The Eurasian Union: A New Regional Dimension of Russian Foreign and Security Policy
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Belarus and its position in the EAU
Kazakhstan and its position in the EAU
Ukraine and its perspective of integration into the EAU
Conclusion

Abstract:
The paper deals with the Eurasia project, which was presented last year (2011) by Vladimir Putin as a next step of the Common Economic Space of Russia, Kazakhstan and Belarus. It informs about the vision of regional cooperation of the Eurasian union (EAU), which was inspired by the European integration, both real and potential copying of EU institutions, and also cooperation in the field of security. The author also analyses the Russian economical and strategic interests in the region as well as the motivation of Belarus and Kazakhstan in deepening the cooperation with Russia and the limits in the economical-security integration. It also deals with the Russian ambitions in the Central Asia which should react to the potential threats to Russian interests in this region and presents those in the context of EAU.

In October 2011, Vladimir Putin initiated the creation of the EAU. This amounted to the restoration of the idea of reunifying the former Soviet republics, on a new basis and with new requirements, and the initiative revealed a geopolitical reversal in the post-Soviet space. Shortly after, on 18th November 2011, the presidents of the Russia, Kazakhstan and Belarus signed the document establishing a commission supervising the economic integration of the three post-Soviet countries. So far, an insufficiently functional Customs Union had existed between these countries. According to the declaration of the three presidents, tighter economic integration with free trade between the member states should be achieved by 2015. The vision of the EAU seems to be to extend its membership as well as to broaden its functions and powers along the lines of an organization or community like the EU.

The Eurasian idea is a concept of the Russian political thought with origin in the 19th century. The Eurasian idea stressed both the European and Asian dimension of the Russian state and Russian society, which complement and enrich each other. In the early 20th century,
Eurasianists were a political movement in the Russian emigré community, which posited that the Russian civilization did not belong to the European category and believed that the Soviet regime was capable of evolving into a new national, non-European Orthodox Christian empire, shedding off the initial mask of proletarian internationalism. In the modern post-Soviet context, the Eurasian idea was voiced from time to time by such differing individuals as Solzhenitsin, Gorbachev, Yeltsin, Nazarbayev, and recently, Putin. The debate on the critical direction of the Russian state and society is, however, in this respect topical also today, even if the concepts of pro-Western or Eurasian orientation may take various forms. Even now, certain personification of the debate occurs, as some observers assess Medvedev as the representative of the Western direction and Putin as the follower of the Eurasian ideas (Kaufmann 2012:124). Other experts, on the contrary, see Putin also as a representative of the Western orientation, who, however, sees the growing importance of the states of the Asia-Pacific area and the related move of the economic-innovation centre of the world from the area west of Russia to the area southeast of its borders. This is connected with the effort to implement the policy of all directions, which is further supported by unnecessary aggressive pressures on Russia from the West. Putin's assessment of the collapse of the USSR as one of the greatest geopolitical catastrophes of the 20th century is also stressed in the context of the idea of the Eurasian integration. Eurasianism was to a certain extent embodied in the Soviet Union. The critics of Eurasianism, however, also claim that the whole Bolshevik era was a regrettable, extreme Zapadnik deviation from their own moderate Russian traditions. The concept of Eurasianism is now probably more acceptable for the Russian society than the vision of integrating with the West, for the ideological followers of the Zapadniki now carry with them the stigma of power and economic decline of Russia connected with the Yeltsin era. Regardless of the Asian autonomous republics of the Russian Federation, the European Russia is still, with the exception of a few largest centres, rather a conservative country, which does not see moving in the direction of Western values as all too positive. The economic problems of the West in recent years have also contributed to the declining prestige of the Western model, and now more votes appear to favour modernization without Westernization. In the case of the current theorists of the Eurasianist concept, there is more streams, while the major proponent, who also affects the political thinking of Russia’s elites today, is A. Dugin, a representative of otherwise marginal political spectrum. In his view, neo-Eurasianist doctrine advances a multinational and multi-confessional Russia, in which the non-Slavonic peoples of the Russian Federation and prospectively the neighbouring countries accept Russian domination in exchange for respect for their national traditions and the
maintenance of inter-ethnic peace. In terms of doctrine, Dugin thus considers it legitimate for these peoples, dissatisfied with post-Soviet national borders, to seek to leave states where identity is based on that of the eponymous nationality and to join federal Russia, arguing that their interests will be better represented there. To influence the presidential administration, in 2003, Dugin created the International Eurasianist Movement and the group recruited many officials (Laruelle 2008). The influence of the former or current proponents of Eurasianism on the Russian political course should not be overestimated, the motives for the implementation of the emerging EAU are, of course, purely pragmatic, and can be described as the correspondence of names rather than doctrines or ideas. On the other hand, we cannot ignore the fact that the Russian society still lacks a fundamental idea of the state and the political and intellectual elites are still looking for an adequate concept. The rehabilitation of Orthodox Christianity and its close links with the Russian state does not address the entire segment of population, not even in the case of ethnic Russians, so Eurasianism might represent both the unifying element and an appropriate instrument to sell the need for regional integration to the Russian population, even though it may not have only overwhelmingly positive effects.

In early October 2011, Putin offered his proposal to create a EAU in an article in the Russian newspaper Izvestia. His vision was that the former Soviet republics would coordinate their foreign, economic, and other policies. Putin underscored that the idea of the EAU is not about restoring the Soviet Union, nor is it intended as a replacement for the Commonwealth of Independent States (CIS), noting like that “it would be naive to try to restore or copy something that belongs to the past,” but added that “a close integration based on new values and economic and political foundation is what the present time demands.” The article called for building on the valuable “inheritance of the Soviet Union,” of infrastructure, specialized production facilities, and a common linguistic, scientific and cultural space,” in pursuit of the “joint interests” of the former Soviet republics. The project of the EAU is described as “an ambitious task of reaching a new, higher level of integration” and creating “a powerful supranational union capable of becoming one of the poles in the modern world” (Putin 2011).

The drive for regional integration in the former post-Soviet area is one of long-term objectives of the Russian policy, which is still trying to come to terms with the geopolitical consequences of the dissolution of the Soviet Union and disintegrating trends within the Russian Federation itself. In the past two decades, there have been a number of initiatives, whose objective was strengthening the ties, whether economic, or political, between the
former Soviet republics. However, the result of these efforts was not fully sufficient from the Russian point of view - on the contrary, in the first decade following the demise of the Soviet Union there were clear efforts of separation from the former imperial hegemon, which had the effect of strong nationalization of politics on the one hand, and trying to find new partners and investors on the other hand. This trend did not concern only the Baltic states, whose release from the linkages to the post-Soviet space was successfully completed through the process of integration into the EU and NATO, but similar efforts were clear also in Central Asia, in the case of Ukraine and Belarus and the Caucasus. The effort to find new partners and ties that would help weaken the existing Russian influence was based in each particular case, naturally, on the geopolitical possibilities and geographical location of the post-Soviet republics. As a result, however, it led in many cases to the weakening of functional links, which secured economic prosperity and a stable security environment. Individual national visions often competed with each other and, together with power ambitions of regional political elites, limited the options for mutual cooperation (Horák 2007:262). One of the priorities of the Russian foreign and security policy was, naturally, to respond to this development and weaken the disintegration trends while maintaining the links to the former Russian centre.

The dominant position of the U.S.A. after the collapse of the bipolar world led the Russian political representation to attempts to create global counterweight, or multi-polar world. One of the ways was to co-operate with power actors outside the Euroatlantic area. In this context we can also understand the development of, e.g., the Shanghai Cooperation Organization (SCO), in which the Russia - China tandem manifested the actors’ primary interest in checking the growing influence of the U.S.A. in Central Asia. Potential deeper integration in this Eurasian organization in both the economic and security sphere, however, was prevented by heterogeneous character of its members as well as their foreign policy and economic priorities. The Chinese proposal for the establishment of a free trade zone between member states of the organization in 2003 thus had no chance of success (Horák 2007:267). The SCO, similarly to the EU and NATO, established their energy club and Asian energy strategy, yet, the actual geo-political strategic partnership has not developed. On the contrary, we see a growing conflicting potential in the Russia-China relations, which may lead to a substantial rethinking of the existing relations, and hence the endeavour for a strategic partnership may be replaced by a regional rivalry. Coupled with the relative weakening of the U.S. positions in the Russian regions of interest, such efforts have lost much of their raison d’être, and the
Russian ambitions for regional Eurasian integration, although more limited, is at the same time taking on a more realistic form.

The vision of the EAU, reflecting primarily the interests of Russia and the participating post-Soviet republics, builds on the CIS, which encompassed the entire post-Soviet space, except for the Baltic countries. The main achievement of the otherwise non-functional CIS rests in the peaceful break-up of the USSR and in helping regional stabilization. Similar role to the CIS was also played by the Collective Security Treaty Organization (CSTO), which included seven post-Soviet states: in addition to Russia and Belarus also Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, and since 2006 also Uzbekistan. The crucial role among the economic integration groupings appearing and disappearing in the post-Soviet area that may have influenced the EAU was the Customs Union between Kazakhstan, Russia and Belarus, in place since 2010.

As of January 1st, 2012, the new focus of integration efforts of the Russian foreign policy is the Common Economic Space of Russia, Belarus and Kazakhstan, which should constitute the basis for future Eurasian analogy to the EU. The implementation of the project, according to Putin is a historical milestone, not only for the three participating countries, but for all countries in the post-Soviet space. Russia’s effort for enhanced regional integration is motivated by economic and strategic interests. Russia’s economy is still coming to terms with the heritage from the Soviet era, in terms of the structure of economy, and the drop in the economic output that took place after its dissolution. We can talk of the process of de-industrialization of Russia, as the share of the terminated production substantially exceeds the launching of new businesses, and instead of diversification of the economy, the degradation of economic structures continues. Financing of the development of the core sector of the economy has practically ceased, and in addition it is foreseen that the entry of the Russian Federation into the WTO will constitute a further obstacle for the development of the Russian industry. Russia’s “innovation production,” which can be applied in the markets in accordance with WTO standards does not exceed 1.5 %, while in the West this indicator is 20 times higher (Balcar 2012). The current model of economy associated with Putin’s era is exhausted, and even though Russia is gradually catching up with the West in certain economic indicators, it is mainly due to the Western stagnation rather than the performance of Russia’s economy.
Thus Putin was forced to admit that “the economy remains un-diversified, that there is a large share of projects unable to compete and the budget depends on the income from oil and gas” (The St. Petersburg IEF 2012). The existing model of economic growth is exhausted, so a new program was outlined that calls for significant growth in investments, increasing the technological level of energy, industry and agriculture, stimulating large-scale innovation, competitiveness, and increased funding of science. These ambitious visions, however, faces, inter alia, the demographic trends marked by the reduction of the population, posing a serious threat to the process of modernization, which is to keep or even reinforce the existing power position of the Russian state. The demographic development plays a key role here given that the rollout of any new product is unprofitable, if it is coming to a shrinking market. Some analyses put the entire post-Soviet space at approximately 400 million people. Creating new goods for a relatively small internal market of Russia with its 143 million inhabitants is, therefore, unprofitable, and an aggressive increase in exports of Russian products to the western markets is, in terms of competitiveness, unrealistic (Balcar 2012). Establishing the EAU, similarly to the initiatives of the Customs Union and Single Economic Space, is thus a matter of survival in this respect, as no other option will provide adequate market for Russia’s economy. And any further decline of economic output could lead to increasing even further the technological lagging of the Russian Federation behind the rest of the world and would inevitably bring on also a power degradation of the Russian state in the 21st century. Once again, despite the huge wealth of raw materials, there is a risk that instead of the world power it will become the *Upper Volta with rockets.* The planned EAU is one of the ways such a dark scenario can be avoided – by establishing a system of mutual relations in the post-Soviet area, which would align the economic interests of the participants and at the same time add strategic significance to its policy.

The process of closer integration between the Russian Federation and several post-Soviet republics has been on-going for a longer period of time; the new union is, however, supposed to replace the previously founded, but often ineffective associations. Already in March 1996, Kazakhstan, Kyrgyzstan, Russia and Belarus signed an integration contract establishing the Community of Integrated States. The objective of the community was enhancing the economic, scientific and cultural cooperation. However, the process of integration of these states did not evolve according to expectations, thus, Russian ambitions turned to bilateral co-
operation with Belarus. In 1999, the presidents of Russia and Belarus signed another, already third contract (previous ones in 1996 and 1997) on the Community of Sovereign Republics. This should lead to integration, the aim of which should be common foreign policy, coordinating activities in ensuring security of both countries and in protecting national borders, shared action in combating crime and other areas. The Russia-Belarus Union should, of course, in addition to these objectives, become a model to motivate other states in the Russian sphere of interest, especially Kazakhstan and Ukraine, to pursue closer cooperation. A community which should be based on the experience of the EU, shortly became a topic of talks by Putin: “The world is developing into interconnected groups and the future Eurasian association will be a natural way for Russia” (Putin 2011). Russian motives for deeper regional integration are relatively clear, the question remains what standpoint will be assumed by its partners in the EAU, whose geopolitical and economic positions are quite different.

Belarus and its position in the EAU

Despite the above-mentioned efforts that have existed for almost two decades, the agreements and attempts for a working Russian-Belarusian commonwealth, the two countries have managed to engage in three trade wars. The relationship goes through phases of cooling and strengthening of cooperation, however in the last few years, the Russian position in this respect has strengthened due to the global economic crisis, which did not even leave out the relatively isolated Belarus. The state finances are reporting annual deficit of 15% of GDP, the level of inflation has reached 60%, which of course has strongly affected the popularity of Lukashenko’s regime. The financial and economic crisis was dampened by the loan of USD 3 billion provided by the Eurasian economic commission. What’s more, membership in the EAU can help Belarusian export to the Russian markets, and reduce the price of imported Russian gas. In this context, the country’s eastern orientation is actually the only option the current Belarusian administration has available to it. The sanctions imposed on Belarus by the EU significantly limit the Belarusian maneuver space to compensate for Russian influence through cooperation with the EU countries, even though Lukashenko has occasionally expressed fears of Russian domination through the Customs Union. In the security sector, the Russian-Belarusian integration is a reality (Hlaváček 2006:57). It can be assumed that under the present condition, the change in the power balance would bring no fundamental change in the Belarusian orientation, and the participation in the EAU project is one of the ways to mitigate the prolonged economic and political crisis.
Kazakhstan and its position in the EAU

In comparison to Belarus, Kazakhstan is in an entirely different position. Thanks to its rich mineral resources, Kazakhstan itself is an important producer of strategic raw materials; however, in view of the country’s geographical location, the best export route leads through the territory of Russia. The political model of Kazakhstan is also much closer to the Russian model of controlled democracy than to the Western standards, and the criticism, which the West sometimes voices about the democratic deficiency, is perceived here as an attempt at destabilizing factor. Nazarbayev’s comments in an interview with the Russian state television in April of this year (2012) may go against his long-held multi-vector foreign policy, which sought to advance Kazakhstan’s national interests by balancing those of the West, Russia, and China. With Afghanistan’s uncertain future and domestic stability becoming questioned for the first time, Nazarbayev is more openly tying Kazakhstan’s future to Russia (Smith 2012). Nazarbayev went on to laud the military integration and anti-terrorism orientation of the Russia-led CSTO and embraced other Russian regional integration projects among those countries with “equal conditions and desire of the people and the elites,” namely, Russia, Kazakhstan, and Belarus, as an “equal union.” He also claimed the authorship of the concept of Eurasian economic and political integration, arguing the geographical location of Kazakhstan and the need of elimination of external security threats to the regional stability. Thus, the motive for cooperation with Russia and participation in the regional integration project in which Russia, despite the often mentioned equality, would have a dominant role - has not only economic, but also security dimension. Russia may appear as a suitable partner, which will provide security guarantees against threats, such as Islamist penetration to Central Asia, without demanding democratic reforms or other unacceptable requirements. In comparison with the other global actors involved in the region, Kazakhstan’s elites may see Russia as the closest, but at the same time the weakest - and therefore the most appropriate partner for the future. Of course, the traditional historical ties from the Soviet era and surviving links in economy and infrastructure cannot be ignored. The position of Kazakhstan is connected with the possibility of further enlargement of the EAU with some of the other former Soviet Central Asian republics; still, the reactions of these prospective members in
Central Asia have been reserved. However, it is also likely that discretion is in this case present on both sides and Russia has no real interest in the membership of other Central Asian republics. Officially, it is too often claimed that the EAU will not repeat the mistakes which, in views of some Russian officials, were committed by the EU in its rapid enlargement. On the contrary, it is undoubtedly the primary Russian interest to include Ukraine in the Union.

**Ukraine and its perspective of integration into the EAU**

The economic visions associated with the founding of the EAU are hardly achievable without Ukrainian membership. Mutual trade between Russia, Belarus and Kazakhstan, according to Russian data, reaches USD 500 billion. According to Boris Titov, the outlets in Belarus and Kazakhstan are relatively small and the Customs Union was beneficial only for those enterprises, which had been present in these markets before, only the administrative processes were simplified (RosBussinesConsulting 2012). The problem of a limited internal market for the Russian producers is not addressed by the EAU in the current composition, but the membership of Ukraine with 45 million inhabitants would significantly increase the importance of this grouping. However, in case of Ukraine, the EAU has a strong competition, because despite the current crisis in the EU, the vision of integration in the western direction is still an attractive alternative. Complicated political developments in Ukraine do not allow to make a clear prediction of the future orientation of this Eastern European country, however, neither Russia nor the West want to give up their interests in this country. While the EU does not consider the full membership of Ukraine in view of its political and economic situation and also its size, it does not intend, similarly as the U.S., to leave it in the sphere of Russian influence. Ukraine itself, or its political elites, still have not made a clear choice between Russia and the West, and different power groups prefer different orientation. According to Putin, the idea and functionality of the EAU is not based on the Ukrainian membership, however, its membership would still mean a great benefit to both parties. If Ukraine becomes a member of the EAU, it may gain USD 10 billion a year, while in the opposite case, it will have to repay loans to the IMF (Rahr 2012). Officially, Ukraine assumes a reserved position on the integration processes inspired by Russia, however there are powerful forces at play in the Ukrainian leadership with economic interests, in particular the energy sector, that prefer the Russian partner to the EU, which requires a transparency and implementation of European standards.
The fact that the country lacks a clear vision of its future course is subject to criticism both by the EU and Russia and makes Ukraine a relatively questionable partner. It can be assumed that the near future will not bring a straight answer as to the orientation of Ukraine, and its elites will keep weigh the attractiveness of both integration groupings. The current presidential administration of Ukraine is sometimes characterized as pro-Russian, however, the reality is more complex, and there are many issues between Russia and Ukraine that complicate the harmonization of their mutual relations. Ukraine has not also completely resigned on the perspective of European integration and still relatively high expectations rest on the conclusion of the Association Agreement with the EU, which also implies the establishment of a free trade zone. The Ukrainian position is perhaps also closely linked to another dimension of Putin’s vision of the EAU - its potential close cooperation with the EU. One of the proposals introduced in the mentioned Putin’s article calls for the future establishment of a free trade and other areas of economic integration between the EU and EAU, which would encompass the territories “from Lisbon to Vladivostok.” In the Russian perspective, such a zone could help both actors respond to global developments and overcome a number of negative phenomena. At the same time, it could help eliminate the Ukrainian concerns with too much Russian dominance in the EAU.

### Conclusion

The process of enlargement of the current customs and economic union between Russia, Belarus and Kazakhstan, which should lead to the formation of the EAU, can bolster Russian influence in the former Soviet space. Still, the EAU will not be the reincarnation of the Soviet Union and can hardly be created using the neo-imperial political practices; its real viability is yet to be revealed in the future. According to the view of its Russian creators, the EAU will not duplicate or replace the existing collective bodies. But it is unclear, then how the EAU would work with or around the other structures. It is clear that since its creation, the project will be facing two serious competitors in the west and east: the SCO and the EU, who have the advantages of not being dominated by Russia. And for this reason the potential members from the post-Soviet space may prefer developing relations with the more distant China or the EU. Thus, some experts are rather sceptical about the prospects of the EAU. The dynamically developing China is presently launching the initiative to extend the SCO framework, offering the Eurasian partners economic cooperation, or creation of an economic zone, respectively, without Russia, and thus move it to the periphery of the Central Asian area. Another
alternative to the EAU in the region is the American proposal of economic integration of the South and Central Asia - the New Silk Road, which would also marginalize the role of Russia, its functionality is, however, to a large extent conditioned on the stabilization of Afghanistan. The development in the Central Asian region will strongly influence the security situation in Afghanistan after the scheduled withdrawal of major foreign forces from this country. The neighbouring countries, Tajikistan and Kyrgyzstan, and also the more distant Kazakhstan, and the region’s secular governments feel threatened by the growing influence of radical Islamist insurgents and may prefer Russia as a guarantee of regional stability.

Nevertheless, the potential expansion of the EAU in the Central Asian area need not be solely beneficial for the Russian party. Thus despite the repeated statements that the Eurasian integration process is open to all post-Soviet republics, we can only see serious Russian interest in the Ukrainian membership. In such a composition, the EAU would be constituted only by states in which there is a strong ethnic, or Russian speaking element - and from this perspective, it would be possible to talk about a unifying element, which would fulfil the visions of both pragmatists and proponents of Eurasianism, and the EAU would, in fact, reflect Solzhenitsyn’s vision of the Russian state after the collapse of the Soviet Union. As an alternative to the full membership in the EAU, states such as Tajikistan and Kyrgyzstan could be offered a certain form of privileged partnership, which would enable easier pursuit of Russia’s national interests in the area on the one hand, on the other hand it would not be too constraining for any of the parties, and as such it would be acceptable for the local political elites.

At present, it is difficult to assess the viability of the EAU project; the path to creating an entity comparable to the EU will be very complicated and take long, despite the small number of member states. There are also some views that the EAU idea should be understood only as a part of the presidential election campaign of Vladimir Putin, as an element that caters to the electorate that remembers the Soviet times with nostalgia. If, however, the new foreign policy succeeds, the EAU will complete the space between the EU and China and will provide a suitable framework for securing the economic and security interests of the Russian Federation.
Bibliography


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