

## The Eurasian Union: An Experiment in Finding a Place in the New World

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### Abstract

Russia's leadership is strongly attached to the idea of rebuilding the economic ties that existed in the former Soviet Union. Although many critics denounce this idea as a reflection of Russian imperialism, it represents a Russian attempt to build a structure similar to the European Union in Eurasia. However, many obstacles remain to the establishment of such an organization, including the authoritarian nature of the regimes involved.

### Integration: Popular with the Russian Leadership

Those who analyze the behavior of Russia in the international arena are often convinced that the major moving force in Russian politics is an imperial ambition, and particularly aspirations to somehow recreate a politico-economic entity in the place of former USSR (or earlier—the Russian Empire). Accordingly, whenever a project on this territory sets the goal of integration, it is automatically proclaimed to be a step towards the restoration of the Soviet Union.

It is hard to argue against the fact that the collapse of the USSR seriously traumatized Russia's ruling class and the major part of the country's population. Unlike the majority of empires, which at the time of collapse lost their overseas territories while keeping their national core, Russia has no clear definition of its core, and some of the territories that were lost in the process of disintegration are conceived by its population as related to the core of the country and thus rightly belonging to the Russian state legacy. Finally, the fact that for the first time in history, Russians became a divided nation, and that with the collapse of the unified country, 25 million ethnic Russians, without changing their geographical location have changed their citizenship, is underestimated by those who study post-Soviet Russian politics.

From the very beginning, the idea of integration was quite popular among the Russian leadership. In reality, however, it never transcended the rhetorical framework. Boris Yeltsin, for example, did not want to go down in history as the destroyer of a unified country, and the project of creating the Union State of Belarus and Russia was clearly meant to demonstrate that the first president himself began collecting the lands back together. Further attempts to pursue institutional forms of integration ultimately ended up as nothing more than loudly-proclaimed declarations.

The Customs Union proposed by President Vladimir Putin in 2009 and confirmed during his election campaign in 2011–2012 could be viewed as the first attempt to offer an economically justifiable integration model that is attractive to others. Initially, one of the motives was the desire to catalyze the stagnated negotiations with

the World Trade Organization (WTO). Moscow made it clear that if it was not allowed to participate in global economic integration, it would find another way out—regional economic integration. At first, this caused significant confusion, especially since Russia declared that all further negotiations about the WTO were to be held through the Customs Union, which is not provided for in WTO procedures. However, eventually everything settled down: Russia entered the WTO while the Customs Union developed on its own.

### Clearing Up Misunderstandings

There are a lot of misunderstandings surrounding the project, starting with the confusion coming from its name: starting in 2015, the Customs Union will switch its name to the Eurasian Union. Advocates of Eurasian ideology, who consider Russia to be a unique civilization counterpoised to Europe and having as its mission the unification of the vast territories of Eurasia, are inspired by Putin's idea. These sentiments, however, have no relevance to reality: the project is not about denying European approaches, which would have been natural to a true Eurasianist, but rather about borrowing these approaches and adapting them to Russia and its environs.

There exist two intentions behind the usage of the term 'Eurasian': on the one hand, it emphasizes the difference from the already existing European Union (hence the term "Eurasian"), but on the other hand, it demonstrates the connection and similarities between the organizational principles of the two unions. Moreover, observers constantly note that the Eurasian Union is not an enclosed structure, but rather one of the elements of a future unified space, extending from Lisbon to Pusan and bringing together all markets, from Europe to the Pacific. Therefore, the goal is contrary to that of isolation.

The Eurasian Union as the development of the Customs Union is an applied undertaking. Its goal is to broaden the markets and reconstruct some of the productive chains demolished by the fall of the Soviet Union, by means of implementing on this territory the principles of European integration from the second half of the twentieth century. The deep crisis of the European

Union plays the role of a catalyst, since the EU is and will be forced to deal with its domestic problems, thus paying little attention to the adjoining states. Russia has an opportunity to lower the level of competition, especially since the idea itself is quite rational and promising.

By the way, unlike the Europeans, the Russians never demanded that their partners reject participation in other projects. Integration within the framework of the Customs Union is viewed as a step on the way to further and wider integration. It is the European Commission that insists on exclusive membership and which more than once gave Ukraine an ultimatum to choose whether it is with Russia or with Europe.

It is quite significant that this vision of Eurasian integration, which is conveyed by all program documents starting with Putin's article, is not in the least understood in Europe. And the cause of this misunderstanding is not a lack of faith in Moscow's sincerity, but in the psychology of European integration as such, which does not allow for alternative centers of unification. In the opinion of the EU, the only possible and correct form for the economic consolidation of European and Eurasian territories is that which has Brussels as its center and which essentially implies the gradual spread of the EU's normative base into even more territories. The Europeans disregard the idea that on the territory of Eurasia there could exist several compatible integration projects developing in separate ways and eventually coming to form some kind of a network by means of gradual interfusion and interweaving. Such an idea is considered to be an element of Russian propaganda.

### **Moscow's Intentions**

Meanwhile, Moscow is taking this idea seriously. In the vision of Russian strategists, the future phase in the development of globalization will have a distinctive regional character. And it is not a coincidence that the main ideas under discussion are the Transatlantic Free Trade Area (USA and EU) and Trans-Pacific Partnership (USA and its allies in Asia-Pacific region). In the future, both of these projects are quite compatible; however, they contradict the idea of global free trade because the preferential regional association creates special conditions for its own members over outsiders. Essentially, this is an institutionalization of the split, which led to the dead-end of the WTO's Doha Development Round. It is possible that in the future these regional associations will develop their own rules of interaction, based on new grounds this time.

Russia claims to be an independent pole in the multipolar international system. However, there are certain doubts concerning Russia's ability to be a counterweight to such trading spheres as China's economic zone or the

unified trade and economic system around the U.S. It is probable that at some point in the future Russia will be forced to join one of the global alliances, and for that reason it needs to strengthen its positions as much as possible. Consolidating a sphere of economic gravitation on the adjoining territories, involving at the minimum the former Soviet Republics, is a natural way to do this.

### **Obstacles to Development**

The idea of the project is currently in the embryo phase, and it is unclear whether any developments will follow. The weakest part of the project is the regimes of the participant countries: all three are grounded on a strong authoritarian-type personality. Sooner or later, the regimes will inevitably come to an end, which might undermine the legitimacy of the project. In this scenario, the fate of the project will depend on the strength of economic interdependence achieved by that time, so that for any type of government, withdrawing from the Union would result in heavy expenses rather than increased safety.

There is no final vision of what the optimal membership of Eurasian Union would look like. A post-Soviet approach suggests that it should unite all former Soviet republics. However, this approach reflects inertia more than anything else: essentially, it manifests the remaining nostalgic sentiments for the USSR. Moreover, it is obvious that some countries on the territory of the former USSR would never join any kind of union, among them Turkmenistan and Azerbaijan, both rich in natural resources, and also Uzbekistan. However, the sentiments to unite all of the former Soviet Republics are still very strong. Besides, the offer to integrate more with Russia becomes a sort of loyalty test for countries like Moldova and Kyrgyzstan.

An approach based on pragmatic estimates of costs and benefits is much more realistic. It comes from the idea that a country's membership in the Union should give it clear benefits. From this follows the necessity to establish defined membership criteria, similar to those of the European Union, the fulfillment of which is required for joining. In other words, the initiator-countries have the power to choose whom they want to admit. From this point of view, the accession of Kyrgyzstan or Tajikistan is unlikely, even though they have the right to apply for membership as existing members of EurASEC (The Customs Union is being built on its basis), for such expansion might bring the Union more problems than benefits.

From the political point of view, there are several countries whose membership could be favorable to Russia, but only if the Union ultimately has a large membership. Among these are Moldova and Georgia. The

entrance of Kishinev would only be welcomed if Ukraine joins also. And Georgia's entrance—as a symbol of Russia's return to the Caucasus—could open the way for Armenia. On their own, however, these countries have little value for the Union.

Ukraine, of course, is a special case. Objectively, this country is extremely important: in addition to being a significant part of a formerly unified energy network, it has a large market, potentially powerful manufacturing base, agriculture, and a highly-skilled work force. However, in practice, these economic advantages are seriously underdeveloped. While the economic situation is far from great, politically Ukraine could potentially undermine the Union's emerging structure. Participation in an integration union with Russia causes the debates in Ukraine and polarizes Ukrainian society. Therefore, even if Kyiv did manage to enter the Union (which would be a purely political decision, for no calculations of economic benefits work in this context), Ukraine would become a constant source of conflicts and tensions within the Eurasian Union. In the best-case scenario, it would play the role of Great Britain in the EU, in the worst—of Uzbekistan in the Collective Security Treaty Organization (CSTO). The trajectory of the development of the entire project will be defined by the decision whether to fight for the Ukrainian membership. The temptation is great since the participation of Ukraine would significantly increase the influence and value of the Union. But the potential costs are great as well—the membership of Kyiv could simply block further development.

### Conclusion

Despite the fact that the Eurasian Union is the first serious project of integration after years of fake attempts,

#### *About the Author*

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the project is still not at an irreversible stage. Regardless of the common opinion that the Customs/Eurasian Union is an instrument of Russian politics only, the decisions made by the Eurasian Economic Committee—the executive body of the Union—are based on consensus. Moreover, all three current members of the Union—Russia, Belarus and Kazakhstan—have an equal number of votes, three each. This marks a significant shift in the attitude of Moscow. No more than ten years ago Vladimir Putin sought to integrate with Minsk in the proportion 97 to 3, that is, with political rights proportional to the sizes of the economies. Russia has understood that integration is impossible without guaranteeing the basic equality of rights, the only alternative being to use force to compel the countries into the union and keep them there at gunpoint. Many Russians consider this situation unfair; yet, there is no other alternative.

The Eurasian Union is not what it seems to be from the outside. It is not a political embodiment of the “great steppe” in the spirit of the philosopher Lev Gumilev, neither is it a reincarnation of the USSR: it is only to some extent an alternative to the European Union. If the project continues—and the political will concerned with its promotion is quite strong—then, possibly, its shell will be filled with more concrete substance, while the potential benefits will push the participants to define a coherent philosophical framework. Meanwhile, the Eurasian Union is a curious experiment by means of which Russia and its neighbors are searching for their place in a rapidly changing world.

*Translated from the Russian by Evgenia Olimpiewa*