

## The Eurasian Economic Union: A Brittle Road Block on China's "One Belt – One Road" - A Liberal Perspective

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**Abstract:** In this article, I explore the development and character of the Eurasian Economic Union (EEU) and its compatibility with China's OBOR initiative. The genesis of the EEU is placed in the context of Russia's attempts to fill its "Monroe Doctrine" with substance, i.e. to claim the post-Soviet space as a zone of exclusive Russian influence. Russia's "Monroe Doctrine" was primarily formulated against the EU, its enlargement and its "European Neighbourhood Policy" (ENP) which offers privileged relations also to countries in the post-Soviet space. The logic of the Russian "Monroe Doctrine" works, however, against all countries trying to establish closer ties with former Soviet republics, China included.

In 2013, President Putin presented the EEU as a predominantly political project, shortly after the Chinese President had launched the OBOR initiative; all twelve states in the post-Soviet space were invited to participate. However, Georgia, Moldova and Ukraine opted for an association agreement with the EU, a move to which Russia responded by the annexation of Crimea and starting an insurgency in Eastern Ukraine. In 2015, the EEU officially started with the participation of only five countries: Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia. It implied the extension of the rather high Russian tariffs to the whole EEU, a move which had negative effects on Chinese transactions with the region. This, however, could not impede a rise of the Chinese presence in Central Asia. In its present form, the EEU is not compatible with the OBOR initiative. A free-trade agreement between China and the EEU could make it compatible, but this is not a realistic perspective for the near future.

The EEU seems to be an unstable construction, with many basic rules and norms being unclear, and many tensions and conflicts among its members.

**Keywords:** China, European-Atlantic Security Community, Eurasian Economic Union, "One Belt One Road" Initiative, Russia's "Monroe Doctrine".

### Introduction: Some Problems in the Context of the One Belt - One Road Initiative

At the Nazarbayev University in Astana, Kazakhstan, on 7 September 2013, the Chinese President Xi Jinping presented the "Silk Road Economic Belt" project (Swaine, 2015: 2). The location chosen for his speech seemed logical, given that some branches of this new silk road have to go through Kazakhstan, just as the historical silk road had done; this was therefore one of the first countries whose cooperation China wanted to ensure. In Moscow, however, Xi Jinping's speech might have created some uneasiness because the Russian leadership had ideas of their own concerning this region.

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In front of the Indonesian parliament in October 2013, Xi Jinping announced a complementary project to establish a “New Maritime Silk Road.” Since then, the two concepts have usually been dealt with together as the “One Belt, One Road” initiative. The exact meaning of this initiative has often been somewhat unclear, and various observers have proposed diverging interpretations. According to a paper issued jointly by the Chinese Ministry of Foreign Affairs and the Ministry of Commerce in March 2015 (“Vision and Actions on Jointly Building Silk Economic Belt and 21<sup>st</sup> Century Maritime Silk Road”),

The Belt and Road run through the continents of Asia, Europe and Africa connecting the vibrant East Asian economic circle at one end and the developed European economic circle at the other, and encompassing countries with huge potential for economic development. The Silk Road Economic Belt focuses on bringing together China, Central Asia, Russia and Europe (the Baltic); linking China with the Persian Gulf and the Mediterranean Sea through Central Asia and West Asia, and connecting China with Southeast Asia, South Asia and the Indian Ocean. The 21<sup>st</sup>- Century Maritime Silk Road is designed to go from China’s coast to Europe through the South China Sea and the Indian Ocean in one road, and from China’s coast through the South China Sea to the South Pacific in the other.

It is thus apparent that this initiative aims at more than just better transport connections. It is about bringing regions together, some of them very distant from each other, and “encompassing” everything in between. The paper actually sketches quite an ambitious vision (Swaine, 2015: 4):

The initiative to jointly build the Belt and Road, embracing the trends towards a multipolar world, economic globalization, cultural diversity and greater IT application, is designed to uphold the global free trade regime and the open world economy in the spirit of open regional cooperation. It is aimed at promoting orderly and free flow of economic factors, highly efficient allocation of resources and deep integration of markets; encouraging the countries along the Belt and Road to achieve policy coordination and carry out broader and more in-depth regional cooperation of higher standards; and jointly creating an open, inclusive and balanced regional economic cooperation architecture that benefits all.

The text mentions the promotion of connectivity, partnerships and networks among the countries. This will help align and coordinate development strategies, promote investment, consumption and job opportunities, enhance people-to-people and cultural exchanges, and encourage mutual learning, trust, understanding and respect (Ibid.: 5). All this could actually

be taken from an EU strategy paper and sounds rather similar to Article 3, 5 of the Treaty on the European Union.

In an obvious attempt to calm down concerns among some of China's neighbors, Xi Jinping declared in March 2015 (Ibid.: 6): "To develop the Belt and Road is not to replace existing mechanisms or initiatives for regional cooperation. Much to the contrary, we will build on the existing basis to help countries align their development strategies and form complementarity."

This statement provokes a question: How does the Chinese leadership envisage coping with existing mechanisms of regional cooperation if these were designed precisely to impede "the orderly and free flow of economic factors, connectivity, partnerships and networks, people-to-people contacts and cultural exchanges?" Perhaps the Eurasian Economic Union is a case in point?

In this paper, I explore the reasons for the creation of the Eurasian Economic Union (EEU). This will require reflection on some basic traits of Russian policies after 1991, not least the development of a Russian "Monroe Doctrine". I also attempt to assess the basic characteristics of the EEU. Furthermore, I ask whether the EEU is compatible with China's "One-Belt-One Road" Initiative and conclude that it is not.

Researchers analyzing politics in the post-Soviet space have adopted a variety of approaches. In the context of the Ukraine crisis, which is intertwined with the development of the EEU, Chicago scholar John J. Mearsheimer has authored a pointed contribution along the lines of the so-called Realist School (*Why the Ukraine Crisis Is the West's Fault*). Likewise, Roger E. Kanet argues mainly in "realist" terms, but he also integrates social-constructivist aspects (Kanet, 2015). The demise of the Soviet Union gave rise to a renewed interest in geopolitical studies. "Classical" geopolitics assigns an important role to geographical and spatial factors; in contrast, recent "critical" geopolitical studies focus on the use of geography in political discourses. A recent example dealing with Russia was provided by Astrov and Morozova. Meanwhile, Mette Skak works with the concept of "strategic culture" (Skak, 2011).

I fully accept that various perspectives are possible, but this does not mean that all of them are equally useful in a given context. As will become apparent, I find approaches particularly helpful that can be categorized as "liberal" and which, for instance, highlight the importance of internal developments. Joseph Nye's concept of "soft power" is also very useful. Its very unequal distribution goes a long way to explain different types of policies in the post-Soviet space. I will follow a chronological approach discussing various theoretical problems as they arise.

### **The European-Atlantic Security Community and Its Extension**

The genesis of the Eurasian Economic Union can only be understood in the context of the “expansionism” of the European Union after 1989. We therefore begin by assessing this “expansionism” – the inverted commas indicating that recent European expansionism is different from expansionism before 1914.

For adherents of the “Realist School”, post-1945 international relations in Western Europe and across the Atlantic may be somewhat puzzling. Great power rivalries, in which countries such as France, Germany, Italy, Spain or the United Kingdom had engaged for centuries, have seemingly disappeared. Conflicts no longer come anywhere near to armed hostilities. When it clashed with the UK over fishery rights, for instance, tiny Iceland remained unimpressed by the mighty British navy. As Andreas Hasenclever puts it: “A stable security community has become established in Western Europe and in transatlantic relations in which the use of military force, even far below the level of war, has become almost unthinkable” (Hasenclever, 2014: 136). Liberal scholars have attributed this stability to a high degree of interdependence and a high density of common institutions, particularly within the European Union. Some scholars have pointed to the common political systems. According to the democratic peace theory, democracies do not go to war against each other.

“Realists” have remained skeptical and see the Atlantic security community more as an alliance; under conditions of bipolarity and the Cold War, these countries simply kept the lid on their conflicts. Consequently, the realists predicted a return to power rivalry when the Cold War ended. In Robert Kagan’s words, “the 21st century will look like the 19th”. Andrew Moravcsik commented: “Few short-term predictions in social science are as clear as these, and few have been so unambiguously disconfirmed. Since 1989 Europe, the EU, and transatlantic relations have enjoyed two decades of extraordinary amity, cooperation, and policy success” (Moravcsik, 2010: 155). For this part of the world, the theory of “realism” has become obsolete.

However, the situation in the neighboring regions has remained unstable and dangerous. This pertains to the Arab world, but also to Eastern Europe, where the Soviet Union had imposed repressive regimes and, on various occasions (1953, 1956, 1968), intervened militarily. In 1989, however, all the dictatorships in the Soviet Orbit collapsed, and the Soviet Union began gliding towards dissolution.

In countries such as Poland or Hungary, which made a transition to a Western type of democracy relatively quickly, politicians soon advocated adhesion to the European Union. However, reactions in most EU capitals were decidedly unenthusiastic. In November 1989,

French President François Mitterrand declared that the EU had enough internal problems without burdening itself with “premature adhesions”. In the summer of 1991, he spoke of *dizaines et dizaines d’années* before any Eastern EU enlargement could be a reality. The German chancellor Helmut Kohl expressed himself in similar terms (Zank, 2005: 5-9).

By 1991, most of Eastern Europe looked alarmingly unstable. In August, the abortive coup against President Gorbachov ushered in the final demise of the Soviet Union, while Poland seemed to be paralyzed by competing forms of populism and Czechoslovakia was heading for divorce. The outbreak of the Yugoslav civil wars illustrated how terrible matters could become. All this created new security threats (in a wide sense) for Western Europe because civil wars and failed states can generate uncontrolled migration flows with drug and arms trafficking in their wake. Among EU politicians, the insight dawned that a firm prospect of EU membership was needed in order to stabilize these countries. The EU Commission had shown that Eastern enlargement was manageable, provided that the new members accepted the whole *acquis communautaire* - the bulk of existing EU legislation. At the summit in Copenhagen in June 1993, EU leaders opened a membership perspective for the first four Eastern European countries. Before accession, however, they had to become stable democracies with rights for minorities, working administrative structures, and economies which could stand the competition in the EU internal market.

In 1997, membership negotiations with the first group of countries began. The EU Commission monitored progress towards fulfilment of the conditions, and it administered targeted assistance. This construction gave the EU unprecedented leverage to influence the internal affairs of these countries because the EU had such a strong power of attraction. Finally, in 2007 the project was accomplished. The security community of Western Europe and the Atlantic was extended eastwards.

The eastern enlargement of the EU was not a pre-designed project of geographic expansion. Rather, it was a reaction to dangerous developments: building up new common institutions could dispel dangers and open new possibilities. EU policies thus followed the route sketched by Robert Keohane and Joseph Nye. In *Power and Interdependence*, published in 1979, they had distinguished three types of international leadership needed to reduce vulnerability: hegemony, unilateralism and multilateralism. In their view, multilateralism constitutes the best way to respond to the problems of interdependence; it is “based on action to induce other states to help stabilize an international regime” (as quoted in Spindler, 2014: 63).

### **The Rise of the Russian “Monroe Doctrine”**

In the 1990s, many Western politicians hoped that it would be possible to integrate Russia into these new structures. EU membership was not on the agenda, but Russia and the EU signed a Partnership and Cooperation Agreement which came into effect in December 1997. It was supposed to be supplemented by the so-called Four Common Spaces (Economic Space, Space of Freedom Security and Justice, Space of External Security, Space of Research and Education). In short, the aim was very broad institutionalized cooperation (DeBardeleben, 2011: 246). However, hopes of integrating Russia into an enlarged security community remained unrealized, for several reasons. One was Russia’s disorderly transition to a market economy. In 1991, President Yeltsin talked of “shock “therapy”, but then proceeded in a non-systematic way. Meanwhile, a blend of “populism, crude Marxism and vested interests” (Åslund, 1995: 74) that opposed reform successfully blocked or at least retarded necessary steps. From a social point of view, the harshest problem was perhaps hyperinflation, which resulted in the large-scale exploitation of people who depended on money income, for instance pensioners. At the same time, it allowed well-connected persons to take up loans, buy companies and then let the debt be “inflated away”. All this was understandably seen as deeply unjust.

During the same period, Russia lost its great-power status. Instead, the West in general and the EU in particular “expanded” eastwards and even “intruded” into former Soviet territory by accepting the Baltic countries as members. To counter this, Russian politicians soon reclaimed the space of the former Soviet Union or at least of the *Commonwealth of Independent States* (to which the Baltic countries did not belong) as a sphere of exclusive Russian influence. In 1994, Andranik Migranian, a member of Yeltsin’s Presidential Council, formulated a “key idea” to inspire all leading politicians: “It is about the former Soviet Union’s geopolitical space as Russia’s vital space of interest. In order not to leave anyone in doubt, I drew a parallel to the ‘Monroe Doctrine’” (as quoted in Skak, 2011: 144). Elaine Holoboff summarized this way of thinking as follows (Ibid.):

Russia maintains that it now has a right to intervene militarily in regions of conflict in the FSU (Former Soviet Union), especially when its interests are threatened. Correspondingly, countries to the south such as Iran or Turkey are unwelcome on the territories of the FSU, as is any type of NATO involvement which would seek to draw the newly independent states into Western Europe’s sphere of influence.

The text fails to mention China, but according to the logic of the argument, it would be no more welcome than Iran or Turkey.

The discourses related to a Russian “Monroe Doctrine” involved more than just words. In 1992, Russia undertook a military intervention in South Ossetia and in Transnistria in Moldova. In December 1992, Russia intervened in favor of separatists in Abkhazia, Georgia, and then supported the regime in Tajikistan. The interventions were justified as peace keeping, but the troops stayed on after the conflict, regardless of the responses of the countries in question.

Following Mette Skak, I find the concept of strategic culture very useful. As she defined it (Ibid.: 140):

States, or rather their decision makers, are seen as being shaped in their outlook by factors such as geography, actual historical experience ... and the particular ideological socialization of a given group of foreign and security policy decision makers. In all these respects the revolutionary Marxist Soviet superpower clearly different from its US counterpart.

In contrast to the situation in countries such as Poland or the Baltic States, the composition of the elites in Russia and other CIS-countries was only affected to a limited extent by the fall of communism, and they preserved much of their previous outlooks. To these belonged the “dialectics” of recognizing non-Russian republics as independent and yet treating them as provinces, or the habit of seeing themselves as innocent victims of Western imperialism. Moreover, Russia’s recourse to armed intervention can best be seen as a continuation of Soviet practices, only briefly interrupted by negative experiences in Afghanistan. Andrew Bennett titled his book on the subject: “*Condemned to Repetition? The Rise, Fall and Reprise of Soviet-Russian Military Intervention, 1973-1996*”. In my view, the strong inclination to use force is also due to a structural factor: The Soviet Union and Russia did not have any power of attraction or “soft power”. Soviet/Russian leaders have tried to compensate for this profound weakness by using force.

### **The Failure of the CIS and Russia’s Authoritarian Turn**

On 8 December 1991, the leaders of Belarus, Russia and Ukraine declared the Soviet Union dissolved and proclaimed the foundation of a Commonwealth of Independent States (CIS). The three participating countries committed each other to cooperation in fields such as politics or culture, to the coordination of foreign policy and to the development of a common economic space (Molchanov, 2015: 26). A week later, the leaders of the five Central Asian republics declared their readiness to become “co-founders” of the CIS. In Alma-Ata (now Almaty) the new organization was formally established on 21 December, and Armenia, Azerbaijan and

Moldova also participated. For a while after Georgia acceded in 1994, the CIS comprised all former Soviet Republics except for the three Baltic states.

Decision-making continued on intergovernmental lines. The highest organs were councils of heads of states and governments, but the states reserved the right to opt out of any agreement and there were no enforcement powers. The Executive Secretariat had no autonomous competences, and the Economic Court could only pass advisory judgements (Aris & Webber, 2015: 137). By 2009, on average only 55 percent of the agreements were implemented, with a low of 7 percent in Turkmenistan and 14 percent in Georgia (Molchanov, 2015: 26).

In spite of the CIS, economic relations showed centrifugal trends. Thus, the share of the countries *outside* the CIS in the imports of large CIS countries developed as follows:

**Table 1: The share (in percent) of countries *outside* the CIS in the imports of the major CIS members**

	1995	2013
Belarus	34	41
Kazakhstan	30	54
Russia	71	88
Ukraine	35	64

Source: Statistical Committee of the CIS, as quoted by Molchanov (2015: 28).

All the countries in Table 1 received an increasing share of their imports from countries outside the CIS. This trend was particularly noticeable for Ukraine. Only in the case of Belarus was the trend relatively modest, due to its continued close economic cooperation with Russia. A corresponding table of the structures of exports shows a similar picture (Ibid.: 29). Moreover, other efforts at institutionalizing closer cooperation in the post-Soviet space, such as the Collective Security Treaty Organization (CSTO), were not very effective.

Stephen Aris and Mark Webber observed a contradiction involving “An awareness of the importance of functional coordination, but a marked reluctance among its members to invest the organization with the political mechanism for effecting it” (Aris & Webber, 2015: 135). They explained this in terms of adverse conditions such as insufficient administrative capabilities, or predominantly authoritarian regime types: “Interactions among non-democracies ... are unlikely to give rise to anything but temporary and opportunistic forms of cooperation” (Ibid.: 152). A strong additional factor has been mistrust towards Russia: “Whatever the challenges of independence, these leaders were reluctant to concede power to a large powerful neighbor that had contempt for their independence” (Brill Olcott, Åslund and Garnett, 1999: 16).



In the 1990s, the Russian leadership under Boris Yeltzin did not regard strengthening ties in the post-Soviet space as a priority. Matters began to change, however, in the new millennium after Vladimir Putin became president. On the one hand, Russia seemed to enter a lasting economic boom. However, Russia's boom was built on hydrocarbons (and minerals); these commodities accounted for about three quarters of its export sales. In contrast to China, Russia did not really manage to build competitive export industries, with the notable exception of weapons. The high hydrocarbon revenues helped to create the illusion that Russia "did not need" the outer world. More specifically, the many EU offers regarding common projects, cooperation and connectivity became uninteresting (Adomeit, 2012: 389).

Their different external economic regimes had a profound impact on China's and Russia's respective external relations: China became deeply integrated into the world economy and therefore dependent on its functioning. Observers, such as David Shambaugh, assessed China's diplomacy as remarkably "risk-averse", notwithstanding a "hypervigilant" stance on issues such as Taiwan, Tibet and maritime territorial claims (Shambaugh, 2013: 9). At the Davos World Economic Forum in 2017, President Xi Jinping spoke strongly in favor of an open global economic system, as do the documents mentioned earlier concerning the "One Belt – One Road" initiative. In contrast, Russia increasingly closed itself off from the surrounding world.

In the 2000s, the Russian leadership came to view EU offers with increasing mistrust. A key factor in this context was the EU's eastern enlargement, which included the three Baltic Republics and thus violated Russia's "Monroe Doctrine". Seen from the Kremlin, the situation did not improve when the EU launched its *European Neighbourhood Policy* (ENP) in 2004, offering its neighbors a "Stake in EU's Internal Market" involving rather close economic integration and proceeding to "deep integration" with approximation of norms, technical standards, common competition rules and the like.

Russian politicians began to criticize EU's "value imperialism" (Adomeit, 2012: 390), but from the point of view of the West, Russia has been moving away from Western values since 1999. For instance, the Parliamentary Assembly of the Council of Europe noted in 2004 and 2005 that there had been a "weakening of the rule of law and democracy"; the system of checks and balances that is indispensable for the functioning of democracy had become "seriously undermined". The legal process against Mikhail Khodorkovsky and other Yukos executives suggested that the "the interests of the state went beyond the mere pursuit of criminal justice" and included "weakening outspoken political opponents, intimidation, and regaining control of strategic economic assets" (Ibid.: 392). In 1991, Russia scored 3 on the dimensions of Political

Rights and Civil Liberty in Freedom House's rankings, giving it the status of "partially free". By 1998, both dimensions had deteriorated to 4, still "partially free". In 2005, however, Russia had become "non-free", scoring 6 on political rights and 5 on civil liberties. In 2015, Russia had also a score of 6 on civil liberties (Freedom House). Other comparative analyses (e.g. the Bertelsmann Transformation Index) showed a similar development.

This move away from Western democratic ideals was accompanied by a cultural shift which brought Russia on an atypical trajectory. According to the data of the *World Value Surveys*, the general worldwide trend from 1981 to 2007 was a move from "survival values" (emphasizing discipline, for example) to "self-expression values", which focus, among other things, on the right of people to be different; in parallel, there has been a move from "traditional" (e.g. religious) values to "secular rational" ones. According to Ronald Inglehart and Christian Welzel, this value shift has been conducive to democracy, but Russia went the other way. Traditional values became stronger, as did people's preferences for order and discipline (Inglehart & Welzel, 2009: 7f). This helps to explain the ease with which Putin could engineer the authoritarian turn that transformed Russia's political system.

Moscow rejected any idea of integration with the West. This was explicitly formulated in the Medium-Term Strategy for Russia-EU relations, which Prime Minister Putin communicated at the common Russia-EU summit in Helsinki in October 1999 (Adomeit, 2012: 391):

Russia, as a world power situated on two continents, should retain its freedom to determine and implement its domestic and foreign policies, its status and advantages of a Eurasian state and the largest country of the Commonwealth of Independent States (CIS), and likewise the independence of its position and activities in international organizations.

Russia intended "to use the positive experience of integration within the EU [only] with a view to consolidating and developing integration processes in the CIS" (Ibid.: 393).

The important point in our context, then, is that the example of the EU was supposed to inspire Russian-led integration in the post-Soviet space, but not integration between post-Soviet territory and areas outside (for instance, the EU). As the medium-term strategy underlined, "Russia will counteract any attempt at hampering economic integration in the CIS. In particular, it opposes 'special relations' of the EU with individual countries of the CIS to the detriment of Russian interests" (Ibid.). Putin pointed out in 2014 that "no vacuum" could exist in international relations (Ibid.). If "Russia were to abstain from an active policy in the CIS or even embark on an unwarranted pause, this would inevitably lead to nothing else but other,

more active states resolutely filling this particular space”. He did not explain who these “more active states” might be, but, with its borders with Russia and three Central Asian republics, China certainly had the potential to become a “vacuum filler”.

As seen from Moscow, strengthened ties between the post-Soviet republics and simultaneously block contacts with the outer world would entail another “advantage”: it would restrict the inflow of ideological contraband which might accompany economic or social transactions. Since Russia’s authoritarian turn, Western ideas about the rights of individuals, free speech and democratically responsible political power have been seen as decidedly unhelpful in Moscow and other post-Soviet capitals.

### **The Genesis of the Eurasian Economic Union**

By 2006, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan had formed the so-called Eurasian Economic Community (EurAsEC). Armenia, Moldova and Ukraine sent observers (Molchanov: 41). The countries had agreed to develop free trade among themselves with non-tariff regulations and common markets in fields such as energy, financial services and transportation; to create a customs union with a common external tariff; and to unite their foreign economic policies. However, it quickly became apparent that it was very difficult to achieve practical progress with the whole group. When they decided on the establishment of the EurAsEC customs union in August 2006, it was with the understanding that only Belarus, Kazakhstan and Russia would be its first members. Technical discussions in this group took some two years. In June 2009, however, Putin (again Prime Minister) announced that Belarus, Kazakhstan and Russia would join the World Trade Organization (WTO) together as a customs union. A common external tariff was established on 1 January 2010, and by July 2011, controls had been transferred to external borders and customs clearances among the members had been abolished for goods intended for domestic consumption. Belarus, Kazakhstan and Russia also established a single economic space, with a program of common governance structures to ensure the free flow of goods, services, capital and labor. However, much of it remained dead letter for the time being. The customs union and single economic space were to be integrated into one Eurasian Economic Union, officially to start in 2015. The basic decision-making rule was unanimity. Every post-Soviet republic was invited to join this new union. In 2014, Armenia accepted the “invitation”, so the Eurasian Economic Union started in January 2015 with four members: Armenia, Belarus, Kazakhstan, and Russia. Kyrgyzstan soon followed as the fifth.

In the formation of the new customs union, the Russian tariffs were taken as the basis for negotiations. These were rather high, however, compared with the tariffs of other CIS countries. Thus Russia's trade-weighted average, as agreed in the WTO, was 9.9 % in 2011. It was only 3.6 % for Armenia, 3.8% for Kyrgyzstan, 2.7% for Ukraine and 3.7 % for Moldova (Popescu, 2014: 12). Consequently, these countries had to introduce substantial tariff increases. The higher tariffs would not only affect imports from the European Union and China, but also from CIS countries outside the customs union. Consequently, the free-trade agreement among the CIS members signed in October 2011 was given up (Åslund, 2016: 37). Russian policies can be very erratic.

From an economic point of view, this was all the more problematic because China and the EU were the major trading partners for most CIS countries. More specifically, China was the most important partner for Kyrgyzstan, Tajikistan, and Turkmenistan in 2012, while it was the EU that played the same role for Kazakhstan, Armenia, Ukraine, Moldova, Georgia and Azerbaijan; in the case of Uzbekistan, it was the USA. Russia was the most important trade partner only for Belarus, with a share of 47%. Some basic data has been compiled in Table 2.

**Table 2: Trade structures of some CIS countries, in percent of foreign trade, 2012**

Country	Major trading partners except Russia	Russia
Belarus	EU – 29%; Ukraine - 8.5 %	Russia - 47%
Kazakhstan	EU – 32 %; China – 23%	Russia - 19%
Armenia	EU – 29%; China – 7.6%	Russia – 23%
Ukraine	EU 33%; China – 7%	Russia – 21%
Kyrgyzstan	China – 55%; Kazakhstan – 7%	Russia – 17%
Tajikistan	China – 36%, Turkey – 10%	Russia – 14%
Uzbekistan	US – 14%; China – 12%	Russia – 9.7%.

Source: Popescu (2014: 12).

From an economic point of view, it made little sense for the countries to punish trade relations with their major partners and privilege Russia instead. But perhaps it made sense in another way? The Russian leadership has been somewhat parsimonious in explaining its objectives, but in September 2013, Vladimir V. Putin made some comments on this topic in a speech addressing problems of Russian history and its identity (remaining, however, somewhat opaque). His remarks on the projected Eurasian Economic Union (Putin, 2013: 15f) merit reproduction here:

The 21<sup>st</sup> century promises to become the century of major changes, the era of the formation of major geopolitical zones, as well as financial and economic, cultural, civilizational, and military and political areas. That is why integrating with our neighbors is our absolute priority. The future Eurasian Economic Union, which we have declared and which we have discussed extensively as of late, is not just a collection of mutually beneficial agreements. The Eurasian Union is a project for maintaining the identity of nations in the historical Eurasian space in a new century and in a new world. Eurasian integration is a chance for the entire post-Soviet space to become an independent centre for global development, rather than remaining on the outskirts of Europe and Asia.

I want to stress that Eurasian integration will also be built on the principle of diversity. This is a union where everyone maintains their identity, their distinctive character and their political independence. Together with our partners, we will gradually implement this project, step by step. We expect that it will become our common input into maintaining diversity and stable global development.

Although this statement is not totally transparent, some aspects are clear enough. First, the project is an offer to all twelve countries in the post-Soviet space. Furthermore, it involves making this space an “independent centre for global development”. I interpret such an “independent centre” as intended to be free from outside interference. We live in the era of the “formation of major geopolitical zones, as well as financial and economic, cultural, civilizational, and military and political areas”. The coming Eurasian Union will become, as I understand it, one of these “major geopolitical zones or areas”. Putin’s remarks on the principle of diversity should presumably be seen as an assurance that this project is not about re-building the Soviet Union *in its old form*. But it should become a “zone” or “independent centre” for “global development”. This zone or centre should not just exist and maintain its independence; it should contribute to shaping “global development” with a “common input” to maintain diversity and stable global development. Without this role, Eurasia would “remain” at the “outskirts of Europe and Asia”. Instead, an “independent” Eurasia should be at the “center of town”, where the decisions are taken. It is worth noting that Putin gave this speech on 20 September 2013 – two weeks after Xi Jinping’s speech in Almaty about China’s One-Belt-One-Road Initiative. Was this timing a co-incidence?

### **Ukraine “Defects” from the EEU**

It is thus apparent that the political ambitions behind the Eurasian Economic Union were high. It is also understandable that it was of paramount importance to recruit Ukraine, the second biggest CIS country in terms of population and Gross Domestic Product. Given the similarity

and affinity of the political and economic systems of Russia and Ukraine in 2013, this seemed feasible. Like Russia, Ukraine was a country under authoritarian rule, which had intensified after Viktor Yanukovitch had regained power in 2010. Elections were heavily rigged through the use of “administrative” or “juridical resources”; in 2011, for instance, the opposition politician Yuliya Timoshenko was sentenced to seven years in prison. In Ukraine as in Russia, the state and the economy were interwoven in an opaque manner, allowing politically well-connected oligarchs to accumulate fortunes. President Yanukovitch indulged in cartoon-like personal luxury, as became evident when his downfall in February 2014 allowed the public to visit his palace outside Kiev.

There were, however, important differences between Russia and Ukraine. For instance, the western parts of Ukraine entertained close connections with Poland, which had become an EU country in 2004. Moreover, Ukraine did not have many natural resources. Unlike Putin, Yanukovitch could not ride on a commodity bubble; Ukrainian industry needed export markets, and Russia and Belarus were far from sufficient. Consequently, Yanukovitch practiced a “multi-vector” foreign policy which included deals with the EU. In 2008, under Yanukovitch’s predecessor Viktor Yushchenko, Ukraine had started negotiations with the EU about an association agreement, including a “Deep and Comprehensive Free-Trade Agreement”. This would integrate Ukraine into European structures to quite some extent. Interestingly, when Yanukovitch re-gained power in 2010, he did not stop these negotiations.

In 2012, the Association Agreement could be initialed. However, the EU did not try to force or rush this through. On 10 December, for instance, the council of EU’s Foreign ministers expressed its concerns that the latest parliamentary elections in Ukraine had “several shortcomings and constituted a deterioration in several areas”. The EU expected Ukraine to install a “reliable electoral system” with clear rules for media access. The ministers re-iterated their “strong concern regarding the politically motivated convictions” (Council of the European Union, 2012). Signing the agreement was scheduled for the end of November 2013. However, several EU politicians made it explicit that there would be no agreement if Yuliya Timoshenko were not released.

On 21 November 2013, just a few days before the envisaged signing, Yanukovitch suddenly cancelled all further preparations for the agreement with the EU. Instead, Ukraine would join the Eurasian Economic Union. According to Yanukovich, favorable loans and a rebate on Russian gas deliveries made this option favorable. But as Arseniy Yatsenyuk, the parliamentary leader of Timoshenko’s party, declared: “It is President Viktor Yanukovitch who

is personally blocking Ukraine's movement toward the European Union" (BBC News, 2013). It is not unlikely that his deal with Putin also included substantial personal favors. However, as everyone understood, joining the Eurasian Economic Union would have dramatic consequences for Ukraine's development, leading the country away from a European model and towards deeper dependence on Russia. Mass protests started immediately. At the end of November, 100.000 people demonstrated in Kiev, and in early December, 800.000 demonstrated in Kiev alone. Millions participated all over the country, and people were killed. Around 20 February, in Kiev alone, 88 people died within 48 hours; on video recordings, uniformed snipers could be seen shooting into the crowds (BBC News, 2014). Who gave the orders?

On 21 February, after mediation from France and Germany, Yanukovitch signed a power-sharing agreement with opposition leaders. The same night, he fled by helicopter to Russia. The Rada, the parliament, elected a transitional government by a constitutional majority, and on 25 May, Petro Poroshenko was elected president, receiving 55 percent of the votes. The OSCE and ODIHR declared the elections fair. Poroshenko even won a solid majority in eastern Ukraine, in the areas with many Russophone inhabitants (who nevertheless nowhere constituted a majority).

In response to the downfall of Yanukovitch, Russian troops occupied Crimea, and an insurgency began shortly afterwards in eastern Ukraine. As we know from numerous sources that were independent of each other (satellite photography, prisoners' statements, taped wireless communication, observations by OSCE observers and reports from media representatives on location), Russia supported the insurgency with special troops, volunteers, equipment, money and, finally, complete army units. The 28 heads of states and government of the EU were in no doubt when, on 30 August 2016, they unanimously condemned "the increasing inflows of fighters and weapons into the territory of the Eastern Ukraine as well as the aggression by Russian armed forces on Ukrainian soil". They called upon Russia "to immediately withdraw all its military assets and forces from Ukraine" (European Council, 2014).

In this way, Russia was able to "punish" Ukraine; the now mainly frozen conflict gives Russia the possibility to re-ignite the conflict at any time, thus increasing the "punishment". Russia gained Crimea and a fragment of Eastern Ukraine, but lost Ukraine. From being a country where Russia had substantial influence, it turned into an anti-Russian bulwark. Something similar had happened before in Georgia, where Russia had occupied the territories of Abkhasia and South Ossetia. Again, we might ask with Andrew Bennett: *Condemned to Repetition?*

On 16 September 2014, the Ukrainian Rada unanimously ratified the Association Agreement with the EU. At the parliamentary elections of 26 October, the parties supporting the pro-EU course gained 87 percent of the seats. Ukrainian right-wing extremists, who had figured so prominently in Russian accounts of the downfall of Yanukovitch, failed to gain any representation.

### **Constructing an EEU *en miniature***

The “defection” of Ukraine meant that the Eurasian Economic Union could not become a major geopolitical factor. In fact, its attractiveness was very limited. Besides the three founding members, only Armenia had joined when the Union was officially launched on 1 January 2015; Kyrgyzstan followed in May. The case of Armenia seems to be odd. It does not even have a common land border with other EEU members, and, as we saw above (Table 2), the EU has been a more important trade partner than Russia. Armenia had finalized an association agreement with the European Union, but withdrew at the last moment (Popescu, 2014: 23). As Vagram Ter-Matevosyan, a researcher at the National Academy of Science, explained: “Armenia was the first country where Russia applied the safety factor to keep it inside Moscow’s zone of influence. The reason for joining the EAEC [i.e. EEU] lies in Armenia’s traditional security problems and complex regional surroundings.” (Eurasian Economic Union Observer, 2016: 17).

“The frequent violations of the ceasefire in the disputed region of Nagorno-Karabakh and on the Armenian-Azerbaijani border, coupled with Azerbaijan’s increased military spending in excess of Armenia’s national budget, have restricted our options” (Ibid.). These somewhat cryptic comments become understandable if one recalls that Armenia had occupied Nagorno-Karabakh, which had an Armenian population but was located inside Azerbaijan. In spring 2013, Russia increased its arms sales to Azerbaijan (Babayan, 2016: 14) and, as everyone understood, they could easily be further increased. In other words, when President Putin invited Armenia into the EEU, he was making an offer which the Armenians could not refuse.

Other factors which Ter-Matevosyan mentioned were gas price reductions from \$270 per thousand cubic meters to \$189, Gazprom’s cancellation of a \$93 million Armenian debt in exchange for its takeover of Armenia’s gas industry, and the fact that 29 percent of the investors in Armenia were Armenian expatriates in Russia. The border to Turkey is still closed, and Armenia thus remains excluded from regional energy and communications projects.



After a delay, also Kyrgyzstan joined the EEU. As an observer put it, the Kyrgyz government “allowed a distinct lack of enthusiasm [to] slip into its public discourse” (Putz: 51). President Almazbek Atambayev declared in October 2014: “We are choosing the lesser of two evils. We have no other option” (Ibid). The presumably decisive factor was the Kyrgyz migrant population in Russia. As a minister declared at the beginning of 2016, over half a million Kyrgyz were working in Russia by then. This was an increase by 2 percent over the previous 6 months. However, remittances to Kyrgyzstan had fallen by 28 percent, mainly due to the Russian crisis. But as the Kyrgyz authorities underlined, remittances would have fallen even more had the country not joined the EEU. Neighboring Tajikistan was mentioned as an example (Ibid.).

Even in the cases of Belarus and Kazakhstan, the economic benefits are far from clear. For instance, Kazakhstan has no car factories. With the coming of the EEU, Kazakh customers pay more for Russian cars than they had previously paid for South Korean or Japanese vehicles. Officials often complained that Kazakhstan could not export oil or gas through Gazprom or Transneft pipelines. The Russian market for agricultural products has remained largely blocked due to sanitary regulations (inspired by Russian producers?). Belarus also faces many disadvantages, but has managed to extract up to \$ 10 billion a year in implicit oil and gas subsidies from Russia (Åslund, 2016).

In 2014, Tajikistan was often mentioned as a future member of the EEU, but the country has not yet acceded. Accession would also be difficult to understand, given a trade structure in which only 14% of the exchanges are with Russia, whereas China stands for 36% and Turkey for 10% (see Table 2 above). All in all, the EEU started in a far more modest way than Putin had envisaged in 2013. Instead of 12 post-Soviet Republics, only five joined. Georgia, Moldova and Ukraine signed association treaties with the EU instead.

Azerbaijan, Tajikistan, Turkmenistan and Uzbekistan (the most populous of the Central Asian Republics), stayed outside, and were now separated by a tariff wall from Russia. When it came to these republics, Putin’s policy has been extremely counterproductive, strongly accelerating centrifugal tendencies in the post-Soviet space.

### **A “Bumpy” Start**

The preparations for the EEU seem to have been rushed through. Actually, in an *essai* to spread optimism about the project, Alexander Stadnik pointed out: “Surely, not all mechanisms of cooperation between the states have been adjusted. The large-scale work on synchronizing the

legislative framework, standardizing technical requirements and eradicating the barriers to external trade among member states is in progress” (Stadnik, 2016: 31). Basic decision-making rules are not clear (see below), nor are there adequate dispute-settlement mechanisms. Relations among the members are far from unproblematic, even among the three “pioneers” of the EEU. As Popescu observed, “there is a fundamental sense of unease with the fact that Russia did not hesitate to use military force to change the borders of a former Soviet state ...” (Popescu, 2014: 30). Belarus and Kazakhstan in particular tread a tightrope in their relations with Russia. This became apparent, for instance, when they de facto accepted the annexation of Crimea by Russia and its inclusion in the EEU. On the other hand, both distanced themselves from Russian policies on Ukraine and recognized Poroshenko’s election within days. Additionally, both resisted EEU trade sanctions against Ukraine and Moldova when these signed agreements with the EU. Belarus and Kazakhstan also refused to follow when, in August 2014, Russia introduced counter sanctions against the EU, in particular affecting agricultural products. Once again, it seems that the Russian leadership had taken decisions unilaterally, erroneously expecting other EEU members to follow suit. In Russia, jokes began to circulate that landlocked Belarus would soon become a supplier of smoked salmon and parmesan cheese to Russia. In fact, Belarus has already supplied lemons, bananas and cuttlefish to Russia, as well as Moldovan wine and Georgian mineral water, all products which officially are banned from the Russian market (Ibid.: 31).

In Kazakhstan, many fear that North Kazakhstan with its many Russophone inhabitants may suffer the same fate as Crimea. Shortly after the annexation of Crimea, Kazakhstan introduced new legislation prohibiting separatist activities, punishable now by ten years in prison (Ibid.: 32f.).

As to economic questions, the EEU also had a difficult start. The opening of common markets in oil, gas, electricity and finance has been postponed until 2025; presumably the Russian leadership prefers not be bound by common rules in these strategic sectors (Boguslavskaya, 2015). However, some progress has been made regarding a common labor market; for instance, some education diplomas became mutually recognized and common rules on income tax were introduced. On the other hand, Russia’s economic downturn as a result of a home-grown recession, falling hydrocarbon prices and the Western sanctions has reduced the demand for foreign labor. During the first three months of 2015, internal trade among the EEU members (Kyrgyzstan not yet among them) declined by 36% compared to the year before. In any case, internal trade figures were already unimpressive; in 2012 and 2013, trade among the

founding members accounted for only 12 percent of their total trade, and the figure was 11 percent in 2014.

In December 2014, the Russian authorities declared that Belorussian meat and dairy products contained antibiotics, salmonella and listeria and introduced an import ban. They also accused Belarus of repackaging Western goods which were subject to Russian sanctions; officially these goods were to be sent on to Kazakhstan, but they ended up in Russia nevertheless. Belarus responded by intensifying customs controls of Russian vehicles, legitimizing the move as intended to prevent smuggling. In February, Russia allowed the import of beef from seven Belorussian enterprises to resume, but two other companies remained banned. The Russian authorities also found bacteria in salted salmon and banned imports, while meat from five enterprises in Kyrgyzstan was also banned. In March, Kazakhstan and Russia banned each other's meat because it did not meet veterinary standards. Kazakh restrictions were reportedly due to the falling ruble, which had given Russian producers an advantage (Ibid.).

Industrial products were also affected. On 5 March, to counter a "surplus of Russian oil products" caused by the weakened ruble, Kazakhstan blocked fuel, gas and hydrocarbon products such as distillates and kerosene. Belarus adopted similar measures and refused to supply oil products to Russia, despite previous agreements. Minsk withdrew when the ruble prices fell under the levels on other export markets. Russian media and the blogosphere were filled with anti-Belorussian comments, while Lukashenko mentioned the possibility of leaving the EEU and normalizing relations with the EU and the US. Nazarbayev also mentioned leaving after the ultra-nationalist politician Vladimir Zhirinovskiy had remarked that Russia should address alleged anti-Russian sentiments in Kazakhstan (Ibid.).

EEU officials repeatedly denied that the union should be a closed club. They pointed out many initiatives for increasing cooperation with the outer world. However, some partners outside are seemingly more welcome than others. On the one hand, for instance, in May 2015, the EEU signed a free-trade agreement with Russia's old ally Vietnam, which, according to Stadkin, might lift mutual trade from a level of \$4 billion to \$10 billion by 2020. As for Russia's big neighbor to the south, however, Stadkin states (Stadkin, 2016: 342):

Russian and Chinese leaders discussed the opportunities of cooperation between the Eurasian Economic Union and China during a meeting in Moscow on May 8, 2015. The joint communiqué of Vladimir Putin and Xi Jinping says that Eurasian integration and the Silk Road Economic Belt could be correlated. It means there is a possibility for a higher level of cooperation – a common economic area for all of Eurasia.

Nothing was communicated about how and indeed whether this “possibility” should be exploited.

About one year later, there had still been little progress. A possible agreement on trade and economic cooperation was discussed in September 2016 at a meeting of ministers and experts organized by the Eurasian Economic Commission (the central administrative body of the EEU). It was reported that “the ministers stressed that there is a great deal of work to be done at the preparation stage of the draft agreement and in negotiating positions in the interests of the Member States of the Union which includes revising existing and planned projects and agreements with China, implemented by the Member States on a bilateral and multilateral basis.” An expert group, led by former Kyrgyz Prime minister Djoomart Otorbaev, presented a joint report under the telling title: “The Eurasian Economic Union and Silk Road Economic Belt: Illusion and Reality” (Eurasian Economic Commission, 2016).

In mid-May 2017, President Putin participated in the huge OBOR summit in Beijing, together with 19 other heads of states and representatives from approximately 40 other countries. Xi Jinping declared: “What we hope to create is a big family of harmonious co-existence” (Huang, 2017). None the less, nothing was said about whether China and the EEU/Russia had agreed on lowering trade barriers.

The new tariff barriers in the wake of the EEU have had an unavoidable impact on Chinese transactions in the region. A conspicuous example is provided by the Dordoi Bazar in Kyrgyzstan (Alff). It was founded in December 1991 at the northern edge of Bishkek and started as a rather simple market where it was mainly products for daily use that were traded. Canteens, currency-exchange shops and banks opened too. In 1998, the simple stands were gradually replaced by containers combining storage and sales facilities and stacked upon each other in two storeys. In 2010, there were about 10.000-15.000 double containers and approximately 30.000-40.000 traders and their employees worked at the Dordoi Bazar. The goods came from many places and went to many places. Tariffs were not a major problem. The main items were consumption goods from Urumchi, capital of the Chinese province Xingjiang, which were transported to Kyrgyzstan on lorries and re-exported from there to the neighboring states and to Russia. The hub also attracted new manufacturing. Entrepreneurs imported Chinese textiles and used them to make clothes; the demand for products with the “Made in Kyrgyzstan” label was high in the post-Soviet space. Small sewing stations developed into factories with hundreds of workers. By 2010, textile producers in Kyrgyzstan employed up to 150.000 people, tens of

thousands of buyers came to Dordoi every day, and the World Bank quantified the turnover per month as about 330 million dollars – an astronomic sum for poor Kyrgyzstan.

In 2010, however, violent unrest in southern Kyrgyzstan closed the border to Kazakhstan for many weeks. Even more consequential was the customs union between Belarus, Kazakhstan and Russia. Tariffs and fees rose, and the border control became much more efficient. Customers from Russia and Kazakhstan stopped coming. Accession to the EEU was presented to Kyrgyzstan as the solution, but technical standards in the EEU burdened Kyrgyz exports, and a high customs barrier to China was introduced. In addition, the ruble devaluation hit Kyrgyz exports, especially textile products. All in all, the prices of products from China rose five-fold. At the time of writing, it is unclear whether the Dordoi bazar can have more than local importance in the future. Chinese investments in Kyrgyz manufacturing might bring some relief; production sites such as the cable factory in Kaidinskij or the sugar plant in Belowod have been mentioned (Peyrouse, 2015).

The new tariffs have negatively affected Chinese transactions with the region, but they have not impeded Chinese investment. As Raffaello Pantucci puts it (Pantucci, 2016):

Indicators of China's influence [in Central Asia, W.Z.] are plentiful. Markets are full of Chinese products, infrastructure is heavily built by Chinese firms with Chinese loans, leadership visits – either Chinese to the region or regional to China – are followed by announcements of massive deals being signed, and increasingly China is playing a more prominent role in regional security questions. Even so, China remains a hesitant regional actor, and it is keen to continue casting itself as subordinate to Russia.

The growing Chinese presence is not always viewed as unproblematic. In Tajikistan and Kazakhstan, for instance, protest erupted against Chinese leasing of land (Ibid.).

Russia seems to tolerate a growing Chinese presence, as long as China does not try to establish special treaty-based connections. However, it is precisely the absence of more elaborate common agreements that will act as a restraint on the wider ambitions associated with the OBOR-initiative. Detailed treaties such as the association agreements between the EU and Georgia, Moldova and Ukraine are needed in order to achieve these ambitions. An example is provided by the substantial progress which has been achieved in integrating Ukraine in the EU gas market. Now gas can flow freely from the EU to Ukraine because sufficient capacities at “reverse flows” have been created; previously gas (from Russia) could only flow from Ukraine to the EU. The system was very opaque before the agreement with the EU, with varying prices allowing massive arbitrage gains for well-connected people; it has since been unified. Prices

now cover costs, saving several percent of the GDP in state subsidies. Local production has become profitable again. This has also created strong incentives to economize the use of gas. Russian imports are no longer indispensable (Zachmann, 2016). This is the “deep integration”, of which the Chinese ministries also spoke but which is not yet on the horizon in Central Asia or within the EEU.

Putin entertained ideas about transforming the CIS into a “geopolitical zone”: it is now more fragmented than ever.

### **Conclusions**

China’s OBOR-Initiative has focused on increasing connectivity and transactions. One branch of OBOR is supposed to go through the post-Soviet space, but Russia’s policy has been to prevent ties and transactions between countries in its *Near Abroad* and the rest of the world.

Russia has intervened repeatedly in countries belonging to the so-called Commonwealth of Independent States (CIS), thus demonstratively underlining its demand for exclusive influence. In terms of regional integration, however, the CIS has not been a success. The institutionalization of a common space has remained weak, and tendencies towards economic centrifugalism have been strong. Integration in the CIS has been hampered by structural factors such as low levels of administrative capabilities, but more decisively by a widespread fear of Russia.

In contrast, the EU has become densely integrated. Western Europe and North America have become one big security community where the theory of “realism” has become irrelevant. This community has “expanded” into Eastern Europe, including the Baltic Republics. Moreover, with the launch of the European Neighborhood Policy in 2004, the EU explicitly offered “deep integration” to other former Soviet Republics. As the Eastern Enlargement and events in Ukraine in 2014 have shown, the EU exerts a strong influence through “soft power” and “power of attraction” on some of its eastern neighbors; Russia, by way of contrast, lacks soft power influence, except perhaps when it comes to parts of the Russophone populations.

The launch of the Eurasian Economic Union (EEU) was an attempt to shore up the post-Soviet states against “incursions” from the outside. It has never been stated explicitly, but the logic of this enterprise has been working as much against China as against the EU. In practical terms, the EEU has achieved tighter integration than the CIS, but it has remained a shadow of its first designs. Only five countries signed up, while Ukraine, Georgia and Moldova became

associated with the EU. In addition, Azerbaijan, Tajikistan, Turkmenistan and Uzbekistan remained outside the EEU, and they are the most populous republics in Central Asia.

The extension of high Russian tariffs to the other members of the EEU has had the intended effect of reducing transactions with the outer world, but this makes poor economic sense. Small wonder that Russia has had to use various forms of pressure to make countries such as Armenia or Kyrgyzstan join the union.

Chinese interests have been impacted by the new tariffs, but they could not stop the growing Chinese presence in the region. Russia seems to accept this, at least as long as cooperation is not based on treaties of “deep integration”. This implies, however, that the cooperation created by OBOR projects will remain relatively shallow.

The EEU seems to be a rather unstable construction with unclear basic rules of decision-making, with many disputes and with numerous “punitive” measures between member states. A free-trade agreement with China would make the EEU into an OBOR-compatible entity, but it does not seem to be a realistic prospect in the near future. In any case, it does not seem realistic to expect the EEU to survive for long “in reality”, at least not in its present form.

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