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Eurasian Economic Union Foundation: Issues of Global Regionalization

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Abstract

This paper is devoted to the theoretical conceptualization of political-economic processes within the Eurasian Economic Union. The author elaborates on this project within the framework of “global regionalization” and regards it as a fledging “global region.” In this paper, the European Union is analyzed as a model of the existing global region. The Eurasian region also has its own specific traits and experience of post-Soviet integration. The article argues that for successful Eurasian integration in a global world, the Soviet and post-Soviet past, as well as states outside post-Soviet space, and non-state actors – institutions of civil society and the business-community – should be taken into account.

Introduction

Eurasian space has features of a global region and it has a chance of becoming a part of the world integrational system. Integration policy in this space can serve not as an internal mechanism of interaction among former Soviet republics, but as an instrument for building a qualitatively new space in which new participants of global Eurasian regionalization are emerging.

In recent years, we have witnessed integrational processes all over the world. Integration represents a “higher” level of interaction among states as they relinquish sovereignty to supranational bodies for streamlining their governance functions in a global world. Integrational groups have begun emerging in various parts of the world since the mid-twentieth century. Today we are observing a new “wave” of world integrational processes; this is related to a transition to a “global stage,” which has found its expression in such phenomenon as *global regionalisation* and *global integrational processes*. It means that integration policy is moving from a regional level to a global one that results in *global regions*. Political scientists believe that “in the era of globalization nation-states can be replaced by ‘region-states’ either micro-regions or macro-regions. Thus, globalization can be achieved not only via the international system, but also by regionalization.”¹ Hence, the new trend of

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¹ Natalia Shebarova, “Razvitie Globalizatsii cherez Liberalizatsiiu Regionalnykh Economicheskikh Sviazei [Development of Globalization through Liberalization of Regional Economic Connections],” *Vestnik MGTU* 8:2 (2005): 348–354; Olga Leonova, “Globalnaia Regionalizatsiia kak Fenomen Razvitiia Globalnogo Mira [Global Regionalization as a Phenomenon of Global Development],” *Vek Globalizatsii* 1 (2013). Accessed on November 8, 2013: <http://www.intelros.ru/readroom/vek-globalizatsii/g1-2013/18822-globalnaya-regionalizaciya-kak->

modern world development has been marked by the formation of new power hubs – global regions – which are composed of states unified by common interests and issues. By pooling their resources they are turning into new players in world politics. Therefore, globalization restructures a world system and builds a new “architecture with new spaces that will determine world existence and development for decades to come globally, geographically and structurally...”² Consequently, the structure of the new world system will be composed of global regions (for example, the European Union, APEC etc.). The nascence of global regions all over the world represents a transitional period from the international system (or nation-states system) to the global one (system of state and non-state actors). That is accompanied not only by integrational processes, but it also paves the way for exclusion and moving to the periphery of those who do not wish, or are incapable of incorporating into the networks of global interdependence.

About 20 years ago since the collapse of the USSR, the post-Soviet space has found itself on the outer periphery of the global integrational space and has been viewed as a kind of a “black hole” (Zbigniew Brzezinski) on the world integrational map. Back in early 1990s the main structure across the post-Soviet space was the Commonwealth of Independent States (CIS), which was more reminiscent of the so-called civilized divorce among former Union republics than a truly effective regional structure. It is a regional organization, an association of states, but not a federation, or a confederation or a supranational union like the European Union (EU). The CIS aims to be more than a purely symbolic organization, possessing coordinating powers in the realm of trade, finance, culture, and security. As early as the mid-1990s, however, the need became apparent for the creation of a qualitatively new institution that would allow these countries to effectively interact and fit in with global integrational processes. The launch of modern Post-Soviet/Eurasian integration is related to the project of the Eurasian Economic Union (EAO). Its emergence features one of the foreign policy priorities of Kazakhstan, the Russian Federation and Belarus. The EAO is a supranational economic and political union of Kazakhstan, Russia and Belarus. In 1994, the idea was first suggested by Kazakh President Nursultan Nazarbayev, at a speech at Moscow University. However, afterwards implementation of the project came across obstacles. A decade and a half later Kazakhstan’s president again suggested establishing an effectively functioning alliance of states unified by economic ties with the end of achieving stability and security in contemporary Eurasia. The idea was supported in October 2011 by Vladimir Putin. On November 18, 2011, Belarus’, Kazakhstan’s and Russia’s heads of states signed an agreement, setting a target of establishing the Eurasian Union by 2015. The aim of this project has been the creation of a structure of a new generation that would be in alignment with global regionalization. An objective need for enhancing the effectiveness and competitiveness of these three Eurasian states, which has become urgent against the background of the recent global

fenomen-razvitiya-globalnogo-mira.html; Mikhail Troitskii, “Globalniy Regionalism i Vneshniaia Politika Rossii [Global Regionalism and Foreign Affairs of Russia],” *Svobodnaia Mysl* 11 (2009): 35–46; Yurii Abramov and Vladimir Kuibar, “Globalnaia Regionalizatsiia: k Obosovaniiu Poniatiia [Global Regionalization: Towards a Definition of the Term],” *Sotsial no-gumanitarniye Znaniia* 1 (2008): 242–250.

² Nikolai Kosolapov, “Globalizatsiia: Territorialno-prostranstvenniy Aspekt [Globalization: Territorial and Spatial Aspect],” *Mirovaia Ekonomika i Mezhdunarodnie Otnosheniia* 6 (2005).

financial crunch, is the swift deepening of Eurasian integration. The founding fathers of the Eurasian Union hope that this structure will become one of the world's geopolitical and economic centers.³

These new trends in the Eurasian region have raised serious questions about a future regional architecture. These questions bring up important issues for debate: Why is the Eurasian Union being formed? What is its principal difference from existing integrational structures across the post-Soviet/Eurasian space? Who will participate in Eurasian integration? More thornily is the issue related to these questions: What kind of union would be created? What are the perspectives and contours of the Eurasian Union?

Global Regionalization as a Trend in Modern World Development

There are two main trends in current world development: on the one hand, it is a unifying trend (globalization and integration), on the other, a dividing and decentralizing tendency (disintegration, fragmentation, regionalization). The modern world has witnessed a rapid growth in globalization as well as regionalization. Both have drastically transformed the spatial contours of the international system and have altered the world geopolitical landscape of the twenty-first century. Globalization can be defined as a process of integration between societies and economies across state borders all around the world that results in growth and an increase in interdependence. Globalization “erodes” the classical “Westphalia map” and borders between nation-state territories. Regionalization is the process of the redistribution of power authorities of nation-states, handover of power authorities from a national to a regional tier, as well as the emergence and elaboration of new institutional forms. There are three perspectives on correlation between globalization and regionalization:

- regionalization is a response to globalization;
- regionalization is a mechanism of world order formation;
- regionalization is a global trend, which is a precondition for full globalization of the world system.

These processes should not be considered controversial; on the contrary, they are interconnected and complement each other. The outcome of the fusion of globalization and regionalization has become a process of “global regionalization.” It implies “regionalization of space in a global world, which in effect, features a three-tier structure – a collectivity of sub-, meso- and macro-regions. The notion ‘region’ represents a basic element in this three-layer system of the global

³ Nursultan Nazarbaev, “Evraziiskii Soiuz: Ot Idei k Istorii Budushchego [The Eurasian Union: From Idea to the Story of the Future],” *Izvestiia*, October 25, 2011. Accessed on December 11, 2012: <http://izvestia.ru/news/504908>; Vladimir Putin, “Novii Integratsionnyi Proekt dlia Evrazii – Budushchee, kotoroe Rozhdaetsia Segodnia [New Eurasian Project for Eurasia: The Future is Created Today],” *Izvestiia*, October 3, 2011. Accessed on March 20, 2013: <http://izvestia.ru/news/502761>; Aleksandr Lukashenko, “O Sudbakh Nashei Integratsii [About the Destinies of our Integration],” *Izvestiia*, October 17, 2011. Accessed on March 24, 2013: <http://izvestia.ru/news/504081>

world.”⁴

In the era of globalization the classical form of the territorial integration of states is being transformed (as international regions) from one whereby states were guided exclusively by national interests to global-regional integration by key actors of world politics, where supranational interests are coming to the forefront. Under globalization states are no longer able to retain a monopoly on governance. As such, for instance one of the first in the 1990s to emphasize this fact was Susan Strange, who wrote that all states, irrespective of territory, size and power, are languishing in the face of ongoing changes, alongside the speeding integration of national economies into a unified world market.⁵ Part of governance functions is being handed over to supranational and transnational tiers. In this context it is significant to note that regionalization includes a formidable “informal constituent,” and namely civil society structures, social institutions and the business community.⁶ In other words, in case of global regionalization a process of integration “from beneath” and transnationalization of interstate relations are crucial. Nowadays, multinational companies, non-governmental organizations, large cities etc. play a role in connecting state actors through complex global networks and being an intermediary between global and local/regional/national/international levels. The effectiveness of global regionalization depends mostly on the participation of non-governmental actors, and not only on the will and desire of nation states.

The notion of region is a key category in analyzing global regionalization. The term “region” and geographical distance has undergone significant changes in the epoch of globalisation. Some experts speak about “the end of geography.” According to the classical approach, a region refers to territorial entities that share specific characteristics. So, regionalization directs the integration of nations usually around specific interests such as trade, economic or security issues. “The past decades have shown an increased regionalization around economic issues, such as the creation of free trade areas or common markets (e.g. NAFTA, MERCOSUR etc.)”⁷ In the modern theory of “new regionalism” there are different criteria of region formation. For example, a region can be defined as a political union, without taking into account geographical factors.⁸ As mentioned above, non-state players have been involved in regionalization, mostly based on historical common characteristics. “This resembles distinction that runs along the lines of ‘regionalism from below’ versus ‘top-down regionalization’ defined by [...] supranational organizations like the European Union (EU) [...]” Now it is a more important functional principle. Instead, the “territory” becomes “space” that has more diverse interpretations (e.g., economic, cultural and virtual). These are not material phenomena, but have a significant influence on the modern world system. The importance of distance in

⁴ Leonova, “Globalnaia Regionalizatsiia.”

⁵ Susan Strange, *The Retreat of the State: The Diffusion of Power in the World Economy* (Cambridge: Cambridge University Press, 1996).

⁶ Aleksandr Popovich, *Integratsiia: Teoreticheskie Aspekty* [Integration: Theoretical Issues]. Accessed on November 10, 2013: <http://fmp-gugn.narod.ru/pop2.html>

⁷ Henricus Beerkens, *Global Opportunities and Institutional Embeddedness* (University of Twente, 2004), 29–30.

⁸ Christopher Hemmer and Peter Katzenstein, “Why is there no NATO in Asia: Collective Identity, Regionalism, and the Origins of Multilateralism,” *International Organization* 56:3 (Summer, 1995): 575–607.

structuring human and economic flows should not be understood as a pure geographical distance effect, as it also relates to strong historical links that the public as well as private actors have established, and that distance helps to keep alive. “The new regionalism is linked to globalization and [...] will thus be defined by the world regions, but regions of different types.”⁹

Therefore, global regionalization entails establishing new elements in the world political system – *global regions*, which represent a structured *space*, the main characteristics of which are traditional factors (e.g., geographic, historical, civilizational and cultural), as well as new ones of the post-modern epoch (e.g., networking communicational, virtual, etc.). These features of a global region can be highlighted:

1. common spaces;
2. supranational nature;
3. transnational networks.

Thus, there is a transition period from the model of international (as inter-state) system to the model of global regions network, where the borders do not refer to geographical territory.¹⁰ The Westphalia system of international relations appears to be replaced by a polycentric system with global regions inside.

Formation of global regions is underway at a preliminary stage; however, it seems feasible to note the existing models of global regionalization. First and foremost, it is the European Union (EU), which appears for the founding fathers of the future Eurasian Economic Union to be a role model for integration across Eurasia.

The EU is a form of effective regionalization and an important actor on the global stage. The EU is a pioneer in regional integration and has long been the most advanced model of regional integration. The EU has a unique status: it is not a government body or an international organization. It is an economic and political union of 28 member states which have passed part of their sovereignty to EU institutions, with many decisions made at the regional level. Meanwhile, the EU operates through a system of supranational independent institutions and intergovernmental negotiated decisions by the member states. The success of European integration over the last fifty years has made the EU an attractive model for regional integration within the global context. The most important characteristics of the EU are:

1. It is a new form of politics based on the *supranational community method*. In the EU structure the European Commission, the European Parliament, and the European Court of Justice, constitute common political structures with supranational authority – in contrast to the Council of Ministers, which is based on intergovernmental modes of

⁹ Toshiro Tanaka and Takashi Inoguchi, eds., *Globalism and Regionalism* – Selected Papers Delivered at the United Nations University Global Seminar '96 Shonan Session, September 2–6, 1996, Hayama, Japan. Accessed on March 16, 2013: <http://archive.unu.edu/unupress/globalism.html#Globalization>

¹⁰ Beerkens, *Global Opportunities*: 29–30.

decision making. Multi-level governance implies a new form of policy-making in the EU. It can be characterized by a mixture of classic intergovernmental cooperation between sovereign states and far-reaching supranational integration. A combination of communal decision-making with a wide area of policy areas results in a deep connection of the member states' policy at the national level with the European policy level. This is one of the basic principles of the multi-level governance theory. The multi-level governance theory describes the EU as a political system with interconnected institutions that exist at multiple levels and have unique policy features. It is a political system with a European level, a national level and a regional level. These levels interact vertically and horizontally.

2. *Transnational networks* have played an important role in developing new integrational agendas in the modern EU. There are some transnational programmes that add an important extra European dimension to regional development. This allows meaningful work between regions from several EU member states on matters such as communication corridors, flood management, international business and research linkages, and the development of more viable and sustainable markets. Themes covered include:

- Innovation, especially networks linking universities, research institutions;
- Environment, especially water resources, rivers, lakes, seas;
- Accessibility, including telecommunications, and in particular the completion of networks;
- Sustainable urban development, especially polycentric development.¹¹

The EU is also a major player in regionalization beyond its boundaries, maintaining with its neighbors strong functional relationships. Also, the EU has developed relationships with other important players and global regions. The EU regional policy has facilitated fruitful cooperation with countries such as China, Russia and Brazil, as well as with regional structures such as MERCOSUR and ASEAN. In the context of global regionalization it is important to mention two instruments supporting cross-border co-operation along the external borders of the EU:

1. *The Instrument for Pre-Accession Assistance (IPA)* is based on partnerships with the EU candidate countries (Turkey, for example).

2. *The European Neighborhood and Partnership Instrument (ENPI)* promotes co-operation and economic integration between the EU and the partner countries – Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, the Russian Federation, Syria, Tunisia, and Ukraine. It supports partnerships encouraging

¹¹ European Territorial Co-operation: Transnational Co-operation Programmes. Accessed on February 16, 2013: http://ec.europa.eu/regional_policy/cooperate/cooperation/transnational/index_en.cfm

good governance as well as social and economic development: “Even in an era of globalization, geography is still important. It is in the European interest that countries on our borders are well-governed. Neighbors who are engaged in violent conflict, weak states where organized crime flourishes, dysfunctional societies or exploding population growth on its borders all pose problems for Europe. The integration of acceding states increases our security, but also brings the EU closer to troubled areas. Our task is to promote a ring of well governed countries to the East of the European Union and on the borders of the Mediterranean with whom we can enjoy close and cooperative relations.”¹² As we see the European Neighborhood includes some ex-Soviet states. This fact influences the process of Eurasian integration and defines some of its specific characteristics.

The European integrational model was taken into account by leaders of ex-Soviet states during the first steps of post-Soviet integration. Thus, theoretically the CIS project was based on the European Union idea,¹³ but as I mentioned before this attempt has been unsuccessful. One of the chief reasons for such a debacle seems to be the nature of integrational processes. World integrational processes are multidimensional and complex. Consequently, any model of integration cannot be physically transferred (neither in theory nor practice) over to another region. Architects of the Eurasian Union face an issue of elaborating their own Eurasian model of integration that would take into account political, economic and socio-cultural specific traits.

The Idea of Eurasian Integration from the Modern Perspective

After the rapid exit of the USSR from the political arena, there has been a constant search for a new pattern of structuration of that space, which is called post-Soviet/Eurasian, and which unifies the European and Asian parts of Eurasia. In this context interest in establishing a Eurasian integrational project seems to be justified. It would unconsciously revive theoretical studies of a group of Russian historians in the 1920s (e.g., Nikolai Trubetskoi, Petr Savitski, Lev Karsavin, Georgii Vernatskii). The representatives of classical Eurasianism regarded Russia as “Eurasia,” as a synthesis of Europe and Asia, but at the same time they considered Russia to be culturally closer to Asia than to Europe. According to Eurasianism, the result of a Europe-Asia synthesis is a so-called third world as a special cultural type. Thus, the people of the “Russian world” belong neither to Europe nor to Asia.

In the 1970s and 1980s, social-economic and political crises in the USSR were the impetus behind updating the Eurasian idea. In that period eminent scholars emerged such as Lev Gumilev, Aleksandr Dugin, and others, who developed the Eurasianist concept. Contrary to classical Eurasianism, their views on current processes underwent serious changes, having absorbed numerous liberal principles. Later on, during Perestroika, Andrei Sakharov suggested transforming the USSR

¹² European Security Strategy (European Union: Brussels, 12 December 2003). Accessed on March 16, 2013: <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf>

¹³ Rick Rozoff, “‘Vostochnoe partnerstvo’: Poslednii Shturm Postsovetskogo Prostranstva I [‘Eastern partnership’: The Last Assault of Post-Soviet Space, Part I] (2009). Accessed on March 16, 2013: <http://www.centrasia.ru/newsA.php?st=1236938940>

into the United States of Eurasia, a model based on the United States of America. He commented that the formation for this transformation had to be a new constitution of the “Union of Soviet Republics of Europe and Asia.”¹⁴ Common provisions for two generations of Eurasians have become: the idea of unity and integrity of the Eurasian space along with negation of full or partial adoption of any outside mode of evolution.

The Eurasian idea received a fundamentally new content in articles and speeches by the leaders of contemporary Russia, Kazakhstan and Belarus, who articulated their vision of neo-Eurasianism and conceptually made the case for the Eurasian Economic Union from the perspective of a new global thinking. So, Nursultan Nazarbaev’s conceptual reflections rely on the fact that the twenty-first century has formed objective conditions for successful Eurasian integration in the context of global regionalization.¹⁵ According to this theory the Eurasian Union (EAU) under formation is posed as a successful center of global power in the context of trends of global development, which imply political self-organization in the form of regional unions, which are being formed in various corners of the world. Due to consistent domestic arrangements and considered foreign policy, the Eurasian Union stands a chance of becoming an organic part of the new world architecture, which is designed for responding to global economic challenges. That is why a new union should be created as a competitive global alliance with an effective intrinsic mechanism, but not as a new “bureaucratic console.” Vladimir Putin’s theoretical foundation for the project of the Eurasian Economic Union is related to the concept of a multipolar world order (which became an official foreign policy doctrine), where the Eurasian Union is conceived as a global polar and an effective link between Europe and the Asia-Pacific region. In fact, the target is to turn the Eurasian Union into one of the leading players in the global integrational processes, gradually shaping it as a global region. One can speak about a conceptual project, which is guided by the following principles: “globality,” unity in diversity as a basis for intercivilizational dialogue across the Eurasian continent, active cooperation with EAU neighbors as a tool in the modernization of the grand neo-Eurasian space (“Eurasian neighborhood”), “split-velocity and split-level integration” as an instrument in multichannel interaction among the participants of neo-Eurasian integration (“open regionalism”).¹⁶ In his turn, Belarus President Aleksandr Lukashenko declared in one of the programme speeches that he considered the project of the Eurasian Union as a linchpin between the EU and Asian economies.¹⁷ Nowadays Russia and its partners across Eurasian integration are virtually wedged between two powerful centers: on the one hand, a new economic and military-political giant – China, whose demand on resources is soaring

¹⁴ Andrei Sakharov, “Proekt Konstitutsii Soiuza Sovetskikh Respublik Evropy i Azii [Project of Constitution of the Soviet Union of Europe and Asia Republics].” Accessed on March 15, 2013: http://www.yabloko.ru/Themes/History/sakharov_const.html

¹⁵ Nazarbaev, “Evraziiskii Soiuz.”

¹⁶ Vladimir Putin, “Evraziiskii Soyuz – Eto Otkritiy Proekt [Eurasian Union is an Open Project].” Accessed on November 10, 2013: <http://www.kpe.ru/sobytiya-i-mneniya/ocenka-tendencii-s-pozicii-kob/2728-putin-es-eto-otkritiy-proekt>; Putin, “Novyi Integratsionnyi Proekt.”

¹⁷ Aleksandr Lukashenko, “Evraziiskii Soiuz Sozdaetsia dlia Integratsii ES i Aziatskikh Ekonomik [Eurasian Union is Created for Integration between the EU and Eurasian Economies].” Accessed February 2013: <http://vz.ru/news/2012/7/2/586530.html>

annually, and on the other hand, Europe – also a major player, notwithstanding the economic crisis. Evidently, without the creation of a unifying centre not a single European-Asian-Pacific model of cooperation with the “minor Eurasian core” (i.e., Belarus, Kazakhstan, Russia) would succeed. With the unification potential of these three countries, there is a chance of establishing a union which could survive in the global world. However, to become a ponderable power centre this core must engage allies and partners not only among countries of the post-Soviet space, but also, possibly, in Europe and Asia. Therefore, in viewpoint of the “founding fathers” of the EAU, the concept of global regionalization, multipolar world order and the geopolitical concept of the Heartland provide modern neo-Eurasian integration with a theoretical foundation.

As was mentioned above, the genesis of the EAU creation idea in the 1990s was preconditioned by the overall discontentment with integrational processes across the post-Soviet space. Meanwhile, the idea of the creation of an international regional structure in the post-Soviet space was firstly put forward just after the collapse of the USSR when a number of regional organizations and cooperating groups sprung up: the Commonwealth of Independent States (the CIS), the Eurasian Economic Community (EURASEC), the Collective Security Treaty Organization (CSTO), GUAM (Organization for Democracy and Economic Development), etc. Nonetheless, all attempts to achieve a solid structure have been unsuccessful: “Both the speed and level of integration within these structures vary greatly. None of these arrangements has reached levels of integration attained within the European Union (EU), which operates by way of both supranational and intergovernmental governance modes.”¹⁸ The final decades of the twentieth century and the outset of the twenty-first century were marked by centrifugal tendencies, which adversely affected the political and economic state of affairs in the former Soviet republics. The factors of disintegration that made all projects of post-Soviet integration ineffective are as follows:

1. absence of clear goals of integration;
2. enormous difference between integrational participants in levels and pace of growth;
3. lack of a pragmatic theoretical ground for post-Soviet integration;
4. political elites of ex-Soviet republics have demonstrated weak awareness of national interests;
5. dissent among various parts of an integrational entity across various levels and directions;
6. low degree of organization of integrational state structures, business, civil society.¹⁹

¹⁸ Steven Blockmans, Hrant Kostanyan and Ievgen Vorobiov, “Towards a Eurasian Economic Union: The Challenge of Integration and Unity,” *CEPS Special Report 75* (2012). Accessed on March 23, 2013: <http://www.ceps.eu/ceps/dld/7544/pdf>

¹⁹ “Ekspertnyi Opros ‘Vospriiatie Integratsionnykh Protsesov na Postsovetskom Prostranstve Ekspertami i Liderami Obshchestvennogo Mneniia.’ Nekommercheskii Fond ‘Nasledie Evrazii’ [Expert Survey ‘Perception of Post-Soviet Integration by Experts and Leaders of Public Opinion.’ Nongovernmental Fund ‘Eurasian Heritage’]” (2005). Accessed on February 4, 2013: www.fundeh.org/events/main/?page=2

That is why, during the second decade of the twenty-first century it is vital to take steps forward, so as not to forfeit actorness in global political and economic processes. “It is exactly geopolitical and geoeconomics entity that could give Eurasia back its full-fledged subjectivity and turn it into a fully legitimate economic and political player in the modern multipolar world.”²⁰ As a consequence of globalization there are some objective preconditions of integration in Eurasia:

1. economic and political effectiveness of integration in the world;
2. integration raises the level of competition for integrational participants in the world;
3. a common security space is necessary;
4. the political and economic mobilization of a population is essential as well.

In summary, without denying the significance of cultural and civilizational factors, modern Eurasianism suggests working out integration, first and foremost, on the basis of economic pragmatism. Compulsory derivation of profit for every participant as well as the use of unified potential for the benefit of all participants is stipulated. Today we are dealing with a drastically transformed Eurasian idea in interpretation by the leaders of member states, which have taken on board liberal-democratic ideas, without taking into account specific traits of post-Soviet societies. Nevertheless, the search for a genuine Eurasian model of global regionalization is ongoing.

Eurasian Union as a Global Region of the Twenty-first Century

Global regionalization is a response to the global economic crisis. Overcoming obstacles and restraints through a common market is one of the main ways of streamlining the economy under the current conditions. All over the world countries are relying on economic motivation on how to advance further – with the membership of an integrational unit or individually. Belarus, Kazakhstan and Russia made the decision to develop within the integrational entity. The underlying motive is an understanding that together the three countries would be able not only to reduce the negative aftermath of global instability, but also to enter foreign markets.

Other factors should be also considered. By the early second decade of twenty-first century they had provided conditions for setting up a full-fledged union of the Eurasian states:

- the existing stable political and social-economic environment in member-states;
- a “conceptual” crisis of the CIS, which never decided on its strategic mission, played its role in comprehension of a need for new approaches to integration;
- controversial experience of the EU that could gain political and economic success, but has not still made up its mind on the axiological basics of integration (discussions over identity and “destiny of multiculturalism”).

²⁰ Aleksandr Kuznetsov, “Evraziiskii Soiuz – Shag na puti k Mnogopoliarnomu Miru” [“Eurasian Union takes a Step towards a Multipolar World”]. Accessed on November 4, 2013: <http://geopolitica.ru/Articles/1385/>

Up to now, the EAU venture has been the most far-reaching post-Soviet geoeconomic and geopolitical project aimed at consolidation and further development of current social-economic, science-technological and cultural-educational potential in the states of modern Eurasia: “Creation of a Eurasian Economic Union (EAU) [...] between Russia, Belarus and Kazakhstan represents [...] the most ambitious regional integration project launched in the post-Soviet space since 1991.”²¹

At present, institutionalization of the Eurasian Union is moving ahead. Already settled upon is the deadline (2015) for the practical implementation of the new integrative alliance.

The first step taken toward the EAU formation was in 2010, when the Customs Union (CU) was established. This established a common customs territory and legislation. The Treaty on the Commission of the Customs Union (2007) established a supranational body composed of one member from Belarus, Kazakhstan and the Russian Federation at the level of deputy head of government.

The second step of the Eurasian integration process was the establishment of the Common Economic Space (CES) in January 2012. The aim is to provide effective functioning of the common market for goods, services, capital and labor. The CES also provides cooperation between parliaments, business communities and citizens of member states, including such spheres as culture, the formation of effective patterns of inter-regional and cross-border collaboration, and the development of cooperation in foreign policy.

The next step toward Eurasian integration is the creation of the Eurasian Economic Union. The CU and the CES are the bases of the future EAU. The capability of the impending Union is quite formidable. Belarus, Kazakhstan and Russia cover a territory of more than 20 million km² (15% of the terrestrial parts of the world) with an approximately 170-million strong population (2012). Apart from that, these countries are world leaders in extracting natural gas (22.1 billion m³) and oil (15 billion t.).²² That is why, even being comprised of three states the EAU has a chance of becoming a leading geoeconomic centre in the world.

The EAU was endorsed by leaders of the three countries at a summit in Minsk, in October 2013.²³ During this meeting perspectives and current challenges of Eurasian integration were discussed. Participants of the meeting were unanimous on the possible extension of Customs Union membership.

As far as the challenges facing the EAU are concerned, one of the keys, in the opinion of a series of pundits, has been the economic gap between member states, and as a consequence, the hazard of Russia’s hegemony. Undoubtedly, Russia’s stake in the Union (resources, territory, population, economy, industrial-military system, etc.) is still predominant over the aggregate potential of the future Union, but, from my viewpoint, this should not be regarded as a negative factor. As such,

²¹ Steven Blockmans et al., “Towards a Eurasian.”

²² “Evraziiskaia Ekonomicheskaia Integratsiia: Tsifry i fakty, 2012 [Eurasian Economic Integration: Figures and Facts, 2012].” Accessed on November 14, 2013: www.eurasiancommission.org/ru/Documents/broshuraEEC_26---1.pdf

²³ “Suverenitet ne Ikona” [“Sovereignty Is Not an Icon”]. Accessed on November 14, 2013: <http://www.gazeta.ru/business/2013/10/24/5722545.shtml>

if to compare the EU, NAFTA and MERCOSUR, each of these unions has a powerful leader (Germany, the USA and Brazil, respectively), which in many indices is far ahead of its partners. Yet, that does not impede success in integrational development of the above-mentioned regions. Moreover, abstracting from purely economic calculations, one can assert that a leading state cannot hold out in isolation, it needs a complicatedly structured system of relations with partners in political, ideological and cultural terms. Even China, which always carried out an isolationist policy, embarked on a rapprochement with the ASEAN, having thus established the largest free trade area in the world. So, it is a direct consequence of a new world political paradigm, where cooperation and leadership are coming to the forefront, instead of rivalry and hegemony. More importantly, “according to theories of regionalism integration is more likely to take place with a leading country aspiring to integration [...] such a model may be applied as by a single country, as well as by a group of states, which will constitute a core of integration in this region.”²⁴ Nevertheless, in case of the Eurasian integrational space everything is not so unequivocal – here not only Russia, but also Kazakhstan can be a leading country.

Despite Russia’s obvious leadership in numerous areas in comparison with Kazakhstan and Belarus, for modern Russia the role of a donor to its neighbors is no longer acceptable. Democratic principles and pragmatic decisions underlie the Russian sub-regional strategy within neo-Eurasia integration.²⁵ As far as Kazakhstan is concerned, its leaders cannot afford a return to former Soviet models of peripheral submission to the centre. President Nursultan Nazarbaev especially emphasizes that the Eurasian Union will not feature a “restoration” or “reincarnation” of the USSR. At the same time, underdevelopment of the economy and its dependence on mineral resources, as well as security issues in Central Asia are making Kazakhstan’s government actively promote the Eurasian Union, which would give its member-states an opportunity to “protect themselves from foreign economic, military, political, informational, technological, ecological and other jeopardies.”²⁶ It is essential to highlight that for Kazakhstan, at the same time as entering the Eurasian Union, it is crucial to maintain a strategic partnership with China.

As far as China is concerned, its role in the neo-Eurasian integration is still controversial. On the one hand, on China’s part (particularly the view from expert communities), there is some interest in participation in the Eurasian Union. So, for instance, Lifan Li of the Shanghai Academy of Social Sciences, deputy of the Executive Director of the Centre for Research at the Shanghai Organization for Cooperation (SOC) believes that “Russia’s President Vladimir Putin may consider inviting China as an observer into the Customs Union, United Economic space or even the Eurasian Union. These

²⁴ Ikbolshon Korabev, “Ot Regionalnoi Integratsii Tsentralnoi Azii k Evraziiskomu Integratsionnomu Prostranstvu? Meniaushaiasia Dinamika Postsovetskogo Regionalizma [From Regional Integration of Central Asia to Eurasian Integration Space? The Changing Dynamic of Post-Soviet Regionalism],” *Evraziiskaia Ekonomicheskaiia Integratsiia* 3:8 (2010): 23.

²⁵ Dmitrii Trenin, *Post-Imperium: Evraziiskaia Istoriia* [Post-Imperium: Eurasian History], (Moscow: Moskovskiy centr Karnegy, ROSSPEN, 2012).

²⁶ Sergei Biriukov, “Evraziiskii Soiuz kak Novyi Integratsionnyi Proekt: Vklad i Znachenie Kazakhstana [Eurasian Union as a New Integrational Project: The Contribution and Significance of Kazakhstan].” Accessed on November 10, 2013: <http://evrazia.org/article/1990>

integrational structures appear to be more oriented at furthering cooperation with China and may play a principally important role in economic relationships across various segments of Eurasia.”²⁷ On the other hand, in China, there has also been public criticism of this project. For instance, Lifan Li supposes that “Russia is striving to retain its allurements as a leader of the former Soviet republics. [...] Looking into developing of the Customs Union, it should be noted that the Union may miss the target. Nevertheless, the forthcoming tenure of Vladimir Putin will be highly likely to lead to a new period of evolution for the post-Soviet space. This period has already been given a concise name: ‘The Soviet Union - version 2.0.’”²⁸ Actually, however, the situation looks a bit different. From an economic angle Russia is not a major economic partner of Kazakhstan, but comes in second after China. The following figures evidence participation of Russian business in Kazakhstan’s oil and gas industry: Russian companies extract around 8% of the total volume of oil in Kazakhstan and 15% of the same gas extraction index, whereas Chinese ones reach up to 24%. Yang Shu, Director of the Central Asia Institute at the Lanzhou University, highlights a troubling factor in China’s relations with the EAU. In his opinion, Russia prefers the Eurasian Union to the Shanghai Cooperation Organization, which is regarded by China as the most preferable structure for interaction with Central Asian states. This causes tension and lowers the intensity in bilateral Russian-Chinese relations. Russia, thereby, is conducting an active containment policy of China within Central Asia.²⁹ In this environment, China’s membership in the EAU will happen in the distant future at best. Firstly, integration with China is already moving along full steam ahead within the SCO, and, secondly, an unofficial format of regional cooperation may be counted as a successful model of China’s participation in neo-Eurasian integration following the ASEAN+3 format. Such formats are regulatory methods in the field of regional integrational groups development.

Kyrgyzstan and Tajikistan were the first to indicate their willingness to associate with the Customs Union and later the EAU. In particular, the heads of these countries were invited to the CU Summit in Minsk in October 2013. However, entrance of these countries into a future Union seems to be quite challenging on account of the backwardness of their national economies. Nowadays, granting these countries observer status is viewed as an option.³⁰ The third country to declare its interest in the EAU was Armenia. In the autumn of 2013, Armenia President, Serzh Sargsyan, put forward an initiative to enter the Customs Union. According to the Eurasian Bank for Development, (EABD), 67% of Armenians favour their country’s entrance into the CU, while only 5% oppose it.³¹

²⁷ Lifan Li, “Vladimiru Putinu nado podumat nad priglasheniem Kitaia v Evraziiskii soiuz” [Vladimir Putin should think about inviting China into the Eurasian Union],” Accessed on November 3, 2013: <http://pda.regnum.ru/news/russia/1550460.html>

²⁸ Ibid.

²⁹ “Kitaiskii Ekspert: Rossiia Tormozit Razvitie SHOS Radi Evraziiskogo Soiuz [Chinese Expert: Russia Slows the Development of the SCO for the Eurasian Union].” Accessed on November 3, 2013: <http://www.rosbalt.ru/exussr/2012/06/14/992530.html>

³⁰ “Nazarbaev Predlagaet Raspustit EvrAzES i Raschirit Tamojennii Soyuz [Nazarbaev Proposes to Disband the EurAsEC and Enlarge the Customs Union].” Accessed on November 9, 2013: <http://ria.ru/economy/20131024/972390055.html>

³¹ “Armenii Ekonomicheski Vygodno Prisoedinenie k Tamozhennimu Soyuzu [It is Profitable for Armenia to

Accession of Yerevan to the CU will add momentum to new investments and allow the country to modernize its economy.

A number of experts, while evaluating perspectives of contemporary Eurasian integration, have attributed a key role and significance to Ukraine's participation. So, for instance, Aleksandr Dugin suggests that the success of the EAU would be possible with Kazakhstan's and Ukraine's firm endorsement. "The Moscow-Astana-Kiev triangle is a configuration that would provide the entire edifice with stability. Several EU countries may play a positive role in this process, which on global strategic grounds are interested in harmonization of the processes in Eastern Europe. Moscow's rapprochement with Kiev should be regarded not as a gesture against Europe, but rather as a manifestation of pro-European policy by both Slavic countries."³² As for Ukraine, it has been oriented toward integration with the EU. The situation was exacerbated during the eve of the summit "Eastern partnership" in Vilnius (in November 2013), where Ukraine's government was set to sign the Association Agreement with the EU. In this regard opinions by leaders of the modern Eurasian integration have divided: in Aleksandr Lukashenko's judgment, this fact should not hold Ukraine back from entering the CU, whereas Vladimir Putin and Russia's government is negatively assessing Ukraine's intentions to integrate with Europe. Russia fears that after signing the treaty Ukraine will experience an influx of knockoff goods from the EU that would deal a blow to Ukrainian manufacturers. Russia's stance is quite categorical. In the words of Russia's Prime Minister Dmitrii Medvedev: "Should Ukraine integrate with the EU, protection mechanisms elaboration within the CIS free trade would be enacted. Kiev's chances of entering the CU would be reduced to zero. [...] The agreement using a 'CU+Ukraine' formula does not satisfy Russia, which needs a full-fledged economic union, rather than an amorphous entity."³³ From the viewpoint of the representative of the Kiev National Trade-Economic University: "Without Eurasia's resources and full participation in differentiation of labor with the EurAsEC countries, Ukraine will remain a retrogressive raw-material appendage of the West, where the main goal of the new generation would be to seek the best stake outside the country."³⁴ Therefore, Ukraine, which is at the crossroads between two Unions, may well lose whatever variant it opts for. It would be more rational to "leave the Ukrainian people alone" for the time being, so as to stabilize the country and for them to keep on playing the role of a bridge between Russia and Europe.

Under global regionalization of the Eurasian region it would be shortsighted to restrict membership of the would-be Eurasian region to former Soviet republics. The concept of global regionalization, with an underlying thesis of creation and unification of common "spaces," rather than

join the Custom Union]." Accessed on November 7, 2013: http://www.eabr.org/r/press_center/publish_about_bank/index.php?id_4=31991&from_4=9

³²Aleksandr Dugin, "Sem Smislov Evraziistva [Seven Meanings of Eurasianism]." Accessed on November 5, 2013: <http://evrazia.org/modules.php?name=News&file=article&sid=1904>

³³"Nazarbaev Predlagaet Raspustit EvrAzES i Rasshirit Tamozhennyi Soiuz [Nazarbaev Proposes to Disband the EurAsEC and Enlarge the Custom Union]." Accessed on November 9, 2013: <http://ria.ru/economy/20131024/972390055.html>

³⁴"Ukraina i Postsovetskaia Integratsiia [Ukraine and Post-Soviet Integration]." Accessed on November 10, 2013: <http://fondres.ru/index.php/analitika/200-ukraina-i-postsovetskaya-integratsiya>

“territories,” allows integrating countries within the global region, which do not share borders but share common problems and interests. This would enable the EAU to take on countries outside the post-Soviet space. As such, during the summit in Minsk in 2013 Nursultan Nazarbaev suggested discussing the accession of Turkey and even Syria into the EAU: “I am frequently asked in the West: are you restoring the Soviet Union under the guise of the Customs Union? So as to put an end to such talks, let’s invite Turkey: it is a large country and no thorny questions anymore.”³⁵ After that Vladimir Putin mentioned that the prime minister of India, during his visit to Moscow in October 2013, addressed Russia’s leader with the suggestion to explore the opportunity of signing a free trade treaty with the CU. Thus, while extending space of the Eurasian integration on account of such countries as India and Turkey, the project of the Eurasian Union is gaining more “globality” and will put an end to statements regarding the supposed imperial ambitions of Russia within the project and a desire by the leaders of Belarus, Kazakhstan and Russian to restore the USSR.

The recent statement by South Korea President Park Geun-hye regarding the implementation of the Great Silk Road idea within a new environment also proves the rising allurements of the EAU to many countries within Eurasia. What is meant here is that integration of automobile and railway transport networks by South Korea, the Democratic People’s Republic of Korea, and China via Russia and Central Asian states ending up in Europe. Park Guen-hye declared that: “Creation of a new Eurasia is not just a dream. It is a goal that can be achieved. New Eurasia will provide an influx of investment and employment. It is necessary to newly turn Eurasia into an effectively united continent, having opened up a new era.”³⁶ Unification of these countries’ energy networks is also possible in the long run, according to the opinion of the South Korea’s President.

That is why, at present, merely the first steps are being taken on the way towards the creation of a core of the Eurasian region. The EAU project implies a qualitatively new integration, a transition from the post-Soviet epoch of integration to a Eurasian one, which aspires to turn itself from fluent declarations into a clear and appealing long-term project, not only to the former USSR republics, but also to countries outside the post-Soviet geopolitical field. The active participation of civil society and the business community of Eurasia is vital and indispensable. New trends in modern world development (i.e., globalization, transnationalization, informatization, etc.) have created new spatio-temporal contours in international relations.

As mentioned above, none of the present integrational structures in the post-Soviet/Eurasian space have reached levels of integration with supranational and intergovernmental governance modes. The aim of the EAU is the creation of an economic *supranational institute* or the structure of a new generation that will be in alignment with global regionalization. Consequently, analysis of a future structure of the EAU should not be confined to the analysis of interstate relations. Let’s underline the main constituents of the global region concept with reference to a future Eurasian Union:

³⁵ “Suverenitet ne Ikona.”

³⁶ Yurii Baranchik, “Evraziiskii Ekonomicheskii Soiuz i ego Mezhdunarodnoe Znachenie [Eurasian Economic Union and its International Dimension].” Accessed on November 8, 2013: <http://www.fondsk.ru/news/2013/10/24/evrazijskij-ekonomicheskij-souz-i-ego-mezhdunarodnoe-znachenie-23592.html>

1. *A supranational governing body* of the Eurasian Economic Space was set up – the Eurasian Economic Commission, which started work in February 2013. The commission is modeled on the European Commission, and will be headed by the Council, composed of three vice premiers from the governments of Belarus, Kazakhstan and Russia, and each member will be assisted by three more representatives who will carry out the operational management and oversee the everyday work of the Commission. According to the project a system of supranational institutions will be created:
 - Council comprising of the heads of republics and heads of governments;
 - Parliament;
 - Council of Ministers of Foreign Affairs;
 - Interstate Executive Committee;
 - Informational Office of Executive Committee;
 - Council on education, culture and science.

2. The EAU will be based on the post-Soviet integrational experience but with *transnational projects*. The Eurasian integration is going mainly from “the top” – from governments and their leaders; but it is possible to consider the integrational initiatives from the business community. Economic interest is a driving factor of this integration. It is obvious that interaction in the business communities is one of the most important conditions for the successful cooperation between Eurasian states in the twenty-first century. The post-Soviet integrational experience has shown that addressing issues in separate areas of international interaction in this region by only states and government structures is not always effective. So, participation of business structures is vital for successful Eurasian integration. Unfortunately, nowadays the strategy of “business-to-business” interaction between small and medium-sized businesses has not been realized, but effective business cooperation is on the level of big state corporations. Russian businesses are more active in the Eurasian markets.

Reflecting on the future of the EAU, one cannot but remember the recent past and processes of disintegration that engulfed the entire post-Soviet/Eurasian region. One of the chief implications from this historical period consists in the fact that the totalitarian nature of previous unions had an absence of civil society and independent business structures. These previous attempts failed at moving towards an enhanced evolutionary environment of integration (unlike Western European integrational forms). That is why, in modernity it seems ultimately ineffective to turn to merely government bodies when setting up Eurasian integration without taking into account civil society and business structures. It is precisely non-state actors that can create (and are already elaborating) a firm integrational milieu of regional Eurasian interdependence, which, on the one hand, is being built-up on account of the intertwining of indissoluble interests (e.g., economic, cultural, etc.), taking root in a

historical neighborhood, and on the other is the specificities of modern social development (e.g., informational transparency, human mobility, market factors).

Conclusion

Summing up the EAU project in the context of global regionalization, the following conclusions can be made: Firstly, the EAU project represents a response in post-Soviet space to the “challenge” of globalization and the EAU is assuming traits of a “global region.”

Secondly, the conceptual ground for the EAU from the perspective of new global thinking relies upon three theoretical pillars: the concept of global regionalization, a multipolar world and the geopolitical concept of the Heartland.

Thirdly, intergovernmental cooperation within the EAU must not necessarily encompass all post-Soviet/Eurasian countries; rather, it should rest upon a multitude of intersecting integrational projects with the participation of governments and subnational and supranational institutions. It is crucial to take into account the risks of a recurrent pattern of setbacks as made by the EU - in particular the rapid expansion of membership.

Fourthly, the EAU is destined to become a key pole in a multipolar system of global regions. The global perspective of the EAU lies with the evolution of a well-functioning economic and political body able to foster an effective dialogue between Europe and the Asia-Pacific region.

Fifthly, Eurasian integration is currently advancing mainly “from top to bottom,” and is initiated by leaders of Belarus, Kazakhstan and Russia. However, the motivation for this integration can also be observed “from the bottom.” The recent economic crisis appears to be the driving force of current Eurasian integration. The business-community tier is one of the principal ones within the system of integrational processes and integration, and is the main determinant of the success of this integration project across the whole region.

It has been argued in this paper that in the context of the transformation of international relations – from state-centrism to a global multi-tiered system (of states, non-state actors, “states-regions” or “macro-regions”) – the formation of the EAU has the potential to be an important new actor.