

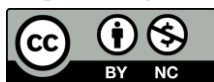
Economic and commercial integration of the ECO and Iran; 2001-2022

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Article Info	Abstract
<p>Original Article Main Object: Economics Scope: ECO Countries</p> <p>JEL Classification: F13 .F15 . F53 .F55.</p> <p>Received: 12 September 2023 Revised: 30 September 2023 Accepted: 07 October 2023 Published online: 28 October 2023</p> <p>Keywords: ECO, geo-economic convergence, geopolitical obstacles, regional integration.</p>	<p>More than three decades have passed since the formation of the new structure and membership of seven countries in the region to the ECO Economic Cooperation Organization. The question now is whether the formation of the organization has played a positive role in the region's economic growth and development, or whether geopolitical divergent factors still dominate geo-economic convergence factors. In this context, the present paper evaluates the welfare effects of economic integration in the new structure of the ECO over the past two decades from 2000 to 2021. The present study aims to assess the components and backgrounds of powerful regional integration of the member countries of the Organization of Economic Co-operation (ECO) with the focus of Iran. The emphasis of this study is on the economic aspects of regionalism integration efficiency. Certainly, the components of geographical proximity and cultural commonalities and religious beliefs are among the strengths of convergence between these countries, but more importantly, the political determination and limitation of the rulers on effective regional integration between these countries, which has not emerged significantly in the last few decades. In fact, until geopolitical obstacles dominate the geo-economic factors of Iran and these countries, the possibility of forming efficient regional integration is impossible, and the development and prosperity of security, welfare and development of trade and investment flows in this region depends on political will and determination.</p>

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Extended Abstract**Background**

Regionalism in the vicinity of Iran in the MENA region has had the weakest possible results compared to the three regions of Europe, the United States and Southeast Asia. In this region, two long-standing regional cooperation organizations (ECO and GCC) and the nascent (Shanghai Cooperation Organization and Eurasian Economic Union) have been formed.

Aims

The present study aims to assess the components and backgrounds of powerful regional integration of the countries of ECO with the emphasize on Iran. Thus, this research focuses on the economic aspects of regional integration. The present study aims to provide answers to these questions: What is the assessment of past performance and prospects of intra-regional and trans-regional trade of the ECO and Iran's position? After 4 decades of the formation of the ECO and the accession of a number of countries to it, and the increase of members, have commercial changes and the changes of members resulted from the effect of trade creation or trade deviation?

Discussion

Certainly, the components of geographical proximity, cultural commonalities and religious beliefs are among the strengths of convergence between these countries. But more importantly, political determination and limitation of governments, effect on efficient regional integration among these countries, which has not functioned significantly in last decades.

In fact, while geopolitical obstacles dominate the geo-economic factors of Iran and these countries, the possibility of forming efficient regional integration is impossible, and the development of stability, trade and investment flows in this region depend on political wills and determination. The importance of regionalism in achieving the development goals has created a necessity for Iran to decide and choose with a pragmatic view on the priorities and strategic outcomes of cooperation with the active blocs in the region.

Methodology

In this paper, by implementation of theoretical framework of “regionalism” and convergence under regional alliances, it will be used to response to the question of the formation of the ECO, especially during the years 2001 to 2021, on “integrity and convergence of macroeconomic indicators” and “intra-regional and trans-regional trade convergence”. The question is that what have been achieved in the using research method of comparative analysis in this regional organization? The hypothesis is that despite the

economic goals of the ECO, economic homogeneity and trade convergence in it have not been achieved and are far from the desired situation.

Conclusions

The main objective of this paper is to evaluate the efficiency and success of integrity, and the economic convergence of the ECO and Iran. Finally, two main criteria of regional convergence “Congeniality and Homogeneity of Economic Indicators” and “Degree of Trade Convergence” for ECO and its 10 members during the period of 2001-2021 have been evaluated. The results show that during the study period, the gap and scope of per capita income distribution has decreased for some countries and for others has not changed significantly, and the homogeneity and integrity of development indicators have not diverged for all members of the organization in the long run. Also, the results of the study show that during the study period, the increase in the share of intra-regional trade of the organization and Iran has not been in line with the development of their international trade. And deepening intra-regional trade not only has not led to the development of Iran's international trade, but also has led to the deviation of trade. Analysis of the results indicates that the lack of development of intra-regional trade is due to Iran's weak business structure, and now the possibility of developing intra-regional trade and the integration of Iran with the organization seems weak. By developing and promoting Iran's economic-commercial structure, it is possible to take advantage of the benefits of convergence.

Conflict of interest

The authors declared no conflicts of interest.

Authors' contributions

All authors contributed to the original idea, study design.

Ethical considerations

The author has completely considered ethical issues, including informed consent, plagiarism, data fabrication, misconduct, and/or falsification, double publication and/or redundancy, submission, etc.

Data availability

The dataset generated and analyzed during the current study is available from the corresponding author on reasonable request.

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