

The Eurasian Economic Union: Success or Failure?

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1. Introduction

Since the collapse of the Soviet Union, the post-Soviet states have tried to achieve (re-)integration with their neighbors through over 40 different regional integration initiatives.¹ The process of creating a vast number of new regional organizations, mostly non-functional and unsuccessful with the same members and same institutional models, has been tried to examine many times by scholars. These unsuccessful integration initiatives in the region are called ‘ink on paper’ integration by Libman,² and the repeated integration process has been described as a ‘spaghetti bowl’ and ‘alphabet soup’ by Pomfret³ and Nikitin⁴ respectively. Much of the literature on the Eurasian regionalism pays particular attention to major reasons of their inefficacy. The considerable study has been devoted to the great power competition and geopolitics,⁵ regionalism and regionalization processes,⁶ and more descriptive analysis of the integration process,⁷ rather less consideration has been taken to theoretical examinations of the post-Soviet integration.⁸ Because previous research in this field has suffered from analytical analyses, there is a need to evaluate the Eurasian integration institutions using proper and viable indicators. This study attempts to provide a better understanding of Eurasian regionalism through applying a modified version of Ernst B. Haas and Philippe Schmitter’s integration conditions into the Eurasian Economic Union (EAEU), rather than through making a descriptive analysis of the EAEU.

The reason to focus on the EAEU in this study is that it is the most ambitious regional integration project in the post-Soviet space. Since the creation of customs union among Russia, Kazakhstan, and Belarus in 2010, the EAEU-centered integration has gained progressive acceleration with supranational bodies and a more institutionalized framework than other integration institutions in the region. Despite its achievements, many recent studies have argued that the EAEU is one of the failed integration initiatives in the post-Soviet region.⁹ However,

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¹ See N. Wirminghaus, “Ephemeral Regionalism: The Proliferation of (Failed) Regional Integration Initiatives in Post-Soviet Eurasia.” In *Roads to Regionalism: Genesis, Design, and Effects of Regional Organizations*, ed. Lukas Goltermann and Tanja A. Börzel (London: Routledge, 2016), 25-44.

² A. Libman, "Regionalisation and regionalism in the post-Soviet space: Current status and implications for institutional development." *Europe-Asia Studies* 59 no. 3 (2007): 401-430.

³ R. Pomfret, "Regional integration in Central Asia." *Economic Change and Restructuring*, 42 (2009): 47-68.

⁴ A. Nikitin, *The End of the ‘Post-Soviet Space’: The Changing Geopolitical Orientations of the Newly Independent States*. Chatham House Russia and Eurasia Briefing Paper, 2007, 1-10.

⁵ A. Bohr, "Regionalism in Central Asia: new geopolitics, old regional order." *International Affairs* 80 no. 3 (2004): 463-483.; R. Allison, "Regionalism, Regional Structures and Security Management in Central Asia." *International Affairs* 80 no.3 (2004): 463-483.

⁶ A. Libman and E. Vinokurov. *Holding-Together Regionalism: Twenty Years of Post-Soviet Integration* (London: Palgrave Macmillian, 2012).

⁷ R. Sakwa, "Challenges of Eurasian Integration." In *Eurasian Integration: The View from Within*, ed. P. Dutkiewicz and R. Sakwa (London: Routledge, 2017), 12-39.; E. Vinokurov and A. Libman, *Eurasian Integration: Challenges of Transcontinental Regionalism* (London: Routledge, 2012).

⁸ A. Obydenkova, "Comparative regionalism: Eurasian cooperation and European integration. The case for neofunctionalism?" *Journal of Eurasian Studies* 2 no. 2 (2011): 87-102.; M. Mukhametdinov, *Eurasian Economic Union and Integration Theory*. (Palgrave Macmillian, 2020).

⁹ I. Zuenko, *The Eurasian Gap: Winners and Losers of the Economic Union*. Carnegie Moscow Center, November 11, 2016. Accessed December 12, 2018. <https://carnegie.ru/commentary/65114>.; D. G. Tarr, "The Eurasian

there is a need to evaluate the EAEU within a theoretical framework for exploring its strengths and weaknesses. This study uses a theoretical framework to assess the integration level and success of the EAEU, but this framework differs from existing European integration theories, which emphasize some conditions that member states be democratic owing pluralist social structures and coming together with their free will as necessary for integration. For authoritarian governments, however, integration institutions can be used as a tool of protection of their regime security, and authoritarianism has shaped these institutions largely as elite-driven and elite-dependent. In addition, Russia has engaged the post-Soviet space through coercive diplomacy, and the Russian coercive actions have negatively affected both participation-decisions of the post-Soviet states and their adaptation level to the integration rules. Thus, this study seeks to contribute to the studies of Eurasian regionalism by adapting conditions of 'role of political leaders' and 'coercion' into the Eurasian integration process within the theoretical framework. In order to read off the integrative potential of the Eurasian region through the EAEU, this paper has been divided into six major parts. The second section begins by laying out the methodological and theoretical dimensions of the paper. In the next three sections, Haas and Schmitter's 'background conditions', 'conditions at time of economic union' and 'process conditions' are applied into the EAEU-case, respectively. The conclusion draws upon the entire research and gives a critique of the findings.

2. Methodology

There is only one useful apparatus that can help us to assess the success of integration institutions and compare them with different cases properly: theory. However, scholars have not yet succeeded to develop one particular theory that can appropriately clarify the dynamics of the regional integration process.¹⁰ When the literature of regionalism is examined, it is seen that there is an intensive tendency in favor of European integration theories and practices. Even though scholars generally regard their regions as special or unique, these regional integration projects are compared mostly with the European Union and European integration theories. The Eurocentric bias on regionalism studies causes some problems, especially for those studying outside Europe. As the European experience is considered to be highly institutionalized, other types of regionalism are regarded as loose, weakly institutionalized, and informal. Also, developments of integration in their regions have been evaluated in terms of EU-style institutionalization.¹¹ Similarly, Schmitter points out: 'When compared to the EU, all other experiences seem marginal.'¹² As Acharya and Buzan argue that the narrowness of Western IR theory makes a significant contribution to the 'marginalization of Asian scholars and their countries',¹³ the narrowness of European integration theories contributes to the marginalization of non-European regionalism. Since European integration is often treated as 'the gold standard of regional integration',¹⁴ scholars who study different regions outside Europe have difficulty

Economic Union of Russia, Belarus, Kazakhstan, Armenia, and the Kyrgyz Republic: Can It Succeed Where Its Predecessor Failed?" *Journal of Eastern European Economics* 54 no. 1 (2016): 1-22.

¹⁰ A. Malamud and P. C. Schmitter, "The experience of European integration and the potential for integration in South America." In

New Regionalism and the European Union: Dialogues, Comparisons and New Research Directions, ed. A. Warleigh-Lack, N. Robinson and B. Rosamond (New York: Routledge, 2011), 135.

¹¹ P. De Lombaerde et al., "The problem of comparison in comparative regionalism." *Review of International Studies* 36 no. 3 (2010): 742-743.

¹² P. Schmitter, "Regional Cooperation and Region Integration: Concepts, Measurements and a Bit of Theory." *ECPR Joint Sessions*, (Helsinki: University of Helsinki, 2007), 13.

¹³ A. Acharya and B. Buzan. "Conclusion: On the possibility of a non-Western IR theory in Asia." *International Relations of the Asia-Pacific* 7 no. 3 (2016): 429.

¹⁴ A. Sbragia, "Review Article: Comparative Regionalism: What Might It Be?" *JCMS Annual Review*, 46 (2008): 33.

using the existing theoretical instruments in their case studies and predominantly keep themselves away from analytical and theoretical studies on regionalism. Thus, integration theories do not include critical and reflective approaches, introverted and unconnected to other regionalisms around the world.¹⁵

The mainstream integration theories, neofunctionalism and liberal intergovernmentalism, were not seen as universal theories even by their leading theorist.¹⁶ Haas stated that integration in another regional context would be severely limited because of the weak spread of core preconditions of neofunctionalism. Other regions which have different environmental factors are unlikely to emulate the European case successfully.¹⁷ This situation restricts the applicability and explanatory power of neofunctionalism outside Europe. On the other hand, neofunctionalist scholars were aware of their own Eurocentrism, and therefore they have turned towards comparative analyses.¹⁸ The first seminal studies of comparative regionalism emerged during the 1960s with Haas and Schmitter's studies.¹⁹ The major concerns of Haas in his studies are figuring out driving forces and the basis of regional integration. Also, he emphasizes whether the case of European integration can be successfully imitated in various regions around the world.

If there is a need to explain the basic argument of neofunctionalist logic in a few sentences; firstly, two or more states compromise to cooperate for integration in one economic sector and assign a high authority to achieve this task more effectively. Even if the integration of one sector provides some benefits, member states need to work for integration of associated economic sectors to reach the full advantage of integration. The integration of one sector creates functional linkage pressures for related sectors, which is called spillover. In this way, integration deepens and spreads to other sectors.²⁰ Haas believed that spillover would lead inevitably to full economic unity because integration in one economic sector would generate pressures for integration in other sectors.²¹

In 1961, Haas stated that background factors for development of integration were economic and industrial development, pluralist social structure, and homogeneous ideological patterns among participating countries. However, he decided that the possibility for the creation of integration in other regional contexts was low because all states do not have developed economies or pluralist social structures like (Western) European states.²² In order to loosen his theory's close tie with the European case and increase the general applicability of neofunctionalism, Haas and Schmitter worked together and constructed a three-stage model with several conditions. These conditions are background conditions (variables which obtain before the establishment of union), conditions at the time of economic union, and process conditions (variables which arise

¹⁵ B. Hettne and F. Söderbaum. "The Future of Regionalism: Old Divides, New Frontiers." In *Regionalisation and Global Governance: The Taming of Globalisation?* ed. A. F. Cooper, C. W. Hughes and P. De Lombaerde (London: Routledge, 2007), 109.

¹⁶ See E. B. Haas, "International Integration: The European and Universal Process." *International Organization* 15 no. 3 (1961): 389.; A. Moravcsik and F. Schimmelfennig, "Liberal Intergovernmentalism." In *European Integration Theory*, ed. A. Wiener, and T. Diez (New York: Oxford University Press, 2009), 76.

¹⁷ Haas, "International Integration," 389.

¹⁸ Hettne and Söderbaum, *The Future of Regionalism*, 106.

¹⁹ See Haas, "International Integration"; E. B. Haas and P. C. Schmitter. "Economics and Differential Patterns of Political Integration: Projections about Unity in Latin America." *International Organization* 18 no. 4 (1964): 705-737.

²⁰ B. Rosamond, *Theories of European Integration* (New York: St. Martin's Press, 2000), 58.

²¹ E. B. Haas, *The Uniting of Europe: Political, Social, and Economic Forces, 1950-1957* (California: Stanford University Press, 1958), 283.

²² Haas, "International Integration", 389.

during the process which ensures after the establishment of union).²³ Establishing the status of the abovementioned conditions would allow making predictions about the possibility of political spillover in the regional integration institutions.

In this study, the reason for using the integration factors in Haas and Schmitter’s article is that these factors provide a useful and functional framework to measure the success and current progress of integration initiatives, rather than the EAEU-centered integration process in the post-Soviet region can be clarified by neofunctionalism comprehensively. Applying a modified version of Haas and Schmitter’s model into the Eurasian context will be helpful to analyze the EEU properly. Especially, in Blokman, Kostanyan and Vorobiov’s study, a modified version of Haas and Schmitter’s framework was applied to the two integration institutions, the Customs Union and the Common Economic Space in the Eurasian region, before the establishment of the EAEU.²⁴ Testing these indicators in the Eurasian context and comparing it with the early stages of European integration has given important clues that Haas and Schmitter’s integration conditions are useful criteria to analyze Eurasian regionalism. The following table shows the integration conditions used in Haas and Schmitter’s article, Blokman, Kostanya and Vorobiov’s study, and this study.

Table I: Integration conditions

	Haas&Schmitter’s integration conditions	Blockmans,Kostanya&Vorobiov’s integration conditions	The integration conditions in this study
Background Conditions	-Size of units -Rate of transactions -Pluralism -Elite complementarity	-Size of units -Distance between major economic centers -Rate of transactions	-Size of units -Rate of transactions -Political leaders -Coercive power
Conditions at Time of Economic Union	-Governmental purposes -Powers of union	-Implementation of common policies -Supranational institutions	-Implementation of Common policies -Powers of union
Process Conditions	-Decision-making Style -Rate of Transactions -Adaptability of Governments	-Decision-making mode -Economic effects of Eurasian integration	-Decision-making style -Rate of transactions -Adaptability of governments

The major difference between the original framework and this study is related to the background conditions. In this study, ‘pluralism’ and ‘elite complementarity’ conditions have been changed with conditions of ‘role of political leaders’ and ‘coercive power’. Firstly, according to Haas and Schmitter’s study, the development of integration is positively correlated with pluralistic social structure. States owing to democratic institutions and pluralist society are more likely to be capitulators to resolve their problems by assigning more authority to the regional integration

²³ Haas and Schmitter, “Economics,” 705-737.

²⁴ S. Blokman, H. Kostanyan and I. Vorobiov. *Towards a Eurasian Economic Union: The challenge of integration and unity*. Brussels: CEPS Special Report, 2012.

institutions.²⁵ However, in the Eurasian context, all region-states have suffered severely from undemocratic conditions and owing to weak civil society. Thus, using more useful criteria, affecting the development of regional integration instead of ‘pluralism’, will be more favorable in this study. Secondly, the latest background condition in their study associates with the mutual complementarity of national elites in member states. They have focused on whether similar elite groups share common ideas and characteristics or not. Elite complementarity among member states with other background conditions would create suitable conditions for the rapid politization of economic cooperation.²⁶ However, when the Eurasian integration process is examined in detail, it is seen that Russian coercive diplomacy towards Eurasian states has strikingly affected the integration process and decisions of region-states about integration. Thus, the effects of Russian coercive power on integration are analyzed as one condition in this study. With mentioned revisions, these conditions can serve as indicators to help us evaluate the initial stage and development of the EAEU-centered integration.

3. Background Conditions

3.1. Size of Units

The first indicator among the background conditions is related to the size and power of the units participating in the integration institution. The important point in this section is the relative weight of the features in the union, rather than the absolute economic or military power of member states.²⁷ As can be seen in Table II, the member states of the EAEU vary by the area of states, population, GDP, and military power. The vast majority of Russia among member states has damaged the homogeneity of units in the union. Russia is as big as Kazakhstan more than five times, which has the second large area among member states. Russia’s total population is nearly four times larger than the overall population of other member states. Russia also has massive economic and military superiority among member states. They have undiversified and fragile economies: the economies of Russia and Kazakhstan heavily depend on oil and gas export, Kyrgyzstan’s economy intensively depends on workers’ remittances, and Belarus and Armenia’s export are largely led by refined petroleum and copper ore respectively.²⁸ According to the military strength ranking, Russia is the second country with the highest military power in the world after the USA, while others stay considerably behind Russia. These dynamics show that the member states are composed of one large (Russia), two small (Kazakhstan and Belarus), and two very small (Kyrgyzstan and Armenia) units, and there are a great asymmetry and Russian dominance among the units, which negatively affect the creation of successful integration.

Table II: Size of units in the EAEU

	Area size (km ²)	Population (thousand people)	GDP (billion US dollar)	Ranking of military power in the world
Russia	17.098.242	146738	1.58 thousand	2
Kazakhstan	2.724.900	18897	180.72	62
Belarus	207.600	9408	60.97	50
Kyrgyzstan	199.951	6600	8.45	93
Armenia	29.743	2965	13.15	100
Total	20.260.436	184608	1843.29	-

²⁵ Malamud and Schmitter, "The experience," 136

²⁶ Haas and Schmitter, "Economics," 712.

²⁷ Ibid., 711.

²⁸ OECD. Accessed March 23, 2021. <https://oec.world/en>.

The share of Russia in the total amount	%85	%79.5	%85.7	-
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Source: National Statistic Services of member states, CIA Factbook, IMF and GFP 2021 Military Strength Ranking data

3.2. Rate of Transactions

In this section, it should be evaluated the rate of transaction among the prospective member states before the establishment of union by looking at trade figures, investments, and labor mobility. Having an intensive activity among the participants before the creation of a union is one of the major dynamics which strengthens the establishment of integration. Therefore, in this section, it is considered that the comparison between the rate of transaction among participants and with third countries before 2015.

Before the EAEU-establishment, the transaction rate among member states was not low, but their bilateral economic relations with the member states outside Russia were quite low. More importantly, their leading trade and investment partners were not the member states but third countries, particularly European states. Although the most important trade partner of member states in the union was Russia, the export share to member states in the total export of Russia constituted at 7%. Similarly, between 2000 and 2014, the total share of the member states in total exports of Kazakhstan remained at 8%, and the total share of member states outside Russia did not even reach 2%. Since 1991, Russia has been the most important trade partner of Belarus, but other member states had relatively low importance in Russia's trade volume. Kazakhstan had a special position among Kyrgyzstan's trade partners, as a first export partner and second import partner among its trade partners. In addition to the trade of goods and services, labor migration among member states had taken an important place, especially for Kyrgyzstan and Russia. The skilled and unskilled labor migration had been the leading export factor in Kyrgyzstan.²⁹ Remittances from labor migrants have still been the primary source of income for its weak economy. Therefore, the large-scale migration flows from Kyrgyzstan to Russia is its major motivation for accession to the EAEU. In 2014, migrants coming from member states were more than one-third of total migrants in Russia.³⁰

After the establishment of the customs union among Russia, Kazakhstan and Belarus in 2010, the total trade volume between the member states remained quite low. Compared to 2013, it decreased by 11% in 2014 from USD 64.1 billion to USD 57.5 billion. Hydrocarbon and petroleum products have taken a large place in the domestic trade of the customs union. However, the trade volume was unstable because of volatile global oil prices. Asymmetry in the share of the Customs Union member states in total trade turnover had also remained an important problem. While the share of the Customs Union constituted more than half of Belarus's foreign trade, the share of the Customs Union in the total trade turnover of Kazakhstan and Russia amounted to 15% and 7.5% respectively.³¹ Russia was immensely involved in investment activities among the member states as the largest economy in the region. However,

²⁹ P. Mitra, "Recent Economic Performance and the Drivers of Long-Run Growth." In *Central Asia 2050: Unleashing the Region's Potential*, ed. R. M. Nag, J. F. Linn and H. S. Kohli (Astana: National Analytical Center of Nazarbayev University, 2016), 31-64.

³⁰ Russian Federation Federal State Statistics Service. "Russia in Figures 2014." Accessed December 11, 2018. http://www.gks.ru/bgd/regl/b14_12/IssWWW.exe/Stg/d01/05-10.htm.

³¹ K. Kirkham "The formation of the Eurasian Economic Union: How successful is the Russian regional hegemony?" *Journal of Eurasian Studies* 7 no.2 (2016): 119.

the amount of Russian foreign investment going to the EAEU member-states was not very high in the total foreign direct investment. Kazakhstan has started to make investments in its neighbors due to its rapid growth in the 2000s and advanced banking system. As a result, the moderate level of transaction rate and lack of homogeneity in the trade relations among the member states are two of the major dynamics, which has reduced the potential for the creation of successful integration.

3.3. The role of political leaders

According to Haas' definition, integration is 'the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations, and political activities toward a new and larger center, whose institutions possess or demand jurisdiction over pre-existing national states.'³² He emphasizes that states designate some elements of sovereignty to a new center in the integration process. Relationally, some integration theorists have sought an answer to the question of 'how and why states cease to be wholly sovereign' through participating regional integration.³³ For example, a basic facet of David Mitrany's functional method is that sovereignty can be transferred into an integration institution through function.³⁴ On the other hand, according to the classical theory of sovereignty, sovereignty cannot be divided, assigned, and restricted by another authority, function, or time. Jean Bodin likens state sovereignty to God. God, ultimate sovereign, cannot see itself as equal to another god because it is eternal, and two eternity cannot exist at the same time because of logical necessity. Therefore, rulers, raised to god image, cannot see themselves as equal to others that are subject to themselves unless they destroy their own power.³⁵ As it is seen that there is a tension between integration and national governments that want to keep their sovereignty, and this tension has deeply shaped the dynamics of Eurasian regionalism.

The structure of the post-Soviet region, which is highly shaped by interactions among governments, rather than states or societies,³⁶ makes the Eurasian integration process unique. According to Kazharski, authoritarianism renders the integration projects completely elite-driven and deeply elite-dependent.³⁷ The political elites commonly want to participate in the integration projects to obtain short-time political and economic benefits. They give priority to their interests over longer-term integration goals. Authoritarian leaders are willing to have all power and so they are unwilling to assign a part of their power to the integration institutions. This causes 'ink on paper' integration projects or weak integration institutions whose decisions are selectively implemented by its members. Also, political elites mostly prefer to settle their disputes through informal interactions. This kind of integration institutions can make a substantial contribution to the domestic survival of political leaders. Allison (2008) argues that a fundamental reason for Central Asian political leaders' participation in the Eurasian integration projects is the consolidation of their regime survivability and opposition to external

³² Haas, "International Integration," 366-367.

³³ E. B. Haas, "The Study of Regional Integration: Reflections on the Joy and Anguish of Pretheorizing." *International Organization* 24 no. 4 (1970): 610.

³⁴ W. Mattli, *The Logic of Regional Integration: Europe and Beyond* (Cambridge: Cambridge University Press, 1999), 22.

³⁵ G. Mairet, "Podovalı Marsilius'tan Louis XIV'e Laik Devletin Doğuşu." In *Devlet Kuramı*, edited and translated by C. B. Akal (Ankara: Dost, 2000), 233.

³⁶ P. G. Roder, "From Hierarchy to Hegemony: The Post-Soviet Regional Security Complex." In *Regional Orders: Building Security in a New World*, ed. D. A. Lake and P. M. Morgan (University Park: Pennsylvania State University, 1995), 235.

³⁷ A. Kazharski, *The "Eurasian Union": rivaling the EU through institutional isomorphism*. Bratislava: IESIR Working paper, 2012, 19.

agendas of other regional organizations such as democracy promotion of the EU. This regionalism form is called ‘virtual regionalism’ by Allison³⁸ and ‘protective integration’ by Libman.³⁹

All theories of European integration consider democracy as necessary for the development of regional integration. Because, according to these theories, only governments that have strong legitimacy can give reliable promises to implementation of integration rules properly.⁴⁰ However, Eurasian regionalism has been shaped by political leaders who have had authoritarian tendencies. Generally, the post-Soviet region has been weak institutions and powerful leaders like Vladimir Putin, Aleksandr Lukashenko, and Nursultan Nazarbayev, three founding members of the EAEU. Nazarbayev has positioned himself as the father of the EAEU and seen the union as his personal success.⁴¹ In 1994, Nazarbayev suggested creating a new integration association in the post-Soviet region - the Eurasian Union, for the first time.⁴² Putin also stated that his ambitious goal was the gradual establishment of the Eurasian Union - a higher level of integration and a harmonized community of economies extending from Lisbon to Vladivostok, in 2011.⁴³ Because of their dominance at all stages of regional integration, political leaders have designed a top-down decision-making structure, which has low autonomy from political leaders and their governments. Their dominance in the integration process also obscures the future of the EAEU because political leaders' change can easily affect the direction of the integration process. These three leaders are the most important promoters of the political discourse on Eurasianism. However, it has largely served their own interest rather than a reconstruction of regional identity for strengthening integration.⁴⁴

3.4. Coercive power

As Maness and Valeirano reveal in their book in detail, Russia has engaged the post-Soviet space by using coercive diplomacy since the collapse of the Soviet Union.⁴⁵ It uses its political and economic leverage over the post-Soviet neighbors to keep in its sphere of influence and away from other political spheres, particularly the West. The relatively weak and fragile post-Soviet states compared to Russia have been forced to participate in the integration projects by Russia, acting as a coercive power in the region. This situation has deeply affected the integration process of the EAEU, Eurasian states' membership decisions, and behaviors toward the EAEU. On the other hand, none of the Western-oriented integration theories, which assume that all member states are voluntarily involved in integration projects, have needed to conceptualize the relationship between integration and coercion. To understand the Eurasian

³⁸ R. Allison, "Virtual regionalism, regional structures and regime security in Central Asia." *Central Asian Survey* 27 no. 2 (2008): 185-202.

³⁹ Libman, "Regionalisation," 401-430.

⁴⁰ Malamud and Schmitter, "The experience," 151.

⁴¹ D. Satpayev, "Kazakhstan: Economic Integration Without Relinquishing Sovereignty," In *The Eurasian Economic Union: Analysis and Perspectives from Belarus, Kazakhstan and Russia*, ed. Hett, F. and S. Szkola (Berlin: Friedrich Eberto Stiftung, 2015). Accessed March 2, 2021. <http://library.fes.de/pdf-files/id-moe/11181.pdf>.

⁴² N. Nazarbayev, "Evraziiskii soyuz: ot idei k istorii budushchego." *Investiya*, October 2011. Accessed November 18, 2018, from *Izvestiya*: <https://iz.ru/news/504908>.

⁴³ V. Putin, "Novyi Intergratsionnyi Proekt dlia Evrazii." *Investiya*, October 3, 2011. Accessed November 13, 2018, <http://izvestia.ru/news/502761>.

⁴⁴ P. Pryce, "Putin's Third Term: The Triumph of Eurasianism?" *Romanian Journal of European Affairs* 13 no. 1 (2013): 25-43; D. T. Kudaibergenova, "Eurasian Economic Union integration in Kazakhstan and Kyrgyzstan." *European Politics and Society* 17 no. 1 (2016): 97-112.

⁴⁵ R. C. Maness and B. Valeriano. *Russia's Coercive Diplomacy: Energy, Cyber, and Maritime Policy as New Sources of Power* (London: Palgrave Macmillan, 2015).

integration process, the failed integration attempts, and characteristics of integration in the region, it is important to include the factor of coercive power affecting the behavior of the region-states.

Russia has always been sensitive to new political and economic developments in its 'near abroad' since the collapse of the Soviet Union. Because of its zero-sum game mentality in its foreign policy approach, Russia has seen the rapprochement and association of foreign actors like the EU, NATO, and the US with the post-Soviet states as a loss and threat of its vital interests. Russian coercive diplomacy comes in many forms and areas such as trade, energy, cybersecurity and so on. Russia uses carrot (subsidies, loans, credits, cheap energy trade agreements, regime support) and stick (hardening of border-controls, economic embargos, political interventions) in a coercive manner to change the integration preferences of its neighbors. For instance, the authoritarian regimes of Belarus and Kazakhstan are rewarded with stable and cheap gas, while the Baltic States, Georgia, and Moldova pay higher gas prices because they escaped from the Russian political grasp.⁴⁶ After Moldova and Georgia applied rapprochement policy to the EU and signed the partnership agreements, Russia placed various embargos on them. After the annexation of Crimea in 2014, security risk perceptions of Moldova and Georgia have increased for their potential regions such as Abkhazia, South Ossetia, and Transnistria.⁴⁷ In addition, the newfound post-Soviet states have been very unwilling to assign newly acquired sovereignty, particularly in their nation-building processes. Thus, they share a common fear of being subordinated by the same center: Moscow. A high asymmetric interdependence between Russia and other region-states decreases their bargaining powers and triggers their fears about subordination.

Even though some Eurasian states have applied pro-Russian policies and associate with Russian-led integration projects for economic gain or regime stability, the rising coercive and revisionists policies of Russia have increased their existential anxiety. At first, Ukraine's close ties and willingness to cooperate with the EU were punished with a mid-winter gas cutoff by Russia, and then the crisis between the two states had escalated in the post-Soviet space. Before the establishment of the EAEU, the annexation of Crimea and the Ukrainian crisis had displayed a serious lack of trust between Russia and its neighbors, especially Belarus and Kazakhstan.⁴⁸ Nazarbayev said that 'Kazakhstan has a right to withdraw from the Eurasian Economic Union if its interests are infringed. It will not be part of organizations that pose a threat to our independence.' Lukashenko was also concerned about the possibility of spreading of the Ukrainian conflict to the overall region and re-emphasize several times the independence of Belarus.⁴⁹

The level of coercion in the region has affected not only the participation-decision of states to the integration institutions but also the integration process after their establishments. For example, Nazarbayev and Lukashenko have risen their statement about willingness to transform from an economic union to a political one. Nazarbayev stated that 'politicization of newly created union is unacceptable',⁵⁰ and Lukashenko similarly said that 'We, and especially

⁴⁶ Ibid., 125.

⁴⁷ N. Popescu, *Eurasian Union: the real, the imaginary and the likely*. EU Institute for security studies, 2014, 33.

⁴⁸ A. Sivickiy, "Belarus: Muted Integration Euphoria." In *The Eurasian Economic Union: Analysis and Perspectives from Belarus, Kazakhstan and Russia*, 17.

⁴⁹ Moscow Times, "Belarus' Lukashenko Backtracks on Debt-Restructuring Comments," January 30, 2015. Accessed December 18, 2018, <https://www.themoscowtimes.com/2015/01/30/belarus-lukashenko-backtracks-on-debt-restructuring-comments-a43394>.

⁵⁰ Newsru, "Shuvalov Uspokoil Kazakhstan." May 28, 2014. Accessed December 13, 2018, <http://www.newsru.com/russia/28may2014/shuvalov.html>.

Kazakhstan, have always ruled out any political nature for the union'.⁵¹ When Russia introduced the retaliatory sanctions on the import of some food products from western states in 2014, Belarus and Kazakhstan did not apply this ban in contrast to Moscow's expectations. Moreover, Belarus benefitted from Russian retaliatory sanctions on foods, and it caused trade wars between them. Also, fear and lack of trust among member states have still existed: 'If someone wants to break Belarus into regions and force us to become a subject of Russia, that will never happen.', as stated by Lukashenko in 2018.⁵² To sum up, the escalation of Russian coercive policies in the post-Soviet region has negatively affected both behaviors of Eurasian states towards the regional integration and pace of the union.

4. Conditions at Time of Economic Union

4.1. Implementation of Common Policies

In order to evaluate the success of the EAEU, it is necessary to look at how many objectives have been achieved by the EAEU. The major goals of the EAEU are the creation of proper conditions for the sustainable development of their national economies; the formation of a common market for goods, services, capital, and labor; getting national economies more competitive in the global market.⁵³ The single goods market (2010), single services market and common labor market (2015), and common markets of medicinal products and devices (2017) came into effect to achieve the principle of four freedoms as a major objective of the EAEU. In 2018, the EAEU Customs Code came into effect to regulate custom procedures comprehensively. Also, the EAEU has applied agreed policies about various areas such as intellectual property, consumer protection, labor migration, and sanitary. Member states have also worked for creating common markets of oil, gas, petroleum products, electric, finance, transport services, alcohol, and tobacco.⁵⁴

After the Customs Code and common regulation system of the Customs Union (CU) became effective in 2010, the customs control at the internal borders among Russia, Belarus and Kazakhstan was removed, and all forms of registration and control were moved to the external border of the CU. The Common Economic Space (CES) was created to provide free movement of goods, services, capital, and labor among member states in 2012. The CES has worked to achieve development in the most important economic sectors such as transportation, energy, agriculture, foreign exchange and migration policies, financial markets, and intellectual property. In 2012, the Eurasian Economic Commission (2017, pp. 21-22) was formed to provide necessary conditions for the operation of the CU and CES. The EEC conducted 31 investigations and introduced 7 special protective measures and 20 anti-dumping measures to protect the national economies of member states between 2011 and 2017. In 2015, the single service market was formed, and 43 service sectors operate in the single market.⁵⁵ They also

⁵¹ RFERL, "Lukashenka Says Belarus Could Leave Eurasian Group If Agreements Not Kept." Last modified January 29, 2015. Accessed December 15, 2018, <https://www.rferl.org/a/lukashenka-says-belarus-could-leave-eurasian-union/26819567.html>.

⁵² N. Waller, "As tensions rise, Lukashenko says Belarus will never again be a part of Russia." *New York*, December 16, 2018. Accessed November 23, 2018. <https://www.neweurope.eu/article/as-tension-rise-lukashenko-says-belarus-will-never-again-be-a-part-of-russia/>.

⁵³ EAEU, "Treaty on the Eurasian Economic Union." Accessed August 18, 2018, <https://docs.eaunion.org/en-us/pages/displaydocument.aspx?s=bef9c798-3978-42f3-9ef2-d0fb3d53b75f&w=632c7868-4ee2-4b21-bc64-1995328e6ef3&l=540294ae-c3c9-4511-9bf8-aaf5d6e0d169&entityid=3610>.

⁵⁴ EEC, *Eurasian Economic Integration: Facts and Figures*. Eurasian Economic Commission, 2017.

⁵⁵ EEC, *Eurasian Economic Integration: Facts and Figures*. Eurasian Economic Commission, 2015.

plan to liberalize nine service sectors and so 52 service sectors will represent almost 55% of the total services provided in the member states when this plan is implemented.⁵⁶

Despite these gradual achievements, there are some problems with reaching the main objectives of the EAEU. One of the major obstacles relates to the establishment of the new Customs Code and the adjustment of the common customs tariff. The negotiation process for forming of new Custom Code was long and troublesome for EEC officials because the member states suggested about 1,500 proposals for the new code. Kazakhstan demanded that the majority of customs regulation would be authorized by the national institutions of the member states because Kazakhstan has more liberal trade conditions, particularly import duties, than Russia.⁵⁷ However, all member states have to adjust their import duty rates with the commitments outlined in Russia's WTO Accession Protocol. Because of differences among the WTO commitments of member states and the EAEU tariff schedule, they have difficulty in implementing common tariff rates. For instance, Kazakhstan's tariff ceiling for agriculture products is approximately 7.6%, while Russia's bound rate commitment for agriculture products is 10.8%. Thus, Kazakhstan applied temporary exemptions for approximately 3,500 tariff lines until the end of its WTO transition period.⁵⁸ Moreover, Kyrgyzstan and Armenia have applied different tariffs until the end of their transition periods.⁵⁹ Another problem is about existing non-tariff barriers among member states of the CU. According to the EEC report, 81 obstacles have been removed by 2017. However, another 450 trade barriers are still in effect in EAEU markets, and 80% of those trade barriers are allowed by the Union Treaty.⁶⁰ The Union Treaty establishes three principles for monetary policy coordination, but, like many other regulations, it does not provide a valid and binding foundation for these principles. For example, after a sharp devaluation of the Russian ruble in 2015, all three indicators in the treaty have been violated by one or more member states for over two years.⁶¹

In 2018, member states adopted the Declaration of Further Development of Integration Processes. The most notable objectives of the declaration are to enhance scientific and technical progress and improve the living standards of the people. Also, they declared the goal of advancing the EAEU as one of the major development poles in the world.⁶² However, there are vast gaps among member states and minor improvements in key indicators for social and economic well-being. For example, from 2015 to 2020, only Russia and Kazakhstan have improved their ease of doing business rankings while other member states have drawn back in the world ranking.⁶³ There are also massive differences among their GDP per capita: Russia's GDP per capita was estimated to be 29,181 dollars, whereas GDP per capita in Kyrgyzstan was 5,485 dollars in 2019.⁶⁴

⁵⁶ Eurasian Development Bank, *Eurasian Economic Integration – 2019*. Moscow: EDB, 2019, 18.

⁵⁷ E. Vinokurov et al., *Eurasian Economic Integration - 2017*. Saint Petersburg: Eurasian Development Bank, 2017, 16.

⁵⁸ I. Tochitskaya, *Kazakhstan's Accession to the WTO: Overview and Implications for the Eurasian Economic Union*. Minsk: IPM Research Center, 2016, 5.

⁵⁹ L. Delcour, *The EU and Russia in Their 'Contested Neighbourhood': Multiple External Influences, Policy Transfer and Domestic Change* (New York: Routledge, 2017), 86.

⁶⁰ Vinokurov et al., *Eurasian Economic Integration*, 11.

⁶¹ E. Vinokurov et al. "Customs unions, currency crises, and monetary policy coordination: The case of the Eurasian Economic Union." *Russian Journal of Economics* 3 no. 3 (2017): 288.

⁶² Eurasian Development Bank, *Eurasian Economic Integration*, 8.

⁶³ World Bank, "Ease of Doing Business Rankings." Accessed March 16, 2021.
<https://www.doingbusiness.org/en/rankings>.

⁶⁴ World Bank, "GDP Per Capita PPP (current international dollar)." Accessed March 12, 2021.
<https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD?view=chart>.

4.2. Powers of Union

The EAEU has gained visible accomplishments that show its willingness to move the regional integration forward. Firstly, the EAEU has a more robust legal and institutional framework than all previous integration attempts in the post-Soviet region. For example, the Customs Code, a comprehensive and codified international treaty, came into force in 2018. Thus, the EAEU has begun to apply a unified legal regime in the customs territory. Secondly, the EAEU enlarged successfully with accessions of Kyrgyzstan and Armenia as member states in 2015. It also signed a Free Trade Agreement with Vietnam, executed Trade and Economic Cooperation Agreement with China, granted Moldova's observer status, and made a provisional agreement for the establishment of a free trade area with Iran. The EAEU signed Cooperation Memorandum with Mongolia, Singapore, South Korea, and several other states.⁶⁵ Thirdly, two permanent bodies of the EAEU, the Eurasian Economic Commission (EEC) and the Court of the EAEU (the Court), include supranational elements. However, powers have been restricted in the organizational structure of the EAEU even though they have some supranational characteristics. Thus, it is helpful to look at the EEC and the Court more closely.

The EEC is the first supranational regulatory body in the Eurasian integration process. It includes two distinct bodies: the Council and the Board. The Council is comprised of one vice prime minister of each participating country, and the Board is the executive body of the Commission. While decisions are taken by consensus in the Council, decisions are taken by a qualified majority or by consensus in the Board. According to official regulations of the EAEU, decisions of the EEC are binding and directly effective on the territories of member states, not requiring additional national approval. Its decisions have regulatory and legal character and are part of the union law.⁶⁶ Despite some certain supranational features of the EEC, it is not an entirely supranational body, including intergovernmental elements. The Board is the only supranational body in the EEC because representatives of the Council are members of the government, while representatives of the Board must act independently from their governments. Moreover, the decision-making system of the EAEU barely allows the Commission to act as an autonomous actor in the integration process because the highest body of the union is the Supreme Council, not the EEC.⁶⁷ In the Supreme Council, all members have a veto right. Even if the EEC ministers work professionally and independently for the sake of the integration process, all critical decisions are taken through the chain of command, coming first to the EEC Council and finally to the Supreme Council when members of the EEC Council do not reach an agreement. In addition, the implementation of its decisions by member states is a crucial problem, the EEC cannot directly send a case to the Court and can only report a case to the member states.⁶⁸

The Court, a permanent judicial body of the EAEU, comprises two judges from each participating country. The Court interprets EAEU law to ensure it is applied uniformly in the EAEU. Only member states and economic entities, not the EEC, can open a case in the Court, and its jurisdiction remains very limited. However, the Court emphasizes that Paragraph 2 of Article 97 of the Treaty is a norm of direct effect in some advisory jurisdictions of the

⁶⁵ EEC, *Eurasian Economic Union: Facts and Figures - 2018*. Eurasian Economic Commission, 2018, 12-13.

⁶⁶ EEC, *Eurasian Economic Integration: Facts and Figures*. Eurasian Economic Commission, 2017, 31-32.

⁶⁷ M. Karliuk, *The Eurasian Economic Union: an EU-like Legal Order in the Post-Soviet Space?*. Higher School of Economics Research Paper, 2015, 10.

⁶⁸ A. Yeliseyev, *The Eurasian Economic Union by 2020: Expectations, challenges, and achievements*. East Center, 2020. Accessed February 13, 2021, 17. <https://east-center.org/wp-content/uploads/2020/06/EAEU-by-2020.pdf>.

Court.⁶⁹ Similarly, another advisory jurisdiction underlines that the rules of competition should be directly applied by the member states as norms established in an international treaty.⁷⁰ The statement of the Court about the supremacy of union law over national legislation of member states is a substantial development for the integration process because the Union Treaty does not include clear-cut expressions about supremacy and direct application of union law.⁷¹

5. Process Conditions

5.1. Decision-making Style

According to the Union Treaty, bodies of the EAEU are the Supreme Council, the Intergovernmental Council, the EEC, and the Court. Also, the EEC and the Court of EAEU are called institutions of the EAEU, while the Supreme Council, Intergovernmental Council, and EEC Council are called as governing bodies of the EAEU, in white papers of the EEC.⁷² The Supreme Council is the supreme body of the EAEU, comprising heads of member states. The Supreme Council is the most powerful body in the EAEU, determining directions, strategy, and prospects for the development of the union. It appoints the chair of the EEC Board and judges of the Court. It can consider any issues correlated with the annulment or amendment of decisions adopted by the EEC or the Intergovernmental Council. It also distributes responsibilities among members of the EEC Board and terminates their powers. The members of the Intergovernmental Council are heads of national governments and bring together at least twice a year. It ensures the implementation of the Union law and considers controversial issues and issues related to the cancellation and amendment of a decision taken by the EEC. It can also suspend decisions of the EEC Council and Board. The decisions of Supreme Council and Intergovernmental Council are taken by consensus.

As mentioned in the previous section, the EEC is a permanent regulatory body of the EAEU, headquartered in Moscow. The Board, one of its two bodies, is a supranational executive body of the EAEU. It ensures the development and functioning of the EAEU. In the Board, decisions are taken by a two-thirds qualified majority of votes, while issues from the list of sensitive issues are resolved by consensus. In the EEC Council, another body of the EEC, decisions are taken by consensus. The Council can abolish or amend decisions taken by the Board within ten days of their adaptation. The decision-making structure of the EAEU makes the application of its decisions difficult for the Board because the Council must affirm the Board's decisions. The co-decision procedure of the Council usually takes long because of lasting negotiations with national agencies. If they cannot agree, the issue is delegated to the Intergovernmental Council, and disputed issues are sent to the Supreme Council in general. This governing structure that does not allow taking autonomous decisions from the member states limits the scope of integration to non-controversial issues like technical regulations. In controversial areas, national governments tend to solve problems through personal connections and telephone calls, rather than through various mechanisms of the integration institution.⁷³ As is seen from formal regulations, the decision-making structure of the EAEU has been designed highly hierarchical

⁶⁹ EAEU Court, "Advisory Jurisdiction" December 7, 2018. Accessed March 16, 2021, 13. <http://courteurasian.org/news-201812>.

⁷⁰ EAEU Court, "Advisory Jurisdiction" April 4, 2017. Accessed March 16, 2021. <http://courteurasian.org/page-24731>.

⁷¹ Yeliseyev, *The Eurasian Economic Union*, 15.

⁷² EEC, *Eurasian Economic Union: Facts and Figures - 2018*. Eurasian Economic Commission, 2018.

⁷³ International Crisis Group, *The Eurasian Economic Union: Power, Politics and Trade Europe and Central Asia*. Brussels: Europe and Central Asia, 2016, 10.

and top-down, locating the Supranational Council at the highest level and the EEC Board at the lowest level.⁷⁴

5.2. Rate of Transactions

The EAEU was born in the most unfavorable economic conditions. The mutual trade value of EAEU member states has decreased from 2013 to 2016. In 2015, intra-EAEU trade fell by 26%, and EAEU trade with third countries decreased by 34% compared to the previous year. At the end of 2016, the value of the mutual trade of member states fell by 6.7%, and the value of its trade turnover with third countries decreased by 12% compared to 2015. This economic decline mostly relates to the unfavorable conditions of the global economic crisis in 2008, the slowdown of global trade and economic growth, the economic sanctions imposed on Russia after the Ukrainian crisis and counter-sanctions on European countries by Russia, the sharp fall in oil prices, and devaluation of national currencies of member states.⁷⁵

Unfortunately, the share of mutual trade among member states has not had a well-balanced dispersion pattern yet. Belarus and Kazakhstan's shares in the mutual trade among member states equaled to 23% and 10% respectively, while Russia's share in mutual trade equaled to 65% in 2018. The total share of Armenia and Kyrgyzstan in mutual trade was only 2%.⁷⁶ Russia is the most important trade partner of member states in intra-EAEU trade. Especially Belarus and Armenia have traded slightly with other member states outside Russia. Belarus was the major importer in intra-EAEU trade because Russia's share in Belarus' total import amounted to 58.39% in 2018. Moreover, the most important trade partners of member states include non-member states. For example, the aggregate share of member states in Russia's total export share was 8.5% in 2018,⁷⁷ and the EU is its largest trading partner with an aggregate foreign trade value of €232 billion in 2019.⁷⁸ According to data of the EDB, the largest EAEU trade partners are China, EU member states, Turkey, the Republic of Korea, the USA, and Japan respectively. China is the largest exporter of goods to the EAEU, and its export amounted to 24.1% in total import value coming from third countries to the EAEU. Also, the share of intra-EAEU mutual investments in total EAEU FDI was only 13%, while the share of FDI coming from third countries to member states was 87% in 2018. Russia received 77% of the total incoming FDI in the EAEU.⁷⁹

5.3. Adaptability of Governments

One of the leading problems preventing the sustainability and deepening of integration is that the governments of member states ignore their responsibilities of the common regime for the sake of their national interests, postpone their commitments, and conduct unilateral trade restrictions and intra-EAEU trade wars. For instance, despite Russia's requests, Belarus and Kazakhstan did not support Russia's food sanctions on European states in 2014. Then, Russia restricted food imports from Belarus and Kazakhstan and banned 23 Belarusian companies which exported milk and meat to Russia in the same year. Also, Russia accused both states of re-exporting food from the EU and begun some customs and veterinary checks on the border

⁷⁴ R. Dragneva and K. Wolczuk, *The Eurasian Economic Union Deals, Rules and the Exercise of Power*. London: Chatham House Research Paper, Royal Institute of International Affairs, 2017, 15.

⁷⁵ Vinokurov et al. *Eurasian Economic Integration*, 39-40.

⁷⁶ Eurasian Development Bank, *Eurasian Economic Integration*, 32.

⁷⁷ WITS World Bank, Accessed 2021, March 17, 2021. <https://wits.worldbank.org/Default.aspx?lang=en>.

⁷⁸ European Commission, "Countries and regions: Russia." March 16, 2021. Accessed February 14, 2021. <https://ec.europa.eu/trade/policy/countries-and-regions/countries/russia/>.

⁷⁹ Eurasian Development Bank, *Eurasian Economic Integration*.

with these states. Along with the deterioration of their mutual relations, Kazakhstan provisionally banned fuel imports from Russia and restricted Russian food imports while Belarus restarted ad hoc border controls on its Russian border.⁸⁰ Although they did not consent to Russia's offer about common trade policy against Ukraine, Russia acted unilaterally and imposed trade restrictions on Ukraine in 2016.⁸¹ Due to political and economic tensions in the region, trade wars have also arisen among member states outside Russia such as trade wars on transporting goods between Kazakhstan and Kyrgyzstan.⁸²

The common custom tariff exemptions of member states to EAEU have exacerbated their problems is that the adaptation of the EAEU principles. Especially Kazakhstan's massive tariff exemptions have still been in force, and the tariff negotiations have been expected to begin approximately in 2024.⁸³ According to the EEC data, the effect of removing certain obstacles in the EAEU internal market was equal to nearly 100 million US dollars. The total positive effect of eliminating obstacles amounted to about 2% of the volume of mutual trade.⁸⁴ Although member states have made some progress, the elimination of existing obstacles in the CU has still been a bridge too far. In addition, some member states have not had the technical capacity and required institutions to fulfill the EAEU obligations yet. For instance, Kyrgyzstan has struggled to carry out the EAEU regulations due to the lack of basic infrastructures like veterinary services and laboratories.⁸⁵ These conflicts and problems show the low adaptability level of governments of member states.

6. Conclusion

With its gradual achievements, enlargement, and institutional structure, the Eurasian Economic Union represents a historically unprecedented integration process in the post-Soviet region. However, according to the overall results of this study (Table III), the picture for successful integration seems unpromising. Firstly, the member states are not able to balance each other because Russia dominates the union with its favorable structural characteristics. The share of mutual trade among themselves is also not well-balanced; mutual trade among member states outside Russia is quite low. While the EAEU has the first and only supranational body - the EEC, the inter-governmentally based decision-making structure of the EAEU is not very likely to lead to spill-overs – unless member states give more autonomy to the EAEU bodies. Secondly, its strict hierarchical institutional structure and ineffective enforcement mechanism have restrained the development and deepening of integration among member states in such a rules-based regime. Because of political leaders' central position over regional integration, they tend to solve problems through personal arrangements, rather than the EAEU bodies, leading to more feeble institutions. If 'the history of Eurasian integration is actually an attempt to build something similar to the EU' as stated by Tatiana Valovaya,⁸⁶ member of the EEC Board, this mimicry seems much more formal, lacking its essence.

⁸⁰ R. Sakwa, "How the Eurasian elites envisage the role of the EEU in global Perspective." *European Politics and Society* 17 no. 1 (2016): 13.

⁸¹ S. P. Roberts and A. Moshes, "The Eurasian Economic Union: a case of reproductive integration?" *Post-Soviet Affairs* 32 no. 6 (2016): 556.

⁸² I. Zuenko, *The Eurasian Gap: Winners and Losers of the Economic Union*. Carnegie Moscow Center, November 11, 2016. Accessed December 12, 2018. <https://carnegie.ru/commentary/65114>.

⁸³ Roberts and Moshes, "The Eurasian Economic Union," 21.

⁸⁴ EEC, *Fifth Anniversary of the Eurasian Economic Union. Eurasian Economic Commission*, 2019.

⁸⁵ International Crisis Group, *The Eurasian Economic Union*, 11.

⁸⁶ T. Valovaya, *Eurasian Economic Integration: Origins, Patterns and Outlooks*. EBD Eurasian Integration Yearbook, 2012, 43.

Without looking at political leaders' central position over integration and the role of Russian coercive diplomacy on integration, it would be impossible to understand slowness in the integration process, the decision-making process of the EAEU, and the low adaptability of governments to integration rules. In addition to Russian coercive diplomacy has a negative effect on integration, strong resistances of member states against unilateral economic actions of Russia and its idea about establishment of political integration institution has shown that there are no absolute hierarchical relations among region-states in favor of Russia in the post-Soviet region. Because of the low ranking of the integration conditions in this study and the resistance of member states outside Russia, it seems unlikely that the EAEU would transform into a political integration from an economic integration institution. This study has revealed that there is a need to develop new theoretical frameworks which clarify different regionalisms outside Europe. For more comprehensive studies on Eurasian regionalism, we should analyze other important dimensions such as the nation-building process of post-Soviet states, their political and economic transition periods, and roles of identity and shared history.

Table III: The EAEU: Distribution of Pattern Variables

Background Conditions	
1. Size of units	Mixed
2. Rate of transactions (before the EAEU)	Mixed
3. Political leaders (-)	High
4. Coercive power (-)	Mixed
Conditions at Time of Economic Union	
5. Implementation of common policies	Mixed
6. Powers of union	Low
Process Conditions	
7. Decision-making style	Mixed
8. Rate of transactions (after the EAEU)	Mixed
9. Adaptability of governments	Low

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