 to saturation. These tools are necessary if claims such as *ECO can reach a population of 650 million and a volume of USD 5 trillion* are to cease being loose aspirations and become testable hypotheses. The substantial absence, in the existing ECO literature, of such model-based projections supported by scenario and sensitivity analyses constitutes one of the gaps this study aims to fill.

For the projection in question to be placed on a realistic footing, present-day magnitudes must be accurately determined. According to current data, the ECO region houses a population of roughly 460–570 million; members' aggregate gross domestic product hovers at approximately USD 3.8 trillion at current prices and around USD 10 trillion at purchasing power parity (International Monetary Fund, 2024; World Bank, 2024). The figures of 650 million in population and USD 5 trillion in volume, frequently encountered in the article and in the organization's discourse, therefore express not the present situation but a forward-looking ceiling attainable under assumptions of membership enlargement, demographic growth and accelerated integration. Making this distinction explicit is essential in order to lift the study's claim out of being a descriptive slogan and to place it within a scenario framework whose assumptions are stated and whose sensitivity is tested. Türkiye's weight within these magnitudes acquires meaning in this same frame; with an economy of approximately USD 1.1–1.3 trillion the country is the organization's largest economy, and this constitutes the economic basis of the leadership debate (International Monetary Fund, 2024; World Bank, 2024b).

As much as the economic dimension of integration, its political-institutional dimension—which renders it possible or constrains it—also occupies a broad place in the literature. In the case of ECO, institutional weakness is multilayered: the limited enforcement power of the Secretariat in Tehran, the irregular functioning of the technical committees, the absence of common financing mechanisms and the dependence of decisions on unanimity all narrow the organization's capacity to put its targets into practice (Economic Cooperation Organization, 2017; Pomfret, 1997). To this are added deep political differences among members; Iran's isolation owing to international sanctions, the instability in Afghanistan, Pakistan's security priorities and the Russia- and China-centred alternative orientations of the Central Asian states make joint action difficult (Aras & Fidan, 2009; Pomfret, 2024). As the institutional-economics and collective-action literatures anticipate, in such an environment credible commitment mechanisms, transparent monitoring and rules ensuring a fair sharing of gains are needed to render cooperation sustainable (North, 1990; Ostrom, 1990; Keohane, 1984). It may be said that ECO has largely failed to develop these mechanisms and has therefore not soundly completed even the first of Balassa's (1961) steps of integration.

Türkiye's position within the organization and the regional-power debate

Türkiye's role within ECO ought to be read as part of a broader literature on *Türkiye's regional and global actorness*. Davutoğlu's (2001) conceptualization of strategic depth established the domestic framing of this debate by advancing the thesis that Türkiye's historical-geographic heritage may be turned into a lever for a multidimensional foreign policy. In the international literature, Türkiye is increasingly treated through the concept of an *emerging middle power*. Analysing the possibilities and limits of middle-power activism through the Turkish case, Öniş and Kutlay

(2017) showed that such states may contribute to regional and global governance in a post-hegemonic order, but that domestic political instability and the limits of institutional capacity render this activism fragile. Focusing on Türkiye's relations with other rising states, Gürzel (2014) discussed how the country's power capacity is positioned at both the regional and the global level, while Aydın and Aras (2016) examined how Türkiye's neighbourhood policy and its European Union connection shape its regional room for manoeuvre. Assessed together, this literature makes clear that Türkiye's prospective leadership within ECO must be grounded in a realistic analysis of capacity, far removed from inflated expectations.

Türkiye's most concrete areas of contribution within the organization are energy, transport and cultural-social ties. Biresselioglu (2011) showed that Türkiye's energy-transit position and its regional relations confer a strategic weight upon the country, but that the conversion of this weight into institutional cooperation depends on political conditions. Although Türkiye's forming a natural bridge between producer countries such as Iran, Azerbaijan, Turkmenistan and Kazakhstan and consumer countries such as Pakistan and Afghanistan offers a basis for cooperation along the energy axis, the use of this basis depends largely on the regional security environment. On the cultural dimension, Kirişçi (2012) argued that soft-power instruments—trade, education, cultural affinity—have become increasingly salient in Türkiye's relations with its neighbours, and that these instruments produce a more sustainable influence than hard power. Combined with Wendt's (1999) constructivist view that shared identities facilitate cooperation, it becomes apparent that the historical, linguistic and cultural bonds across the ECO geography may strengthen the social infrastructure of integration; yet these bonds will not by themselves bring about economic integration and must be complemented by institutional and infrastructural investment.

The digital and technological dimension of contemporary integration is likewise an axis prominent in the literature. With his theory of the network society, Castells (2000) showed that communication technologies reshape economic geography and that connectivity has become a new source of productivity and power. Porter's (1990) analysis of the competitive advantage of nations, for its part, locates the source of competitiveness far less in cheap labour or natural resources than in clustering, innovation and a high-quality institutional environment. In the ECO context, these two strands suggest that the organization may gain competitiveness not through tariff reduction alone but through steps taken in areas such as digital infrastructure, common payment systems, logistics and technology transfer. Sen's (1999) approach, which defines development not merely as an increase in income but as the expansion of people's real freedoms, also serves as a reminder that the ultimate criterion of regional integration should be not macro magnitudes but improvement in the welfare and capabilities of member societies. Türkiye's national artificial-intelligence and digitalization initiatives offer, along this axis, a pool of experience transferable to the organization (Türkiye Cumhuriyeti Sanayi ve Teknoloji Bakanlığı, 2024).

A collective reading of this literature brings to light two distinct gaps. First, the bulk of studies addressing ECO are descriptive; they recount the organization's potential and the reforms proposed, yet do not test that potential within a measurable model. Gravity-model-based estimates of trade potential, scenario analyses and comparative case studies are scarce in the literature; the

organization's targets, such as *650 million in population and USD 5 trillion*, are mostly voiced without their assumptions and sensitivity tests being stated. Second, Türkiye's leadership within the organization is often presented as a normative expectation; the economic foundations and limits of this leadership, and its comparison with other instances of regional power (Germany–European Union, Indonesia–ASEAN), are insufficiently analysed. Yet the middle-power and regional-power literature shows that such leadership must be treated together with both its opportunities and its structural limits (Öniş & Kutlay, 2017; Gürzel, 2014; Moravcsik, 1998). The present study, while preserving the framework of liberal interdependence and institutionalism, aims to address these two gaps jointly by grounding its analysis in comparative data, in the methodological logic of trade-potential measurement, and in a scenario-based conception of projection.

In sum, the literature shows that the success of regional integration depends far less on the number of members or the abundance of resources than on institutional depth, productive complementarity and physical connectivity, and that ECO lags markedly on all three of these dimensions (Balassa, 1961; Keohane & Nye, 2001; Baldwin, 2016; Pomfret, 1997, 2024). The same literature reveals that Türkiye, as the organization's largest economy and natural bridge, possesses a considerable leverage capacity, but that this capacity is constrained by the regional security environment and by the organization's institutional capacity (Davutoğlu, 2001; Öniş & Kutlay, 2017; Biresselioglu, 2011). Proceeding from this, the study aims to quantify the organization's economic potential through a model-based approach, to test Türkiye's leadership capacity within a comparative framework, and thereby both to reduce the descriptive weight in the ECO literature and to make an empirical contribution to the debate on Türkiye's global actorness.

3. THEORETICAL FRAMEWORK

The analytical axis of this study rests on the liberal tradition in international relations. Liberal theory reads states not merely as units in pursuit of power but as actors capable of cooperating in areas of shared interest and of emerging jointly better off from that cooperation. Whereas the founders of the realist line account for the international system through the concepts of anarchy, the balance of power, and relative gains (Carr, 1939; Bull, 1977; Waltz, 1979), the liberal approach holds that the deepening of economic ties among states raises the cost of conflict and thereby renders cooperation both rational and sustainable. At the third pole of the debate stands the constructivist school, which argues that interests are shaped by identities and norms (Wendt, 1999). The approach adopted here does not set constructivist insights wholly aside; in the case of the Economic Cooperation Organization (ECO), however, it proceeds from the premise that the decisive variables are material interdependence and institutional structure. Turkey's position within the organization likewise acquires meaning at the intersection of these three schools — that is, on a multilayered ground where material interest, institutions, and identity are weighed together.

The strand of liberal theory that contributes most directly to this research is the model of complex interdependence developed by Keohane and Nye (2001). According to this model, contemporary international relations are defined by three features: the multiplication of the channels that connect states (alongside official diplomacy, also firms, banks, cities, and expert networks), the absence of a rigid hierarchy among agenda items, and the relatively

diminished weight of military force in regional economic relations. Keohane and Nye distinguish two dimensions of interdependence: the short-term and relatively low-cost “sensitivity” interdependence produced by a disruption in relations, and the “vulnerability” interdependence that generates costs difficult to offset should ties be severed. In the ECO geography, the bonds formed through energy, transport, and labor routes are largely of this second kind. The westward flow of a substantial share of Central Asian hydrocarbon exports across Turkish territory creates a vulnerability bond between the parties that cannot easily be substituted; the management of this bond is not merely a commercial matter but also a foundation of regional stability. The organization's true significance, therefore, hinges on whether institutional mechanisms can be established to move the interdependence among its members from the level of sensitivity to that of vulnerability.

Interdependence alone does not guarantee cooperation; this is where neoliberal institutionalism enters. As Keohane (1984, 2005) has shown, international institutions enable states to sustain cooperation even under anarchy, because institutions lower transaction costs, produce credible information, raise the cost of cheating, and stabilize expectations about future interactions. The concern with relative gains emphasized by realists weakens under conditions of repeated and institutionalized interaction; as the parties' “shadow of the future” lengthens, cooperation grounded in absolute gains becomes a rational choice. The ECO Secretariat, the ECO Trade Agreement (ECOTA), and the ECO Trade and Development Bank can be read within this framework as institutional mechanisms. Yet the mere existence of institutions is not sufficient; their effectiveness depends on rules internalized by the members and on mechanisms that monitor compliance. The founding texts of institutional economics reinforce this intuition: North (1990) holds that institutions are the “rules of the game” determining economic performance, Ostrom (1990) that common resources can be sustained even without a central enforcer through robust self-governance rules, and Acemoglu and Robinson (2012) that inclusive institutions are the true source of long-run prosperity. Why regional integration deepens in some cases and stalls in others is explained, in turn, by Moravcsik's (1998) liberal intergovernmentalism: integration is a product of the configuration of member states' domestic interests and of the bargaining among them; hence the depth attained depends on how far states are willing to cede their sovereignty. This is precisely ECO's weak point: even where treaty texts exist, implementation and enforcement capacity is limited, members are reluctant to transfer sovereignty, and this reluctance constitutes the institutional root of the organization's integration deficit.

The economic logic of regional integration can be analyzed through Balassa's (1961) classic stage model. In this model, integration is conceived as a sequence of steps ranging from a preferential trade arrangement to a free trade area, then to a customs union, a common market, an economic union, and ultimately full economic integration. Each step requires deeper policy coordination and a greater sharing of sovereignty than the one preceding it. Judged by this yardstick, ECO — although it carries the goal of free trade on paper — is in practice a structure that has not fully passed even the preferential-trade stage; the fact that ECOTA has been ratified by only a few members and has largely failed to enter into force is a clear indication of this. That the welfare effect of integration is not automatically positive is, in turn, recalled by Viner's (1950) distinction between trade creation

and trade diversion. Preferential arrangements create trade and raise welfare when they shift production from a high-cost domestic producer to a more efficient producer within the region; conversely, they divert trade and cause a waste of resources when they shift production from the most efficient producer outside the region to a more expensive producer within it solely on account of a tariff preference. The considerable similarity of ECO members' export baskets and their dependence on raw materials suggests that a pure tariff reduction would magnify the risk of trade diversion. For this reason, the task before the organization is not merely to lower tariffs but to reduce non-tariff barriers, improve transport and customs infrastructure, and render production structures complementary to one another.

The promise of gains from integration rests on the classical theory of comparative advantage. According to the principle set out by Ricardo (1817/2004), when countries specialize in the goods they produce at a relatively lower opportunity cost and open themselves to free trade, all of them emerge better off. Yet the bulk of contemporary trade takes place among countries of similar levels of development and within similar groups of goods; the new trade theory that accounts for this phenomenon foregrounds economies of scale, product differentiation, and agglomeration (clustering) effects (Krugman et al., 2018). As the new economic geography demonstrates, production tends to concentrate in centers where returns to scale and low trade costs coincide; this affords ECO a two-sided reading. On the one hand, a member with a relatively developed industrial base, such as Turkey, has the potential to become a center of gravity and to organize intraregional value chains; on the other, infrastructural weakness and high transit costs are the principal obstacle to building those chains. The low level of intraregional trade is, therefore, the product not only of policy choices but also of geography and of a deficit in connectivity.

To place the demographic and economic magnitude attributed to the organization on a theoretical footing, it is apt to turn to the gravity model of international trade. In the model that Tinbergen (1962) formulated by analogy with Newton's law of gravitation, the volume of trade between two countries is taken to be directly proportional to the parties' economic mass (gross domestic product) and inversely proportional to the distance and trade costs between them. The contemporary form of the model, as Anderson and van Wincoop (2003) have shown, models bilateral trade as a function not only of the two parties but of the relative trade resistance each country bears toward all of its other partners — that is, of *multilateral resistance*. The theoretical leverage this framework affords is the following: the observed lowness of intra-ECO trade can be interpreted, given the member states' economic mass and geographic proximity, as a gap falling below the “normal” level predicted by the model. The source of the gap lies in high trade costs, non-tariff barriers, weak logistics, and border-crossing frictions; once these are reduced, trade is expected to move toward the level the model predicts.

This logic also makes it possible to frame the study's central magnitude claim with data. Estimates compiled from current official databases place the ECO region's total population at roughly 567 million and its nominal output at roughly USD 3.8 trillion (International Monetary Fund, 2024). The share of intraregional trade within total external trade, meanwhile, hovers at about eight to ten percent; this ratio stands at around sixty percent in the European Union and twenty-five percent in ASEAN (Asian Development Bank, 2024). A population of 650 million and an

output of USD 5 trillion are, for this reason, not today's reality but a projection toward roughly the 2040 horizon under assumptions of moderate growth and deepening integration. For the population to reach this level requires an average annual increase of below one percent, while for nominal output to approach USD 5 trillion requires relatively modest growth in dollar terms; the figures in question are therefore not inflated but, if anything, may be regarded as conservative. The decisive variable is less the

magnitude than the depth of integration: once ECOTA is fully implemented, non-tariff barriers are reduced, and transport infrastructure — above all the Middle Corridor — is completed, it is a plausible scenario that the trade gap predicted by the gravity model would substantially close and that the share of intraregional trade would gradually rise into the fifteen-to-twenty percent range. The table below summarizes this projection together with the current picture and the comparison blocs.

Indicator	Current situation (≈2023–2024)	Deep-integration scenario (≈2040)	Comparison (EU / ASEAN)
Total population	≈ 567 million	≈ 650 million	EU ≈ 449 million
Total GDP (nominal)	≈ USD 3.8 trillion	≈ USD 5.0 trillion	EU ≈ USD 18 trillion
Share of intraregional trade	≈ 8–10%	≈ 15–20%	EU ≈ 60%; ASEAN ≈ 25%
Share in world merchandise exports	≈ 2%	≈ 3%	—

Note: Current values are compiled from the data and reports of the International Monetary Fund (2024) and the Asian Development Bank (2024). The values in the scenario column are not point estimates but illustrative projections derived from the logic of the gravity model under assumptions of moderate growth and deepening integration.

The theoretical value of this projection lies in its turning the study's core claim from a wish into a testable proposition. The gravity model makes it possible to distinguish under which conditions integration will create trade (when connectivity rises and frictions fall) and under which it will lead only to diversion (when a mere tariff preference is granted in the absence of structural complementarity). The assessment of the organization's future thereby escapes abstract optimism and is set on a measurable footing.

Liberal theory regards international organizations not merely as a reflection of states' will but also as platforms that amplify the voice of small and medium-sized states. Multilateral diplomacy is the means of attaining, through joint action, outcomes that a single state could not achieve on its own; in this respect, regional organizations aggregate their members' bargaining power in global governance processes. ECO, too, can — to the extent that it can coordinate its members' positions on platforms such as the United Nations and the World Trade Organization — turn into an actor weightier in global decision-making than the sum of its individual members. For Turkey, this mechanism carries particular importance. The relevant literature defines Turkey as a “regional power with global aspirations” that seeks to convert its regional influence into global objectives (Gürzel, 2014). Turkey's soft-power-based openings toward its neighborhood (Kirişçi, 2012), its strategic interest in Eurasia (Aras & Fidan, 2009), and its activity across widening basins (Aydın & Aras, 2016) are components of the country's search for multidimensionality in foreign policy. Davutoğlu's (2001) “strategic depth” approach offers an indigenous framework that theorizes this multidimensionality; yet it is equally clear that, unless this approach is converted into concrete institutional channels — that is, into platforms such as ECO — it risks remaining at the level of discourse.

The source of contemporary competitiveness has shifted increasingly from the abundance of factors of production toward

innovation capacity and one's position in value chains. Porter's (1990) theory of the competitive advantage of nations shows that sustainable advantage arises not from cheap labor or natural resources but from clusters formed by interacting firms, suppliers, and institutions. Castells (2000), for his part, argues that in the information age productivity and power are organized through networks, and that whoever remains outside these networks is pushed to the periphery. For the ECO region, the combination of these two insights is clear: the member states' location on the lower rungs of global value chains — mostly as suppliers of raw materials and low-value-added products — feeds the region's structural fragility (United Nations Conference on Trade and Development, 2024). In an era in which industry is being reorganized and the stages of production are fragmented and dispersed across different countries (Baldwin, 2016), what determines a country's gains is no longer producing an entire product single-handedly but being able to grasp the high-value-added links of the chain (design, engineering, branding, software). Digitalization creates both an opportunity and a threshold for this grasp: e-commerce infrastructures, shared payment and financial-technology solutions, data-driven logistics, and cross-border digital services can erode the invisible barriers before intraregional trade by lowering the transaction costs born of geographic distance. Conversely, gaps in digital infrastructure, regulatory harmonization, and skilled labor may leave further behind those members unable to plug into the network. For this reason, technological cooperation is not a luxury item for ECO but a basic condition for moving up the value chains; shared research infrastructures, digital trade platforms, and channels for technology transfer are the principal instruments of this movement. Turkey's relatively developed industrial and innovation ecosystem can serve as the regional node of this upward movement; that function, however, does not arise of its own accord but requires the deliberate construction of networks and common standards.

The observation that the global economic order is evolving from a unipolar toward a multipolar structure is the point of departure for the debate on the rise of regional blocs. Criticisms that the governance of globalization has operated unevenly and imperfectly (Stiglitz, 2002) have steered developing countries toward strengthening their own regional mechanisms. Nevertheless, to assess ECO on the same plane as the European Union or ASEAN

means ignoring the organization's specific constraints. The handful of competent studies focusing on ECO set out these constraints plainly: political heterogeneity among members, overlapping organizational memberships, sanctions on certain members, and the region's chronic connectivity problems are structural factors that continually brake integration (Pomfret, 1997, 2024). For this reason, a realistic assessment of the organization's future must give place not only to potential but also to the factors that limit that potential. The cooperation-optimism of liberal theory acquires validity only on the condition that institutional capacity is strengthened, trade costs are lowered, and the trust problems among members are overcome. The developmental promise of integration is likewise bound to these conditions; indeed, the approach that defines development not merely as an increase in income but as the expansion of people's real freedoms (Sen, 1999) reminds us that the ultimate criterion of regional cooperation is the welfare and capability gains of the member societies.

The theoretical strands set out thus far should be read not as scattered elements but as a chain of causation in which each completes the others. In this chain, interdependence prepares the ground for cooperation; institutions stabilize that cooperation; integration converts institutional cooperation into economic gain; and that gain, in turn, enlarges the capacity for global actorness of the members and especially of Turkey, which occupies a coordinating position. ECO is the mechanism through which this chain operates, and Turkey is the chain's nodal point. This model can be transformed into a set of propositions to be tested in the empirical sections. First, a reduction in intra-ECO trade costs (non-tariff barriers, logistical frictions) raises the share of intraregional trade toward the level predicted by the gravity model. Second, an increase in institutional capacity (the implementation of ECOTA and the strengthening of the Secretariat and of joint financial institutions) reinforces the continuity and predictability of cooperation. Third, the coordination of members' postures within international organizations raises the organization's bargaining power in global governance above the sum of the individual members. Fourth, technological cooperation and value-chain integration move the region's position in global competition upward. These propositions will be assessed in the study's methodology and findings sections through trade data, institutional indicators, and comparative bloc analyses; the evaluation of the organization's future will thereby be conducted as the application of a testable theoretical model rather than as a bundle of normative recommendations.

4. RESEARCH METHODOLOGY

This section sets out the question the study seeks to answer, the instruments it employs, and the rationale for those instruments. The question at the heart of the research is the following: how and to what extent does Turkey's strengthening of its economic and diplomatic weight within the Economic Cooperation Organization (ECO) affect the country's process of becoming a global actor by deepening regional integration? Because the question encompasses both a "how much" dimension (magnitude, trend, probability) and a "how" dimension (mechanism, process, context), neither a single type of data nor a single analytical technique is sufficient. For this reason, the research adopts a *mixed-methods* design in which quantitative and qualitative evidence are used together. A mixed-methods design closes the gaps that each would leave on its own by complementing the patterns revealed by numerical data with the processes recounted by documents and diplomatic discourse

(Creswell & Plano Clark, 2018). The study's theoretical lens is the liberal approach to international relations; the proposition that interdependence and institutional cooperation expand states' sphere of influence guides both the selection of variables and the interpretation of the findings (Keohane & Nye, 2001).

The design is not merely descriptive but theory-testing. In other words, rather than settling for a recommendation of the sort "Turkey should lead," the study seeks to measure whether the relationships predicted by liberal theory actually appear in ECO data. This choice is deliberate, because a substantial part of the regional-integration literature, while producing forceful policy prescriptions, leaves the empirical basis of those prescriptions insufficiently explicit. By contrast, the framework constructed here first measures and tests within a counterfactual scenario, and only then interprets. The balance between analysis and recommendation is thereby shifted in favour of evidence.

In keeping with this theory-testing stance, the research is organized around three testable propositions derived from the liberal framework. The first is that being a party to the ECO Trade Agreement (ECOTA) and possessing a transport-corridor connection increases bilateral trade among members positively and significantly. The second is that, as the share and intensity of intra-regional trade rise, Turkey's relative economic weight and connectivity within the organization rise together with the country's global influence capacity. The third is that, under conditions of deep integration, Turkey's "anchor state" role structurally approximates the role played by Germany in the European Union or Indonesia in ASEAN. In these propositions, the dependent variable is the bilateral trade flow among members and its share in total trade; the principal independent variables are economic size, distance, common border and language, membership in the institutional agreement, and corridor connectivity.

The research proceeds along two strands. The first is quantitative and comprises three components: indicators that measure the structure of trade among ECO members, a *gravity model* that explains bilateral trade flows, and a projection based on scenarios derived from that model. The second strand is qualitative and likewise comprises three components: a structured case analysis that compares ECO with other regional organizations, a documentary analysis based on the examination of official documents, and a content and discourse analysis that addresses summit declarations and diplomatic texts. The findings of the two strands are combined at the end of the study through the principle of triangulation.

The database for the quantitative strand is constructed as a panel covering the ten ECO members and extending from 1992 to 2024. The product of the number of members and the number of years yields observations at the country-year and country-pair-year levels. Data on economic size, per capita income, and growth rates are drawn from the International Monetary Fund's World Economic Outlook database (International Monetary Fund, 2024). Bilateral trade flows are taken from the United Nations Comtrade database (United Nations Statistics Division, 2024); foreign direct investment data from the World Investment Report of the United Nations Conference on Trade and Development (United Nations Conference on Trade and Development, 2024); aggregate and sectoral foreign-trade data from World Trade Organization statistics (World Trade Organization, 2024); development indicators from the World Bank's World Development Indicators

(World Bank, 2024); and regional-integration indices from the Asian Development Bank's integration report (Asian Development Bank, 2024). Gravity-model variables such as distance, common border, common language, and historical ties are based on CEPII's geography and gravity datasets (Conte, Cotterlaz, & Mayer, 2022). Current values are expressed in both nominal and purchasing-power-parity terms and converted to constant prices for inter-period comparison, thereby limiting the bias introduced by price and exchange-rate fluctuations.

A caveat regarding data quality must be stated at the outset. Statistical capacity is not equal across ECO members; the trade and investment data of some countries are reported at irregular intervals, under differing classifications, and at times incompletely (Pomfret, 2024). For this reason, flows were subjected to consistency checks by comparing exporter and importer declarations, gaps were filled using the mirror-data method, and outliers were examined separately. Observations relating to periods of conflict and sanctions were treated separately in robustness tests so as not to skew the analysis in one direction.

The structure of trade among members is first described through four indicators. The first is the intra-regional trade share, which gives the ratio of the trade ECO members conduct with one another to their total foreign trade and is the simplest measure of integration. The second is the *trade intensity index*, which shows how much more intense two countries' trade with each other is than their respective weights in world trade would predict. The third is the *trade complementarity index* together with the measure of revealed comparative advantage, which reveals the extent to which a country's export structure overlaps with its partner's import structure (Balassa, 1965). The fourth is the *Grubel-Lloyd index*, which sheds light on the nature of integration by measuring how much of trade occurs within the same sector and how much across sectors. These four indicators are combined according to the weighting logic of the ADB's regional-integration framework to produce a composite integration picture for ECO (Asian Development Bank, 2024).

Descriptive indicators reveal the pattern but do not explain its cause. Explanation requires analyzing bilateral trade flows with a gravity model. The gravity model rests on the idea that trade between two countries is directly proportional to their economic sizes and inversely proportional to the trade cost between them; its origins reach back to the classic works of international economics (Tinbergen, 1962). In its contemporary form, the model incorporates multilateral resistance terms; that is, a country pair's trade depends not only on the cost between them but also on each one's relative cost vis-à-vis the rest of the world (Anderson & van Wincoop, 2003). The estimated equation, in summary, takes the following form:

$$Trade_{ij} = \exp[\beta_0 + \beta_1 \ln GDP_i + \beta_2 \ln GDP_j + \beta_3 \ln Distance_{ij} + \beta_4 Contiguity_{ij} + \beta_5 CommonLanguage_{ij} + \beta_6 ECOTA_{ij} + \beta_7 Corridor_{ij} + \pi_i + \chi_j + \mu_{ij}] \times \varepsilon_{ij}$$

Here π_i denotes exporter-year, χ_j importer-year, and μ_{ij} country-pair fixed effects; multilateral resistance as well as unobserved country-specific and pair-specific factors are thereby controlled for. In estimating the model, the Poisson pseudo-maximum-likelihood (PPML) estimator is preferred over linearized ordinary least squares. There are two reasons for this. First, heteroskedasticity is common in trade data and logarithmic transformation produces biased estimates; PPML remedies this

problem. Second, in a region with shallow integration such as ECO, zero-trade observations are numerous and the logarithm excludes zero; PPML can incorporate zeros into the model as they are (Santos Silva & Tenreyro, 2006). Foremost among the policy variables are being a party to ECOTA, transport-corridor connectivity, and the level of trade facilitation. Contemporary applied standards for the construction, transformation, and interpretation of the gravity equation were followed (Head & Mayer, 2014); estimations were carried out with PPML routines capable of handling high-dimensional fixed effects (ppmlhdfc in Stata, *fixest* in R).

The study's original core is the *scenario-based projection* derived from this model, designed precisely to test the article's central claim: ECO's capacity to reach a population of 650 million and an economic volume of 5 trillion dollars. This claim is treated not as a wish but as a conditional forecast resting on explicitly stated assumptions. The starting point is the 2023 values: the total population of the ECO countries is approximately 567 million, total nominal output approximately 3.8 trillion dollars, and, in purchasing-power-parity terms, approximately 10 trillion dollars. On the population side, the medium variant of the United Nations population projections was applied to the member countries separately and then aggregated (United Nations, Department of Economic and Social Affairs, Population Division, 2024); this path carries the region's population into the 640–660 million range by the mid-2030s. On the output side, taking the IMF's country-specific growth paths as the basis, the nominal total was projected under three separate scenarios.

The scenarios are constructed as follows. The *status quo* scenario reflects only trend growth, on the assumption that no additional step toward integration is taken. The *moderate integration* scenario assumes the gradual entry into force of ECOTA, a limited reduction in intra-regional customs duties, and medium-scale improvement in the corridors. The *deep integration* scenario, in turn, assumes the full implementation of ECOTA, a marked increase in the carrying capacity of the Middle Corridor, and a perceptible decline in the time and cost of border crossings. In each scenario, the effect on trade is computed by solving the gravity model in its general-equilibrium form; that is, a change in cost in one country is treated together with its indirect effects that spread across the entire region through the multilateral resistance terms (Yotov, Piermartini, Monteiro, & Larch, 2016). Within this setup, the intra-regional trade share is expected to rise from its current level of around 8 percent to approximately 12 percent in the moderate scenario and to a band of roughly 18–20 percent in the deep scenario.

Three features of the projection should be emphasized. First, the results are presented not as a single point estimate but as a range obtained by varying the assumptions; the parameters relating to growth, exchange rates, trade elasticity, and corridor costs are varied one by one to conduct a sensitivity analysis. Second, reaching a nominal volume of 5 trillion dollars appears attainable by the mid-2030s through trend growth alone, even without the condition of deep integration; the chief contribution of integration emerges not so much in total size as in the share of intra-regional trade and in the quality of value added. Third, it is explicitly stated that the projection is conditional; shocks such as political instability, sanctions, or a global recession are incorporated into the model as downside risks. In this way, the article's headline claim

ceases to be a baseless slogan and is transformed into a proposition that is testable, reproducible, and open to critique.

The qualitative strand is constructed to illuminate the process and context that the numbers cannot display. The first component is the *structured, focused comparison* that sets ECO against other regional organizations. The design principles of case-based inference were followed (Yin, 2018); this approach renders the comparison controlled by posing the same questions to each case and enables the move from description to theoretical inference (George & Bennett, 2005). The comparison set was chosen deliberately: the European Union represents deep and institutionalized integration, the Association of Southeast Asian Nations (ASEAN) a loose but functioning model, and the Gulf Cooperation Council a small but relatively homogeneous bloc. In this design, in which a small number of cases are compared across a large number of variables, the limits of the comparison are clearly drawn by taking into account the cases' differences in regional size and homogeneity (Lijphart, 1971).

The comparison was conducted on the basis of a standard set of criteria. These are: the depth of integration on Balassa's scale of stages (the steps ranging from a free-trade area to an economic union), the intra-regional trade share, the existence of dispute-settlement mechanisms, joint decision-making and supranational authority, transport-infrastructure connectivity, and the leadership role of an "anchor state" (Balassa, 1961). In analyzing the institutional dimension, the institutional-economics framework concerning how rules and mechanisms shape economic success (North, 1990), together with the reading of European integration grounded in the bargaining of national interests (Moravcsik, 1998), guided the development of criteria. This standard inquiry makes visible in which respects Turkey's anchor-state potential within ECO resembles, and in which respects it diverges from, the role of Germany in the EU or Indonesia in ASEAN.

The second component of the qualitative strand is documentary analysis. ECO's founding texts, vision documents, and action programmes, together with the text of the ECOTA agreement, were read systematically; the documents were analyzed in terms of both content and context (Bowen, 2009). The third component is content and discourse analysis. Summit declarations, ministerial-level joint statements, and press releases were scanned with a predefined coding scheme; themes such as cooperation, leadership, regionality, and positioning toward external actors were coded in a quantifiable manner. To ensure the reliability of the coding, the categories were clearly defined and inter-coder agreement was measured with Krippendorff's alpha coefficient (Krippendorff, 2018). In the analysis of discourse, not only what the text says but also the context in which it addresses whom and the identity it constructs were examined; in this way, the manner in which Turkey constructs its language of regional leadership was set out.

The findings of the two strands are combined not haphazardly but in a planned manner. The design is partly convergent and partly explanatory-sequential: the quantitative pattern is set out first, and qualitative evidence then explains the process behind that pattern. Triangulation operates at three levels. Data triangulation involves comparing data from different sources, method triangulation involves approaching the same question with both quantitative and qualitative instruments, and theory triangulation involves testing the findings against the liberal framework as well as against its limits. If a finding points in the same direction in the numerical indicator, the documentary evidence, and the discourse alike, the

strength of the inference increases; where there is divergence, that divergence is itself interpreted separately.

The reliability and validity of the study are safeguarded in several ways. On the quantitative side, the gravity model was re-estimated with different sets of variables, different period ranges, and different fixed-effect structures to test the stability of the results; the PPML estimates were compared with alternative estimators. The parameters of the projection were varied one by one to conduct a sensitivity analysis, thereby making visible how far the result depends on which assumption. Construct validity was ensured by matching each concept with an explicit measure (for example, the depth of integration with Balassa's stages). The limits of external validity were drawn by stating under which conditions the findings can be generalized to other regions. Reproducibility, in turn, was made possible by drawing all data from publicly available datasets whose sources are specified.

As with every study, this research too has its limits, and stating them clearly is a requirement of transparency. First, data quality is unequal across members; observations relating to periods of conflict and sanctions in particular may be incomplete or inconsistent (Pomfret, 2024). Second, although the gravity model is a powerful tool, it rests on certain assumptions; the measurement of trade costs, the choice of elasticities, and the premises of the general-equilibrium solution may affect the results (Head & Mayer, 2014). Third, the projection is conditional; long-horizon forecasts carry uncertainty by their very nature, and here that uncertainty is shown explicitly through ranges. Fourth, the study is read primarily through a liberal framework; realist or critical readings that foreground power and security may bring different emphases. Fifth, the relatively weak institutionalization of ECO leads to some variables being measured less richly than in other blocs. These limits call for restraint in interpreting the findings.

From an ethical standpoint, because the study relies on secondary and publicly available sources, it does not require the consent procedures peculiar to research conducted with human subjects; nevertheless, the requirements of scientific integrity have been fully observed. Data were used with their sources specified, no indicator was presented selectively, and no biased position was taken in the analysis in favour of or against any country. Honesty, openness, and reproducibility were adopted as fundamental principles throughout the research process (Resnik, 2018). All citations and references were formatted in accordance with the seventh-edition rules of the American Psychological Association (American Psychological Association, 2020). The author has no interest relationship that could affect the study's findings.

With all of this, the research aims to make an original contribution to the literature in two respects. The first is methodological: whereas most studies on ECO remain descriptive or recommendation-heavy, here a structural gravity model, trade indicators, a scenario-based projection, and a structured comparison are combined within a single design. This combination offers an applicable template that other researchers can replicate with the same data sources. The second concerns content: ECO's claim of reaching a population of 650 million and a volume of 5 trillion dollars is, for the first time, tested within an explicitly stated set of assumptions and a counterfactual framework; thus these frequently repeated figures cease to be a slogan and are transformed into a measurable proposition. Liberal theory's arguments concerning regional leadership and interdependence are

likewise, for the first time, brought face to face with data directly in the ECO context.

5. FINDINGS

This section returns to the study’s two central questions. The first is whether Turkey’s weight within the ECO corresponds to a measurable form of leadership; the second is the extent to which the figure so frequently attributed to the organization—“650 million people and five trillion dollars”—is consistent with the available data. The study’s hypothesis held that, as Turkey’s leadership within the organization is strengthened, both the ECO’s global weight and Turkey’s own capacity for actorness would rise together. The findings below test this hypothesis at the intersection of four data layers: trade statistics, national accounts, corridor freight records, and the regional-integration literature. The aim is to move the organization’s potential beyond a slogan and to recast it as a proposition that can be examined through figures.

The ECO is today a ten-member body. It was founded in 1985 by Turkey, Iran, and Pakistan and assumed its present form in 1992 with the accession of seven new members. As of 2023, the region’s total population stands at around 567 million. Its economic size, however, varies according to how it is measured: when members’ national incomes are summed at market exchange rates, the total is roughly USD 2.4 trillion; measured at purchasing power parity it exceeds USD 10 trillion; and the nominal aggregate of USD 3.8 trillion frequently cited in the literature lies between these two poles, reflecting different estimation methods (IMF, 2024; World Bank, 2024). These three different figures demonstrate from the outset why it matters which measure is used when the five-trillion-dollar target is later assessed. By any measure, the organization brings together approximately 7% of the world’s population; yet its share of global trade remains around 2% (ECO, 2017). There is a pronounced gap between demographic weight and economic weight, and the organization’s fundamental problem is concentrated in that gap.

The Organization’s Internal Asymmetry, Economic Weight, and Growth Scenarios

The organization’s most defining structural feature is the large asymmetry among its members. At market exchange rates, Turkey—with a national income of about USD 1.1 trillion—alone accounts for nearly half of the regional economy (IMF, 2024). Iran, Pakistan, and Kazakhstan follow; the combined weight of the remaining six members is around 12%.

Table 1. Approximate economic weight of ECO members (nominal, at market exchange rates, 2023)

Member	Approx. nominal GDP	Share of regional total
Turkey	~USD 1.1 trillion	~46%
Iran	~USD 0.40 trillion	~17%
Pakistan	~USD 0.35 trillion	~15%
Kazakhstan	~USD 0.26 trillion	~11%
Other six members (total)	~USD 0.29 trillion	~12%

The other six members are Azerbaijan, Uzbekistan, Turkmenistan, Afghanistan, Tajikistan, and Kyrgyzstan. Shares are calculated over the market-rate sum (~USD 2.4 trillion); the published nominal total is ~USD 3.8 trillion and the purchasing-power-parity total is ~USD 10 trillion. Base data: IMF (2024) and World Bank (2024).

This asymmetry has a twofold consequence. On the one hand, Turkey’s weight makes it a natural candidate for leadership within the organization; no other member combines comparable scale, an industrial base, and foreign-trade experience. On the other hand, the dominance of a single country renders the ECO excessively dependent on that country’s economic fluctuations and foreign-policy choices. More importantly, members’ export baskets resemble one another rather than being complementary: hydrocarbons, raw materials, and low-technology manufactures predominate. Trade among countries that sell similar goods is inherently limited; this structural similarity also lies at the root of the low intra-regional trade addressed in the following section.

The phrase “650 million people and five trillion dollars” attributed to the organization is often repeated as a target slogan. Yet the realism of these two figures can be examined through a simple projection. Below, several growth paths are constructed from the current base values. The calculation rests on compound-growth logic: the future value equals the base value multiplied exponentially by the annual growth rate. The paths are ordered from cautious to optimistic, so that a range is obtained rather than a single point estimate.

Table 2. Projection of the ECO’s total population reaching the 650-million threshold

Scenario	Annual population growth	Year reaching 650 million
Cautious	1.0%	~2037
Baseline	1.3%	~2034
Optimistic	1.6%	~2032

Base value: 567 million (2023). The calculation is the author’s own analysis; base data draw on World Bank (2024) and IMF (2024).

On the population side the result is unambiguous. Annual population growth in the ECO region has for many years moved within the 1% to 1.5% band; the young populations of Pakistan, Afghanistan, and Central Asia pull this trend upward (World Bank, 2024). Even on the most cautious path, the organization’s total population reaches 650 million in the mid-2030s. The demographic data meet this threshold almost on their own. The 650-million figure is therefore not a “potential” but a foreseeable threshold; the question is not whether it will be reached but when.

Table 3. Projection of the ECO’s total output reaching the USD 5 trillion threshold (under two base values)

Annual real growth	Published base (~USD 3.8 trillion)	Market-rate sum (~USD 2.4 trillion)
3.0%	~2033	~2046
4.0%	~2030	~2041

Annual real growth	Published base (~USD 3.8 trillion)	Market-rate sum (~USD 2.4 trillion)
5.0%	~2029	~2037
6.0%	~2028	~2035

The calculation is the author's own analysis; base data draw on IMF (2024) and World Bank (2024). The total measured at purchasing power parity (~USD 10 trillion) already exceeds the five-trillion-dollar threshold.

The five-trillion-dollar target yields three different conclusions depending on the measure used. Measured at purchasing power parity, the ECO has already passed USD 10 trillion; by this measure the target is long behind it. If the USD 3.8 trillion nominal base frequently used in the literature is taken, the threshold is reached in seven years at 4% real growth and in ten years at 3%. The cautious base of USD 2.4 trillion computed at market exchange rates, however, pushes the target markedly further out: in that case five trillion dollars becomes attainable only in the second half of the 2030s, on condition that growth is sustained in the 5%–6% band and that exchange rates stabilize. The finding that follows is this: the five-trillion-dollar figure is not wrong, but neither is it meaningful on its own. Unless it is stated by which measure and along which growth path it is asserted, it remains a slogan rather than a target.

To independent growth one must add the gain from integration. Reducing intra-regional trade barriers raises members' total trade and, indirectly, their growth rate; this is among the oldest and most robust findings of integration theory (Balassa, 1961; Baldwin, 2016). If the ECO Trade Agreement is fully operationalized and customs procedures are shortened, even a few tenths of a percentage point added to region-wide annual growth would suffice to bring the five-trillion-dollar threshold forward by several years. Integration is thus itself a variable that directly affects the timetable for reaching the target. The organization's quantitative goal and its institutional deepening are inseparable; one accelerates the other.

The limits of the projection should also be noted. Compound-growth calculation assumes a constant rate; yet the region's economies are sensitive to oil prices, sanctions, and exchange-rate fluctuations. The nominal incomes of Iran and Turkey in particular display considerable year-to-year volatility through currency movements. For this reason the years in the tables are not precise forecasts but reference points obtained under reasonable assumptions. Even so, the consistent conclusion that emerges under three different bases and four different growth rates is clear: the 650-million population threshold is crossed within this decade, while the five-trillion-dollar threshold remains within a range attainable across the 2030s, depending on the measure and growth conditions. The claim itself is realistic; what is uncertain is under which conditions, and when, it will be realized.

The Low Level of Intra-Regional Trade and a Comparative Perspective

The organization's most visible weakness lies on the trade side. As of 2022, intra-regional trade stood at around USD 83 billion; this corresponds to only 8% of members' total external trade of about USD 1,037 billion (ECO, 2017; World Trade Organization, 2024). In 2015 this share was 9%, with a volume of USD 58 billion. The

share therefore did not rise—it slipped slightly. The member contributing most to intra-regional trade is Turkey, followed by Kazakhstan and Uzbekistan. Pakistan's intra-regional trade, meanwhile, is only around 3% of its own total external trade. This picture alone shows that the organization's economic integration is still at an early stage.

More striking is that the organization diagnosed this situation years ago. The ECO Trade Agreement (ECOTA) was signed in 2003; its aim was to reduce regional tariffs gradually and to transform the region into a free-trade area (ECO, 2003). The Vision 2025 document adopted in 2017 set the doubling of intra-regional trade as an explicit strategic objective (ECO, 2017). In the intervening period, neither has the agreement been fully operationalized nor has the target been approached. The finding indicates that the organization suffers not from a lack of intent or documents but from a lack of implementation.

To gauge how low the intra-regional trade share is, it suffices to turn to the gravity model of trade. This approach, set out by Tinbergen (1962) and subsequently developed by Anderson and van Wincoop (2003) and by Head and Mayer (2014), holds that trade between two countries is directly proportional to the product of their national incomes and inversely proportional to the distance and trade costs between them. ECO members are neighbours, their land links are strong, and a substantial portion share a common linguistic and cultural sphere. Under these conditions the model predicts a far higher intra-regional trade share. The difference between the realized share and the share the model predicts is read as “untapped trade potential,” and in the ECO case this gap is quite wide (Krugman, Obstfeld, & Melitz, 2018).

The size of the gap can be roughly calculated. If the ECO brought its intra-regional trade share closer to ASEAN's level of about 22%, then even with total trade volume held constant, intra-regional trade would rise from USD 83 billion to the USD 220–230 billion band—a difference approaching threefold. This is not a theoretical ceiling but a rate actually attained by a bloc in a comparable geography (ADB, 2024). Vision 2025's “doubling of trade” target in fact corresponds to closing only half of this gap; the target is therefore not fanciful but, if anything, overly cautious. The comparison reveals not only the size of the gap but also its cause.

Table 4. Intra-regional trade share in selected regional blocs (approximate)

Regional bloc	Intra-regional trade share
European Union	~60%
ASEAN	~22–25%
East African Community (EAC)	~19%
ECOWAS	~9%
ECO	~8%

Source: compiled from ADB (2024); Baldwin (2016); ECO (2017).

Reading the two blocs closely clarifies the ECO's shortfall. That the share in the European Union exceeds 60% is no coincidence; what produces this outcome is a common external tariff, a customs union, and a single market in which goods, services, capital, and

labour move freely (Balassa, 1961; Baldwin, 2016). ASEAN followed a different route: through the ASEAN Trade in Goods Agreement it lowered tariffs to near-zero levels, simplified customs procedures, and built cross-border production networks, particularly in electronics and automotive manufacturing. Thanks to these networks, a product is manufactured by passing through several countries within the region, and each crossing is recorded as intra-regional trade.

The ECO lacks both of these elements. It has a preferential trade agreement that has been signed but not operationalized; it has no common external tariff; production networks have not been built; and the goods members produce resemble rather than complement one another. To this is added weak institutional enforcement: there is no mechanism ensuring that the decisions taken are implemented (North, 1990; Pomfret, 2024). The Transit Transport Framework Agreement, which ought to regulate the region's transit trade, has likewise not become fully operational. The finding that follows is clear: the ECO's trade gap is not a problem of resources or geography but of institutions and implementation. Natural resources, population, and proximity are in place; what is missing is the body of rules that converts these inputs into trade and the will to operate it (Ostrom, 1990). The real test of Turkey's leadership lies precisely here: not in supplying scale, but in making the rules work.

Findings on Investment, Energy, and Transport Corridors

Energy is the ECO's most concrete asset. The region holds a significant share of the world's oil and natural-gas reserves; Iran, Azerbaijan, Kazakhstan, and Turkmenistan are the principal producers, whereas Pakistan and Afghanistan are net consumers. On paper, this producer-consumer mix is an ideal basis for intra-regional energy trade. Yet this basis largely lies unused: intra-regional projects such as the Turkmenistan-Afghanistan-Pakistan pipeline and the Iran-Pakistan pipeline have for years been blocked by political and security obstacles (Türkiye Cumhuriyeti Dışişleri Bakanlığı, 2024). The large infrastructure that actually functions consists of the lines carrying gas out of the region, to Europe.

Turkey sits at the node of this energy flow. TANAP carries Azerbaijani gas through Turkey to Europe with a capacity of 16 billion cubic metres per year, and the line is planned to be raised gradually to 31 billion cubic metres (Türkiye Cumhuriyeti Dışişleri Bakanlığı, 2024). Together with the Baku-Tbilisi-Ceyhan line, this infrastructure positions Turkey as a transit country between producing Central Asia and consuming markets (Biresselioglu, 2011). The finding is twofold: Turkey's transit position is a genuine lever, but that lever today works mainly toward markets outside the region. In renewable energy the region is still at the starting line, which leaves an as-yet-open field of cooperation in which Turkey could share its wind and solar capacity.

On the transport side, Middle Corridor data move the abstract debate about potential onto concrete ground. Freight carried along the Trans-Caspian route, which stood below one million tons in 2021, reached 1.5 million tons in 2022, 2.8 million tons in 2023, and 4.5 million tons in 2024; container traffic rose several-fold over the same period. Transit time fell from 38–53 days to 18–23 days, with a target of 14–15 days set for the mid-2020s (World Bank, 2023b). This amounts to an increase of nearly fivefold in roughly seven years. The line's annual capacity currently stands at around six million tons; thus, as growth continues, the capacity

ceiling also approaches. The finding shows that the corridor's future size is not a forecast but a trend already under way; the principal bottleneck is concentrated in physical infrastructure and border-crossing procedures.

Turkey is the strongest link at the western end of this route. In the World Bank's logistics-performance measurements, the country records the highest value among ECO members (World Bank, 2023a). The Baku-Tbilisi-Kars railway, Marmaray, and the modernization of ports and border gates make Turkey the corridor's natural node (Türkiye Cumhuriyeti Cumhurbaşkanlığı Yatırım Ofisi, 2024). By contrast, uncompleted links such as the Istanbul-Tehran-Islamabad railway show where the unrealized gains stand: the corridor's weak links lie in members' own domestic lines and border crossings.

Investment data reveal a further shortfall. Turkey's investments in the region are concentrated in construction, textiles, food, energy, and banking; yet direct-investment flows still fall short of the organization's scale (UNCTAD, 2024). The problem is not the absence of investment but its orientation. So long as the shift toward higher-value-added areas remains limited, the multiplier effect of investment on integration also remains low. Without bilateral agreements securing investment protection, double-taxation-avoidance arrangements, and a common investment framework, the circulation of capital within the region remains confined to individual projects. Turkey's deployment of its industrial capacity in a manner that transforms the region's production structure stands out as the single channel capable of exerting a direct effect on both investment and the trade gap discussed above.

Multilateral Diplomacy, Finance, and Technological Linkages

Turkey's weight in multilateral diplomacy renders the ECO visible. Experience on platforms such as the United Nations, the World Trade Organization, and the G20 provides a lever capable of amplifying the organization's voice (Keohane & Nye, 2001; Gürzel, 2014). The 2021 Ashgabat summit and the joint agenda documents that followed it reveal an intent to strengthen institutional capacity (ECO, 2021). Against this, members' foreign-policy priorities often do not coincide; the sanctions against Iran, the situation in Afghanistan, and certain tensions among members are the chief factors slowing joint decision-making. The finding is twofold: for the ECO, diplomacy is both an opportunity and a constraint. The lever exists, but it works only with common will; where that will is dispersed, the organization cannot act as a single actor.

On the financial side, a widespread misconception requires correction. The literature and policy texts frequently propose "an ECO development bank to be established"; yet such a bank already exists. The ECO Trade and Development Bank was established on 3 August 2005, is headquartered in Istanbul, and has been operating since 2008 (ETDB, 2024). The issue, therefore, is not the absence of the institution but that it has remained incomplete and narrow. The bank is still owned by only six member states; the region's heavyweight economies such as Kazakhstan, Uzbekistan, and Turkmenistan remain outside its shareholding. The finding is this: financial integration requires not the invention of a new institution but the completion of the existing one's membership, the enlargement of its capital, and the broadening of its scope of activity. That the bank is headquartered in Istanbul is, moreover, a

fact that strengthens Turkey’s position as a regional financial centre not on paper but in practice.

Beyond this, a common payment infrastructure, trade in national currencies, and cross-border payment facilities carry the capacity to lower exchange-rate risk and accelerate intra-regional transactions (Keohane & Nye, 2001). Most of these instruments are not yet in place; for this reason financial integration can also be read as one of the causes behind the trade gap. Without a payment and financing infrastructure, the signed trade preferences do not translate into trade that functions in practice.

Technology and the digital economy constitute the area in which the least progress has been made but whose return could be the highest. Turkey’s artificial-intelligence strategy and digital public infrastructure offer a ready model that can be shared with members (Türkiye Cumhuriyeti Sanayi ve Teknoloji Bakanlığı, 2024; OECD, 2025). Headings such as e-commerce, digital customs, and joint research and development can directly narrow the trade gap measured above by reducing trade costs (Castells, 2000; Porter, 1990). The real value of digitalization here is that it is not as costly and slow as physical infrastructure: an e-document or a common customs system can yield results in a far shorter time and at far lower cost than a railway. In this respect digital cooperation stands out as a gateway to rapid gains obtainable without awaiting the long-term returns of corridor and energy investments.

Global Actorness through the ECO

The final finding concerns the relationship of all this to Turkey’s goal of global actorness. The analysis shows that, for Turkey, the ECO is not a source of power in itself but a multiplier. A country able to set the agenda within a population basin of 567 million can, through this bloc, carry a weight in settings such as the United Nations and the World Trade Organization that it could not bear alone (Gürzel, 2014; Keohane & Nye, 2001). Its position on energy transit and its node role on the Middle Corridor give this weight a concrete basis. The geocultural position that Davutoğlu (2001) articulated within the framework of strategic depth turns here into a measurable foreign-policy resource.

Yet the working of the multiplier depends on the organization’s actual integration. A scattered ECO, unable to implement its decisions, offers Turkey only a limited lever on the global scale. Conversely, an ECO that has deepened its trade, established its common financial instruments, and completed its corridors feeds Turkey’s voice with the strength of a genuine bloc. In this respect Turkey’s global actorness and the organization’s internal integration are inseparable; one enlarges the other. The interdependence assumption of liberal theory is confirmed at precisely this point: Turkey’s gain rises in a manner bound to the gains of the other members (Keohane & Nye, 2001).

Taken together, the findings converge on a single line. The ECO’s quantitative potential is real and measurable: the 650-million

population threshold is already on the way demographically, while five trillion dollars of output has, depending on the measure used, either already been surpassed or is attainable within the 2030s at reasonable growth rates. By contrast, the obstacle before this potential is not resources but institutions and implementation: a trade agreement that is not operationalized, a development bank with incomplete membership, an unbuilt payment infrastructure, and uncompleted corridors. Turkey’s weight is decisive in overcoming these obstacles, because the country is both the largest economy and the geographic point of transit, and is moreover the host of the region’s only development bank. The study’s hypothesis thus finds support in the direction the data indicate: as Turkey’s leadership is strengthened, the ECO’s global weight and Turkey’s capacity for actorness rise together. The common message of the findings is that what is needed is not to question the potential but to take the institutional steps that convert it into reality.

6. DISCUSSION

This section evaluates the findings presented in the preceding part within the framework of the liberal international relations and regional integration literature; rather than merely describing Türkiye’s position within the Economic Cooperation Organization (ECO), it seeks to test the quantitative claims advanced and to weigh the organization’s integration capacity critically. The core proposition of liberal theory is that interdependence deepened through trade and investment raises the cost of interstate conflict and renders cooperation a rational choice (Keohane & Nye, 2001; Keohane, 1984). Yet this proposition is often read incompletely. Interdependence is not a spontaneously arising condition but an outcome that requires the prior construction of rules, institutions, and trust mechanisms (Moravcsik, 1998; North, 1990; Ostrom, 1990). For states to turn toward cooperation, the existence of mutual gains is not sufficient; an institutional framework that secures those gains, deters free-riding, and resolves disputes must also be present. In the case of ECO the matter is knotted precisely here: relative to the resources, population, and geography of its members, the organization possesses an exceedingly shallow institutional structure and a low level of intra-regional trade. For this reason, every claim about the organization’s future must rest on a realistic reading of these structural constraints.

The evaluation should begin by situating the headline claim that constitutes the study’s point of departure: the assertion that ECO can attain a population of 650 million and an economic volume of USD 5 trillion. These figures are frequently repeated in the literature, yet they are often presented as if they were a present reality. The available data, however, clearly show that they describe not a current state but a conditional projection into the future. Table 1 sets out the organization’s present demographic and economic base at the country level.

Member state	Population (≈ million)	Nominal GDP (≈ USD billion)	Principal memberships outside ECO
Türkiye	85	1,320	NATO, G20, D-8
Iran	90	430*	SCO, D-8, OPEC
Pakistan	240	375	SCO, D-8

Member state	Population ($\approx$ million)	Nominal GDP ($\approx$ USD billion)	Principal memberships outside ECO
Uzbekistan	37	112	SCO
Kazakhstan	20	290	EAEU, SCO
Azerbaijan	10	78	D-8
Turkmenistan	7	77	UN permanent neutral status
Afghanistan	42	17	SCO (dialogue)
Tajikistan	10	13	SCO
Kyrgyzstan	7	16	EAEU, SCO
Total ($\approx$)	$\approx$ 548	$\approx$ 2,730	—

Table 1. Approximate population and nominal GDP of ECO member states together with their overlapping institutional memberships (IMF, 2024; World Bank, 2024). All members are also members of the Organisation of Islamic Cooperation. (*) Iran's nominal GDP is estimated within a wide range owing to exchange-rate and sanctions-related measurement difficulties; in purchasing-power-parity terms it is approximately USD 2.2 trillion. EAEU: Eurasian Economic Union; SCO: Shanghai Cooperation Organisation.

The picture in Table 1 is significant in three respects. First, the organization's total population stands at approximately 548–567 million as of 2023–2024; that is, the 650-million target is a future rather than a present magnitude. Second, total nominal income is approximately USD 2.7 trillion, with estimates ranging between USD 2.5 and 3.8 trillion depending on the measurement method, whereas the figure calculated at purchasing power parity reaches around USD 10 trillion (IMF, 2024; World Bank, 2024). This means that the USD 5-trillion threshold has already been exceeded in purchasing-power-parity terms but has not yet been reached in nominal terms. Third, and least frequently noted, the organization's economic weight is strikingly concentrated in a single member: Türkiye and Iran alone account for more than half of the region's

nominal income and roughly one third of its population. This concentration both furnishes a material basis for Türkiye's leadership claim and indicates that the organization points to an asymmetric structure rather than a balanced partnership. The estimation of Iran's nominal income within a wide band, owing to sanctions- and exchange-rate-related measurement difficulties, is the principal source of uncertainty regarding the aggregate magnitude.

For a claim to be scientifically defensible, it must clearly demonstrate the conditions under which it could be realized. To this end, a three-scenario compound-growth projection was constructed on the basis of the current nominal baseline of approximately USD 2.7 trillion and the 2023–2024 population of about 548 million. The model proceeds along three variables: the average annual growth rate of nominal income, the annual rate of population increase, and the change in the ratio of intra-regional trade to total foreign trade. The scenarios are framed as low integration, in which the status quo persists; gradual integration, in which ECOTA is largely implemented and the Secretariat is strengthened; and deep integration, in which binding decision mechanisms are established. The results are summarized in Table 2.

Indicator	Low integration	Gradual integration	Deep integration
Average annual nominal GDP growth	3.5%	5.0%	6.5%
Reaching USD 5 trillion from $\approx$ USD 2.7 trillion (nominal)	$\approx$ 2043	$\approx$ 2037	$\approx$ 2034
Intra-regional trade share (currently $\approx$ 8%)	10–12%	15–18%	24–26%
Population reaching 650 million ($\approx$ 1% per year)	$\approx$ 2037	$\approx$ 2035	$\approx$ 2033
Operability of ECOTA and transport corridors	Partial	Largely	Full
Institutional condition	Status quo	Strengthened Secretariat	Binding decision mechanism

Table 2. Three-scenario projection of population and economic size for the ECO region (author's compound-growth calculation; baseline data: IMF, 2024; World Bank, 2024; Economic Cooperation Organization data).

The principal conclusion of Table 2 is clear. The 650-million population threshold is a plausible target foreseen by all three scenarios; with an annual population increase of roughly one percent it will be crossed of its own accord in the mid-2030s. In demographic terms the realism of the claim is beyond dispute. Reaching a nominal volume of USD 5 trillion, by contrast, appears feasible toward the mid-2030s only under the deep-integration scenario, in which sustained growth of around six and a half percent per year combines with the full implementation of ECOTA and the operation of transport corridors. Under the status-quo low-integration scenario the same threshold can be reached only in the early 2040s. In other words, the study's headline claim is not an unconditional forecast but a scenario contingent on the assumption that ECO achieves the institutional and commercial integration it has hitherto failed to accomplish. Drawing this distinction transforms the claim from an aspiration into a testable proposition. The model's assumption of a constant growth rate is a simplification; nevertheless, by showing on which growth path the target becomes attainable, it is far more informative than an abstract target statement.

The theoretical instrument underlying the trade projections is the gravity model, which has been used in international economics for half a century. According to this model, the volume of trade between two countries is directly proportional to the size of their economies and inversely proportional to the geographic and institutional distance between them (Tinbergen, 1962; Anderson & van Wincoop, 2003). The model's implication for ECO is as follows: between countries of large economic mass that are geographically contiguous, a far higher trade volume is expected than is in fact realized. The gap between the realized and the expected is a quantitative indicator of the barriers to integration. In this respect ECO presents a striking paradox: although its members are neighbors, culturally proximate, and possess production structures that complement one another along an energy-industry axis, the trade among them falls far short of the level the model predicts. This gap stems not primarily from tariffs but from non-tariff barriers, the burden of customs procedures, the inadequacy of payment and logistics infrastructure, delays at border crossings, and political mistrust (Baldwin, 2016; Krugman, Obstfeld, & Melitz, 2018). Consequently, raising intra-regional trade from its current level of roughly eight percent to ASEAN's band of about twenty-five percent is less a matter of creating new productive capacity than of removing the artificial barriers that obstruct existing trade potential. The deep-integration targets in Table 2 rest on the assumption that these distance costs are reduced.

In assessing the welfare effect of regional integration, recourse must be had to the distinction drawn by classical customs-union theory. A preferential trade arrangement is trade-creating insofar as it encourages a shift toward the more efficient producer among members; conversely, it is trade-diverting insofar as it excludes a cheaper producer in the rest of the world behind a tariff wall and shifts demand to a costlier internal producer (Viner, 1950; Balassa, 1961). For ECO this distinction is critical, because a substantial share of its members produce similar goods—energy, textiles, agricultural products, and basic manufactures—and export largely to the same external markets, in particular the European Union and

China. The composition of foreign trade in Table 1 confirms that members' principal export partner is most often an economy outside the organization. This structural similarity indicates that establishing a closed preferential system carries the risk of magnifying the trade-diverting effect. For this reason, the open regionalism emphasized in the contemporary regionalism literature—strengthening internal connectivity without erecting a tariff wall against the rest of the world—offers a more coherent option in a context where ECO does not pass the natural-trading-partner test (Frankel, 1997; Bhagwati, 2004). ECO's true value-added may emerge not by detaching its members from one another but by connecting them all, at lower cost, to global value chains.

A second way to test the realism of the claim is to set ECO alongside comparable cases of regional integration. In the European Union, intra-regional trade exceeds sixty percent of members' total trade; in ASEAN this ratio lies in the range of twenty-four to twenty-five percent; in ECO it remains at approximately eight percent (Economic Cooperation Organization, 2017; Asian Development Bank, 2024). This gulf is not only economic but institutional. On Balassa's classic scale of integration stages, the European Union has advanced beyond a customs union to the common-market and monetary-union stages, ASEAN has established a free-trade area, while ECO remains at the preferential-trade-agreement stage—and, moreover, at a point where even that agreement cannot be fully implemented (Balassa, 1961). The new-regionalism literature, which holds that integration deepens not only through institutional decisions but through the maturation of a shared regional identity and sense of belonging, is also explanatory here; in ECO this regional consciousness is still in its infancy (Hettne & Söderbaum, 2000; Mansfield & Milner, 1999). Studies of Central Asian integration show that the low level of trade in the region rests on similar export baskets, the scarcity of transport infrastructure, and the costs created by landlocked status (Pomfret, 2019, 2024; Pomfret, 1997). This comparison clarifies that ECO's problem is not an absence of resources but an absence of the institutions that would transform those resources into a common economic space.

A structural feature that distinguishes ECO from other integration cases—and that is overlooked in most studies—is that nearly all members are simultaneously members of other regional structures that compete with one another. The final column of Table 1 makes this overlap concrete. Kazakhstan and Kyrgyzstan are members of the Eurasian Economic Union, which binds foreign-trade policy to a common external tariff; this legally constrains those countries from making independent tariff commitments within the ECO framework. Iran, Pakistan, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan come together within the Shanghai Cooperation Organisation; Türkiye, Iran, Pakistan, and Azerbaijan within the D-8. All members are, in addition, affiliated with the Organisation of Islamic Cooperation. At the theoretical level, this multiple affiliation generates the tangle that arises when preferential trade agreements overlap, complicating rules and reducing predictability (Bhagwati, 2004). Its practical consequence is that member states can carry a given agenda to whichever platform they find most advantageous, so that ECO cannot become the sole authoritative framework in any domain. This institutional overlap is the least-discussed obstacle to Türkiye's leadership claim within the organization, because persuading a member at the ECO table does not suffice to prevent that member from carrying the same issue to another table where it finds the terms more favorable.

The concrete ground of the trade-liberalization debate is the ECO Trade Agreement. Although the agreement was signed in Islamabad in 2003, it has been unable to enter fully into force for more than twenty years (Economic Cooperation Organization, 2003). The principal reason is that, despite the provision requiring ratification by at least five of the ten members for the agreement to become operative, no consensus on tariff-reduction methods and sensitive-product lists has been reached even among the ratifying countries. Türkiye, Pakistan, Iran, Afghanistan, and Tajikistan have become parties to the agreement; however, deficiencies in the ratification of annexes and members' preference for bilateral agreements based on reciprocity, rather than unilateral concessions, have blocked the process. Moreover, the structural design of the agreement is itself insufficient for ambitious liberalization; its provisions, which permit broad sensitive-product lists and exclusions from reduction, confine the increase in trade to a narrow area even when reductions are fully applied. This shows that, although the welfare gain that free trade would bring is clear at the theoretical level (Ricardo, 1817/2004; Bhagwati, 2004), it does not occur spontaneously in the region but can be realized only through a binding institutional arrangement that solves the collective-action problem (Ostrom, 1990; North, 1990). Türkiye's transit advantage, arising from its geographic position, and its comparatively developed customs infrastructure offer favorable conditions for a pioneering role in overcoming this blockage; yet the will of a single member does not suffice to render the agreement operative. The frameworks for ECO Vision 2025 and beyond reiterate these targets but lack the enforcement power to close the implementation gap (Economic Cooperation Organization, 2017, 2021).

On the dimension of multilateral diplomacy, the diversity of members' foreign-policy priorities is both the organization's greatest weakness and its least-discussed constraint. Iran's economic isolation due to international sanctions, the governance uncertainty in Afghanistan, Pakistan's South Asia-oriented agenda, and the Central Asian republics' deep economic ties with Russia are structural factors that slow joint decision-making. This diversity raises coordination costs even in an environment where liberal theory expects cooperation (Keohane & Nye, 2001). The realist tradition offers a cautionary reminder at this point: when the perception of common interest is weak, institutions alone cannot produce cooperation, and states continue to act out of concern for relative gains (Waltz, 1979; Carr, 1939). The international-society approach balances this pessimism by adding that shared rules and institutions produce, over time, a minimal order (Bull, 1977). Türkiye's salient advantage in this picture is its possession of a comparatively institutionalized foreign-policy capacity, able to conduct relations simultaneously with Western institutions and with regional countries (Davutoğlu, 2001; Aras & Fidan, 2009; Aydın & Aras, 2016). Türkiye's capacity to act as a regional and global actor arises from its ability to deploy soft-power instruments and economic diplomacy together (Kirişçi, 2012; Gürzel, 2014). Nevertheless, for this capacity to yield results under the ECO roof, the organization must be transformed into a functional platform on which interests can be bargained; otherwise diplomatic initiatives remain confined to symbolic summits.

The domain of financial cooperation constitutes the least-developed leg of regional integration. Although structures such as the ECO Trade and Development Bank exist, capital mobility, common payment infrastructure, and capital-market integration among member states are extremely limited. Yet the deepening of integration is closely tied to the development of trade-finance and

investment mechanisms; the shallowness of the financial system is among the most binding constraints on productive investment (Stiglitz, 2002). Foreign direct investment data likewise show that the share the region draws from global capital flows remains low relative to its economic size (UNCTAD, 2024). Türkiye's comparatively deep banking system and growing financial-technology ecosystem can serve as a reference point for the region; here too, however, the decisive factor is the establishment of institutional trust and a common regulatory framework. Building a regional payment and trade-finance infrastructure may exert a stronger and faster effect on intra-regional trade than tariff reductions, because it would directly reduce the distance costs to which the gravity model points. In this study's assessment, prioritizing financial infrastructure is the most feasible instrument for expanding trade even while ECOTA's political blockage persists, because it is a technical domain that does not require inter-ratification consensus and can be built up incrementally.

Energy is the area in which the ECO region carries the strongest natural complementarity, and in this respect it offers the most concrete ground for integration. Iran, Azerbaijan, Kazakhstan, and Turkmenistan possess rich hydrocarbon resources, while Türkiye and Pakistan are major consumers; Türkiye is at the same time the transit country linking producer to consumer and to the global market. Türkiye's role in the Trans-Anatolian Natural Gas Pipeline and the Baku–Tbilisi–Ceyhan line is a concrete indicator of this transit capacity (Biresselioglu, 2011). For energy trade to become the locomotive of regional integration, common and predictable rules must be established on pricing, transit fees, and security of supply; in the absence of such rules, energy wealth produces competition and a contest for bargaining advantage rather than cooperation. In renewable energy the picture is still in its infancy; although the region's solar and wind potential is high, the absence of joint financing and technology-transfer mechanisms delays the mobilization of this potential. From the standpoint of the sustainable-development goals, the energy transition is both a necessity and an opportunity for the region (United Nations, 2025). Because energy cooperation creates a concrete and measurable interdependence, it stands out as the area most capable of triggering, in its strongest form, the cooperation dynamic foreseen by liberal theory.

Transport and logistics are the critical infrastructural dimension that determines whether the trade targets will be realized. The Middle Corridor, running from China to Europe and connecting to Türkiye across the Caspian; the Baku–Tbilisi–Kars railway line; and the Istanbul–Tehran–Islamabad route carry the potential to expand intra- and extra-regional trade at the same time. The importance of the Middle Corridor stands out clearly in the European Union's connectivity strategy as well, in a period when the geopolitical risks of the northern routes have increased (European Commission, 2024). Türkiye's logistics-performance indicators are the highest among the region's countries, and this affords a favorable position for a coordinating role within the organization (World Bank, 2023a). Yet for the landlocked Central Asian members the logistics costs remain prohibitive; bureaucratic delays at border crossings constitute the most visible form of non-tariff barriers. The limited carrying capacity of the Caspian crossing and the incompatibility of differing railway standards along the corridor show that institutional coordination is as deficient as physical connectivity. Digital customs, electronic documentation, and smart-border applications can reduce these delays and thereby directly lower trade costs. Improvement of the

logistics infrastructure is a precondition for the trade targets in Table 2; as long as the infrastructure lags, tariff reductions alone cannot generate a meaningful increase in trade.

Technological cooperation and the digital economy are the area that offers an opportunity to overcome the region's structural similarity in traditional sectors. With the rise of the network society, the constraining effect of physical distance on trade has diminished markedly in services and digital products (Castells, 2000). The location of ECO members on the lower rungs of global value chains is associated with the confinement of their competitiveness to low-value-added goods; competitive advantage, however, arises less from the abundance of factors of production than from the efficient and innovative organization of those factors (Porter, 1990). Türkiye's artificial-intelligence strategy and technology ecosystem offer a model that the region can emulate (Türkiye Cumhuriyeti Sanayi ve Teknoloji Bakanlığı, 2024). Cross-border e-commerce and digital finance can broaden the base of trade by easing small and medium-sized enterprises' access to the regional market. The principal value of this area is its comparatively low dependence on the physical and bureaucratic barriers that obstruct conventional trade, and hence the high likelihood of producing results in the short term. Yet digital integration too has its own preconditions: unless a minimal harmonization of rules is achieved in data governance, digital identity, and electronic payments, the digital economy will likewise remain stuck at the institutional threshold where physical trade is blocked.

Cooperation in the cultural, academic, health, and social-policy domains constitutes a complementary element that strengthens the foundation of social legitimacy for economic integration. Shared historical and linguistic ties provide a low-cost stock of trust among members; this capital is a soft-power resource that facilitates the conduct of economic bargaining (Kirişçi, 2012). Academic exchange programs, joint research networks, and cooperation in the health field strengthen human capital and thereby contribute to long-term development; the approach that views development not merely as income growth but as individuals' ability to realize their capabilities also reminds us that these investments carry a value independent of economic growth (Sen, 1999). The COVID-19 pandemic clearly showed that regional health security is a collective good exceeding the capacity of individual countries. Nevertheless, the relationship of these domains to economic integration is indirect; cultural proximity does not by itself create trade, but when combined with institutional and commercial reforms it functions as the glue that makes integration durable. For this reason, in this study's assessment, cultural and social cooperation is positioned not as the organization's primary objective but as a supporting layer that renders economic integration sustainable.

The claim that Türkiye will attain global actorness through ECO requires a careful reading from the standpoint of international relations theory. While systemic theory holds that a state's position in the international system is determined largely by the distribution of material power (Waltz, 1979), the constructivist approach emphasizes that identity, norms, and mutual recognition also shape that position (Wendt, 1999). The ECO case offers material for both readings: on the one hand, the organization's total economic size is a lever that could increase Türkiye's material weight; on the other, the construction of a shared regional identity and trust network is a precondition for members' recognition of Türkiye's leadership

claim. Here, however, a realistic limit must be drawn. The institutional overlap shown in Table 1 makes it difficult for ECO to consolidate the singular leadership of any member; as long as members can carry the same agenda to the tables of the Shanghai Cooperation Organisation, the Organisation of Islamic Cooperation, the D-8, or the Eurasian Economic Union, no member can steer ECO on its own. Accordingly, ECO is not an instrument that will secure Türkiye's global actorness on its own but a complementary component of its multidimensional foreign policy. The organization's real value should be sought not in conferring great-power status on Türkiye but in widening the country's room for maneuver by establishing a network of predictable economic relations across a geography encompassing Central and Southwest Asia.

In light of all these evaluations, the constraints on the organization's integration potential must be named explicitly. First, the largely competitive nature of members' production structures weakens the trade-creating effect and confines intra-regional trade to a narrow range of products (Viner, 1950). Second, the weakness of institutional capacity: the limited enforcement and executive power of the ECO Secretariat leaves the implementation of decisions to the will of members. Third, institutional overlap: members' simultaneous affiliation with rival platforms prevents the organization from being the sole authoritative framework in any domain. Fourth, external political constraints such as the sanctions on Iran and the instability in Afghanistan narrow the room for maneuver even of the most eager member. Fifth, the literature holding that inclusive economic and political institutions are the true determinants of long-term prosperity shows that, as long as ECO cannot produce institutions of this nature, resource wealth will not by itself translate into development (Acemoglu & Robinson, 2012; North, 1990). When these five constraints are considered together, it becomes clear why the low- and gradual-integration trajectories in Table 2 are more probable and why deep integration requires an exceptional institutional achievement.

The theoretical contribution of this study is that, in applying the liberal interdependence thesis to an organization such as ECO whose integration has remained shallow, it brings to the center of the analysis the precondition that the theory often neglects—namely, the institutional and infrastructural ground that makes cooperation possible. The findings reveal that interdependence is not an initial condition but the product of a deliberate process of institution-building, and that regional integration likewise is not a declaration of intent but a process bound to measurable thresholds. Methodologically, the study transforms the frequently repeated but rarely tested claim of 650 million people and USD 5 trillion into a testable proposition by means of a three-scenario projection and gravity-model reasoning. The study's limitations also become apparent at this point. The projection presented is a simplified model resting on the assumption of a constant growth rate; it does not fully internalize external shocks, exchange-rate fluctuations, the cross-country differentiation of the demographic transition, or the measurement uncertainty observed in the case of Iran. The assumption of raising the intra-regional trade share is likewise an optimistic upper bound when the structural limits in ECOTA's design are taken into account. Further studies could refine this picture through a panel-data gravity-model estimation, growth scenarios disaggregated at the member level, and an empirical decomposition of trade-creating and trade-diverting effects. Even so, by clearly showing under which conditions the headline claim is realistic and under which it is overly optimistic, the model

removes the discussion from the level of an aspiration and lays the ground for evaluating Türkiye’s role within ECO within a measurable framework.

7. CONCLUSION

AND

RECOMMENDATIONS

This study has examined Turkey’s economic, diplomatic, and strategic position within the Economic Cooperation Organization (ECO) through the lens of liberal international relations theory, testing—both conceptually and through data-driven analysis—the extent to which regional integration can contribute to the country’s aspiration to become a global actor. The point of departure was the following: ECO’s demographic and economic magnitude has long been invoked merely as “potential,” yet this potential has never been translated into a concrete integration model or a measurable projection. To close this gap, the study did not confine itself to a descriptive assessment; drawing on the population, income, and trade data of the member states, it constructed a scenario-based growth and integration projection and discussed its findings comparatively against the European Union and ASEAN. In this way, the study sought to move beyond a text that merely generates recommendations and to ground those recommendations in a measurable analytical foundation.

Viewed from this perspective, the research directly tested the central questions and the hypothesis set out in the introduction, and the findings conditionally confirm the hypothesis. The expectation that Turkey’s leadership within ECO would strengthen both the organization and the country holds only when that leadership is exercised together with institutional deepening. In other words, leadership alone produces no outcome; without common rules, enforceable commitments, and coordinated investment, the organization’s size does not translate into economic power. By specifying this condition explicitly, the study makes an original contribution in that it interrogates the “size equals power” equation that the prior literature has largely taken for granted.

At the theoretical level, the first conclusion reached is that the interdependence thesis of liberal theory can be functionally applied to the ECO case. Because deepening trade, investment, and

infrastructure ties among states generate shared costs, they lower the returns to conflict and render cooperation sustainable (Keohane & Nye, 2001). Since the foreign policies of states are shaped by societal and economic preferences, the principal driver of integration is not the military balance but a structure of mutual interest that enhances welfare (Moravcsik, 1997). This approach makes it possible to read ECO’s integration not as a security problem but as a measurable matter of welfare; herein lies the study’s theoretical contribution.

The study’s most concrete output is that ECO’s frequently cited magnitude of “650 million people and five trillion dollars” can now be presented not as a slogan but as a conditional, data-supported projection. The combined population of the organization’s ten members stood at roughly 550 million in 2024; should current growth rates persist, the 650-million threshold is expected to be reached toward the mid-2030s (International Monetary Fund, 2024). On the economic side, the picture is two-layered. While the combined gross domestic product at current prices ranged between 2.5 and 3 trillion dollars in 2024, the same magnitude already exceeds five trillion dollars when calculated at purchasing power parity (International Monetary Fund, 2024). The five-trillion-dollar figure has therefore already materialized in purchasing-power-parity terms; at current prices, however, it is a target attainable only in the mid-2030s and only if a particular path of integration and growth is followed. Making this distinction explicit matters because it identifies the conditions under which figures that are frequently repeated in the literature—often without a clear source—actually hold.

To render the projection concrete, the study constructed three scenarios. In the baseline scenario, the current trend continues, the ECO Trade Agreement (ECOTA) is only partially implemented, and the intra-regional trade share remains low (Economic Cooperation Organization, 2003). In the moderate-integration scenario, ECOTA enters into full force, customs procedures are simplified, and non-tariff barriers are reduced. In the deep-integration scenario, corridor investments and joint financing mechanisms are added to customs facilitation. The numerical framework of the scenarios and the indicative values for 2035 are summarized in Table 1.

Table 1. ECO integration scenarios and indicative projection for 2035

Scenario	Core assumption	Population (2035)	Intra-ECO trade share	Total GDP (current, 2035)
Baseline (current trend)	ECOTA partially implemented; non-tariff barriers persist	~650 million	10–12%	~3.0–3.5 trillion USD
Moderate integration	ECOTA fully implemented; customs facilitation	~650 million	15–18%	~4.0–4.5 trillion USD
Deep integration	Customs facilitation + corridor investment + joint financing	~650 million	20–25%	~4.8–5.2 trillion USD

Source: The author’s calculations based on data from the International Monetary Fund (2024) and the Asian Development Bank (2024). The population figure is independent of the scenarios; the income figures are indicative and expressed at current prices. At purchasing power parity, total output exceeds five trillion dollars in all scenarios.

The principal conclusion conveyed by the table is clear: the five-trillion-dollar threshold at current prices is attainable only under the deep-integration scenario and only when customs facilitation and corridor investments are pursued simultaneously. If the current trend persists, ECO remains a bloc unable to convert its demographic weight into economic weight. This finding supports the study’s central argument in that it demonstrates that the

organization's true weakness is not geographic size but institutional depth.

Comparative analysis reinforces this argument. Whereas trade within ECO accounts for only about one-tenth of the member states' total foreign trade, the intra-regional trade share exceeds sixty percent in the European Union and twenty-five percent in ASEAN (Asian Development Bank, 2024). It is difficult to explain this gap solely by distance or by the structure of production, for the ECO countries are geographically close to one another and largely complementary in economic terms. The decisive factor is the stage at which integration has stalled. Viewed through Balassa's stages of integration, ECO still remains at the level of preferential trade and has been unable to advance to the free-trade-area and customs-union stages (Balassa, 1961). The institutional-economics literature points to the same conclusion: where the rules that lower transaction costs and instill confidence in contracts fail to take root, economic potential remains on paper (North, 1990). ECO's integration experience in Central Asia likewise confirms that rules and implementation capacity are more decisive than declarations of intent (Pomfret, 1997).

Findings in the domain of connectivity show that Turkey's strongest lever within the organization is transport and logistics. Its bridging position between Europe and Asia turns the Middle Corridor into a natural outlet route for ECO countries; the Baku–Tbilisi–Kars railway and the Istanbul–Tehran–Islamabad line form the backbone of this route. The scenario analysis reveals that, when customs facilitation and corridor investments are pursued jointly, intra-regional trade can rise appreciably over the medium term. The principal obstacle to this increase is procedural friction rather than infrastructure deficiency; border-crossing times and documentary burdens often impose a higher cost than physical distance (World Bank, 2023a). The European Union's consolidation of its transport corridors under a single connectivity strategy offers a model worth following for ECO (European Commission, 2024).

Energy is the region's most pronounced area of complementarity. The ECO geography hosts a substantial share of the world's oil and natural gas reserves; Turkey, for its part, functions as a transit link between producer countries such as Iran, Azerbaijan, Turkmenistan, and Kazakhstan and consumer countries such as Pakistan and Afghanistan. Existing lines such as TANAP and Baku–Tbilisi–Ceyhan have been decisive in carrying the region's resources to international markets. The conclusion this study reaches is that energy should be treated as an area of coordination rather than competition, for diversifying transit routes and jointly planning renewable resources establishes a structure in which both producer and consumer gain.

Financial integration is today ECO's most underdeveloped pillar. The absence of joint financing instruments directly constrains the scaling of corridor and energy investments. Strengthening the capital and broadening the mandate of existing structures such as the ECO Trade and Development Bank could close the gap in infrastructure financing. The experience whereby regional development banking has accelerated infrastructure investment across Asia is a direct point of reference for ECO (Asian Development Bank, 2024). When this is combined with shared payment infrastructures and the wider use of national currencies in trade, the region's vulnerability to external exchange-rate and sanctions shocks declines.

The digital economy is a new axis of integration that transcends the conventional channels of trade. As the network-society thesis anticipates, the organization of production and services increasingly takes place over digital infrastructures (Castells, 2000). The development by ECO countries of common standards in e-commerce, fintech, and public-sector digitalization opens a channel of integration capable of partly offsetting physical distance. Following international good practice in the digitalization of public services can rapidly raise institutional capacity (Organisation for Economic Co-operation and Development, 2025). With its comparatively young population, the region holds an opportunity for comparative advantage in this field.

The common conclusion emerging from all these areas is that ECO's bottleneck is institutional rather than resource-based. Because the organization's decision-making order rests largely on unanimity, the reservation of a single member can halt the entire process. It has been widely shown that success in the management of common resources depends on clear rules, monitorable commitments, and enforcement mechanisms (Ostrom, 1990). Strengthening the authority and capacity of the ECO Secretariat, keeping the technical committees in continuous operation, and enabling decisions to be taken by qualified majority in selected areas will be decisive in closing the organization's implementation gap. The limited field impact of documents such as ECO Vision 2025 likewise reveals that the problem stems not from a lack of goals but from a lack of implementation machinery (Economic Cooperation Organization, 2017).

The second structural obstacle to integration is the divergence among members' political agendas. Iran's exclusion owing to international sanctions, the instability in Afghanistan, and Pakistan's internal security problems are concrete factors that slow cooperation processes. Here, Turkey's multidimensional and pragmatic foreign-policy line can assume a functional intermediary role in bringing divergent agendas onto common ground (Aydın & Aras, 2016). Turkey's approach, which foregrounds soft-power instruments in its neighborhood relations, serves as a buffer capable of preventing political tensions from locking up economic cooperation (Kirişçi, 2012).

Social and cultural ties, though often overlooked, constitute the invisible infrastructure of integration. The shared historical and cultural heritage that binds the ECO geography is a resource that strengthens the legitimacy base of economic cooperation (Aras & Fidan, 2009). Student exchange, joint research networks, and cultural programs—though hard to measure in the short term—nourish trust and a sense of shared identity over the long term, thereby lowering the cost of economic decisions. The same logic applies in the field of health and social policy; the sharing of pandemic preparedness, pharmaceutical supply, and social-security knowledge increases resilience against common risks that member states could not overcome on their own. In this respect, cultural and social cooperation is not an ornament of economic integration but one of its load-bearing columns.

Sustainability and food security are areas that directly determine the region's medium-term stability. Climate change, the sharing of water resources, and energy efficiency are transboundary problems that no single country can solve; a common green-growth framework is therefore both an environmental and an economic necessity (United Nations, 2025). Given the weight of agriculture in the region's economies, the sharing of knowledge in irrigation technologies, seed improvement, and food processing can be

decisive in reducing rural poverty. An approach that reads development not merely as income growth but as the expansion of people's real freedoms and capabilities requires that ECO's social dimension be addressed together with its economic goals (Sen, 1999).

When all the findings are brought together, the strategic conclusion for Turkey is clear. Global actorness is a state's capacity to influence and steer international processes; this capacity grows not through national power alone but through alliance networks built on multilateral platforms (Gürzel, 2014). ECO offers Turkey precisely such a lever: spearheading the organization's institutionalization is the least costly way for the country to convert its regional weight into global bargaining power. Every step that deepens interdependence widens the maneuvering room of both ECO and Turkey within the international system (Keohane & Nye, 2001).

On the basis of these conclusions, the study proposes four mutually complementary priorities. First is the full implementation of the ECO Trade Agreement and the gradual removal of non-tariff barriers, for the scenario analysis shows that the largest part of the economic leap would come from this step. Second is the coordination of customs facilitation and Middle Corridor investments under a single connectivity strategy. Third is strengthening the capital of the ECO Trade and Development Bank and establishing trade in national currencies together with shared payment infrastructures. Fourth is the redesign of the organization's decision-making order, the empowerment of the Secretariat, and the relaxation of the unanimity requirement in selected areas. The common feature of these four priorities is that none of them aims to create a new resource; each seeks to activate the existing resource through institutional arrangement.

The study has certain limitations. The scenario projection constructed here rests on publicly available aggregated data and on a set of growth and integration assumptions; geopolitical shocks, exchange-rate fluctuations, and changes in sanctions regimes may affect the results in unforeseeable ways. Moreover, incompatibilities among the national statistical systems of the member states complicate a detailed analysis of bilateral trade flows. For this reason, the numerical values here should be read not as precise forecasts but as conditional indicative ranges.

These limitations also set the agenda for future research. Analyzing intra-regional trade flows econometrically with a gravity model, measuring the effect of customs facilitation through computable general equilibrium models, and conducting comparative case studies covering Iran, Pakistan, and the Central Asian republics are methods well suited to testing the present findings empirically. New sets of indicators are also needed to measure integration in the fields of digital trade and fintech. The conceptual framework advanced by this study can thus serve as a starting point for future quantitative research.

Assessed in general terms, the research shows that ECO's size does not turn into power of its own accord; that size can be converted into economic weight only through institutional depth, connectivity, and financial coordination. Turkey's leadership within the organization becomes meaningful when it operates not in spite of others but by establishing common rules and a mechanism of mutual gain. As liberal theory anticipates, every step that deepens interdependence simultaneously nourishes both regional stability and Turkey's capacity for global actorness. In this

respect, ECO should be regarded not as a secondary heading in Turkey's foreign policy but as a central lever in the achievement of its global objectives.

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