

**The Eurasian Economic Union and its potential relationship
with the European Union**

*La Unión Económica Euroasiática y sus relaciones potenciales
con la Unión Europea*

Pablo PODADERA RIVERA

Universidad de Málaga (España)
ppodadera@uma.es

Anna GARASHCHUK

Universidad de Málaga (España)
anutka735@gmail.com

Recepción: Septiembre 2016
Aceptación: Noviembre 2016

ABSTRACT

This contribution aims to analyse the role and perspectives of a new agent in Post-Soviet Space, the Eurasian Economic Union (EEU). Despite the political crisis provoked by the war in Ukraine, we consider the establishment of a strategic partnership between two Unions (the European and the Eurasian Economic Union) feasible, taking into account the interdependence of their geopolitical, geostrategic and energy dimensions. The Russian Federation (RF) and the European Union (EU) are powerful players on the regional and global level. The destiny of all Eurasia depends on their relationship: whether it will be integrated between the countries of EU and the EEU led by the RF or the problems of potential separation will emerge.

Keywords: Eurasian Economic Union, European Union, strategic partnership.

JEL classification: F02, F15, F55.

RESUMEN

Esta contribución pretende analizar el papel y las perspectivas de un nuevo agente en el Espacio Post-Soviético, la Unión Económica Euroasiática (UEE). A pesar de la crisis política provocada por la guerra en Ucrania, consideramos factible el establecimiento de una asociación estratégica entre dos Uniones (la Unión Económica Europea y la Unión Económica Eurasiática), teniendo en cuenta la interdependencia de sus dimensiones geopolíticas, geoestratégicas y energéticas. La Federación de Rusia (RF) y la Unión Europea (UE) son poderosos actores a nivel regional y mundial. El destino de toda Eurasia depende de sus relaciones: si se produce una integración entre los países de la UE y la EEU encabezada por la RF o si surgirán problemas de separación potencial.

Palabras clave: Unión Económica Euroasiática, Unión Europea, asociación estratégica.

Clasificación JEL: F02, F15, F55.



1. INTRODUCTION

Despite several unsuccessful attempts of integration in Post-Soviet Space Russia did not abandon the idea to become a main integrator in the region and as the result on the basis of the EAEC (Eurasian Economy Community) the EEU has been created. The Eurasian Economic Union (EEU) was created according to the World Trade Organization rules using the experience of the European Union with the intention to form a link between Europe and Asia-Pacific region. Many scientists like (Hartwell, 2013; Kuzmina, 2015; Zagorski, 2015) consider the EEU as the most ambitious project in the Post-Soviet Space. However Hartwell (2013) highlights that the EEU enters the most difficult phase of its existence; and the policymakers have to decide how deep this integration should be. The present research aims to analyze the new agent in Post-Soviet Space regarding its objective, particular characteristics, institutions and perspectives to become a perspective regional organization in the region.

It is worth mentioning that the EEU is a young organization and its integration processes are not finished yet but that does not exclude the possibility of reversible processes. For the moment the EEU is actively searching for allies and from our point of view one of the options, despite actual political crisis between Russia and the EU provoked by the war in Ukraine, could be to renew relations with the EU. Thus, in this research the factors which separate and unite the EU and the EEU were analyzed, and the strategic partnership between the two unions was proposed.

39

With regard to methodology of research, such theoretical methods as analysis of literature and authors' opinions, analyses of official juridical documents and statistics data and comparative analysis of the EEU and the EU were applied.

2. METHODOLOGY

During this investigation both positive and neo-institutional approaches were used. The positive approach serves for explaining things as they really are, and we used it with a view the Eurasian Economic Union and its potential relations with the EU. We this purpose the following theoretical methods were applied:

- Analysis of literature and authors' opinions
- Analysis of official juridical documents, such as Agreement of the Eurasian Union Economic and annex therein
- Analysis of official statistics data of EEU's members
- Comparative analysis of EEU and EU

The neo-institutionalism focuses on survey of institutions, characterizing like places where different social actors carry out their practices and assumes the comparison of

existing and inefficient institutions with alternative and efficient. Thus, this approach was applied in this research in order to analyse the EEU's institutions and to compare them with the EU's institutions.

3. FORMATION OF EURASIAN ECONOMIC UNION

So far the Eurasian Economic Union consists of five countries. Armenia was incorporated to the Union at the beginning of January 2015 and Kyrgyzstan was incorporated at the end of May 2015. The Eurasian Economic Union nowadays is 182,1 million of people and 14% of terrestrial parts of the world.

The idea of creating the Eurasian Economic Union was proposed by the President of Kazakhstan N. Nazarbaev in the 1990s. However, at that time the proposal was not accepted and the President of Russia, V. Putin, returned to the project in 2011.

Hartwell (2013) stresses that the EEU enters the most difficult phase of its existence; and the policymakers have to decide how deep this integration should be. Should it include a monetary union or should it remain focused on trade and labor flows only? There is a premise of united currency that will enter into force no later than 2025, and will be called altin.¹ Following Kim (2015) Eurasian monetary union represents an aspect of longer-term planning which will be a multi-phased process for the Eurasian Economic Union's future development. Nevertheless he argues that such initiative demonstrates that its founders are looking for ways to increase the bloc's resilience and ultimate viability. This does not exclude the possibility that with time, the Union would be transformed into political and military alliance capable of competing with the NATO and China (Berres, 2014).

The EEU, at the moment, is an example of regional integration, in spite of the fact that its members are situated on two parts of the continent. Still it is worth noting that the Union is an open organization and allows the possibility that apart from the former Soviet republics, other countries can join. In this case the integration in the former Soviet area can acquire sub-regional character. The contract concerning the Eurasian Economic Union (EEU) allows for the possibility of widening the circle of its member states. Presently, there are two possible variants of collaboration of individual states with the EEU: either a *full EEU-membership* (Kyrgyzstan, Armenia, Tajikistan) or the *establishment of a free trade area* (Vietnam, Turkey). Regarding Tajikistan, which to this day has not given a clear answer to the question of whether it wants to join the Eurasian Economic Union, its accession would result in a number of positive consequences for this country such as the preservation and expansion of the volume of exports and the legal protection of questions of labour migration (Kuzmina, 2015). The possibility of incorporating Vietnam and Turkey is there; but the relevant projects are rather dubious and hard to carry out in practice.



For this moment, the members of the Eurasian Economic Union, according to their agreement, prefer to be limited to the economic objectives (article 4): creation of conditions for development of the economies of the member countries; the claim of creation of the common market of goods, services, capital and human resources, in the framework of a proper Union; the multilateral modernization, cooperation and growth of the competitiveness of national economies in conditions of the global economy (Agreement on the Eurasian Union Economic, article 4).

4. PARTICULAR CHARACTERISTICS OF THE EEU

Even though the EEU was created on the basis of EU's model it has its particular characteristics that distinguish the EEU from other integration entities. Thus, we can mention the following particular characteristics and features of the EEU:

4.1 Special location

It is necessary to take into account the specific location of the EEU, which involves both European and Asian traditions, that makes the integration softer and less deep than the one we can observe in the European Union. Different ethnic groups, cultures, religions and mentalities require a special approach towards the integration which would respect interests of all participants. Moreover the strategic location postulated the special mission of integration: to become a link between Europe and Asia-Pacific region.

41

4.2 Common Soviet members' past

Another special characteristic that distinguishes the EEU from other integration entities, is the fact that the union consists of countries that used to form part of the same country. Thus, speaking of integration process, firstly it is about restoring old links that existed between the members. Actually, after the fall of the USSR, the relationships between the former Soviet republics never broke: they maintained free movement of people, rules of the labor market, provided regime of obtaining citizenship, etc. Moreover, the majority of Eurasian Union population used to be citizens of the USSR and therefore they have not lost their soviet identity, which in its turn could facilitate forming 'common demos'². Nevertheless, scholars argue that these ties will disappear over time as the common Soviet culture. In turn, these states will become part of either Europe or the Islamic world (Gleason, 2010; Malashenko, 2011; Tsygankov, 2012).

4.3 Prevalence of Russia

Libman and Obydenkova (2013) prove that the concerns of Russian hegemony influence those countries that most actively participate in Eurasian regionalism. Economic (Russian GDP is 304 times higher than Kyrgyz, 200 times higher than Armenian, 30 times higher than Belarusian and 9 times higher than Kazakh, World Bank Data, 2013) and military prevalence of Russia in comparison with other members of the Union can cause concerns in view of weaker participants. In such situation Grinberg (2013) highlights that for Russia it is hard to be a partner with equal rights.

While Libman (2007) argues that Russia is not sufficiently strong enough to entice other states to join regional organizations.

4.4 Authoritarian members' regime

According to Melnykovska (2012), Cameron and Orenstein (2012), and Vanderhill (2013), Russia uses regionalism like a tool to support fellow regimes. While Libman (2007), Allison (2008) and Collins (2009) assume that the leaders of the Eurasian integration countries are against domestic opposition to protect themselves and to ensure the mutual support of authoritarian regimes rather than for real common economic benefits. Bugajsky (2008) believes that if the Eurasian countries are ruled by fellow autocrats it is easier for Russia to control them. Obydenkova and Libman (2014) criticize this perspective, proving that members with autocratic regimes become problematic partners for Russia due to low credibility that this commitment makes.

4.5 Different members' goals and level of economic development, similar economic structure and weak economic base

Unfortunately, many scholars concur that the members of the EEU have different goals in terms of the Eurasian integration: the regionalism contradicts nation-building projects, that for Russia the creation of the EEU is not so much an economic project but rather a geopolitical one with a purpose to remove post-Soviet countries from the economic alternative of associating with the EU and also China and indeed to consolidate its role as leading power (Kubicek, 2009; Zagorski, 2015; Satpayev, 2015; Sivickiy, 2015). Sushko (2004) and Savietz (2012), for instance, stress that Russia uses Eurasian integration as a tool for its foreign policy in order to enhance control of the neighbouring countries. Furthermore they all highlight that the economy of the EEU is rather weak. Thus, Sivickiy (2015) argues that the members have different economic level of development as well as different market-economy transformation in their national economies; this ranges from a serious obstacle to the successful implementation of the EEU project (the economy of Belarus still is dominated by the state). Moreover, Russia and Kazakhstan are oriented distinctly towards raw materials while Belarus inherited a developed manufacturing industry from the USSR; also it is only Russia that is a member of the WTO. To modernize their economies, Russia and Kazakhstan, need to access to new technologies and there is no way to achieve this goal through the Eurasian integration. As for the economies in transition, their rates have been very fluctuant. This is the result of high dependence on global market, particularly global demand on natural resources and primary products (Nica and Potcovaru, 2014).

5. COMPARATIVE ANALYSIS OF EEU AND EU

After analyzing the EEU it was compared with the EU (see Table 1). Observing the Table 1 it can be stressed a significant difference between unions regarding its



The Eurasian Economic Union and its potential relationship with the European Union

objectives, agenda, apolitical regimen, conditions for incorporation and leaving of organization, antecedent status, economic policy, political culture and institutions. In comparison with the EU's institutions it can be highlighted the absence of Eurasian Parliament, limited functions of Eurasian Commission and strongly marked domination of Eurasian Economic Council and Eurasian Intergovernmental Council under other institutions. Moreover it can be concluded that unlike the EU the EEU does not have harmonization of economic policy. Thus, sanctions between the RF and the EU were not applied to other countries of the EEU, which contradicts the principle of common economic policy and free movement of goods inside of the Union. What is more, the sanctions create for member countries the conditions of developing the illegal re-exportation of European goods to the Russia's territory.

Table 1. Comparative Analysis of EEU with EU

EU	EEU
Premise of creation	
Prevention of conflicts between neighbouring countries, peace and stability in the region, rehabilitation and developments of national economics by means of cooperation and elimination of tariff and non tariff barriers	According to its leaders the union was created with the aim of turning into the link between Europe and Asia-Pacific region. According to many international experts' opinion the union was created as geopolitical response to the EU enlargement towards the East, and China's expansionistic tendencies towards the counties of the Central Asia
Rang of objectives	
Wind rang of objectives: economic, political, social, etc.	Limited by economic objectives
Global agenda	
Existence of global agenda	Absence of global agenda just regional objectives
Members' Antecedent status	
Independent states with different identity.	Consists of countries that used to form part of the same country. Union population used to be citizens of the USSR and therefore they have not lost their soviet identity
Political regime	
Democratic	Authoritarian
Membebrs' economic level y economic structure	
Different level and different structure	Different level and similar structure
Conditions of incorporation and leaving	
Stipulate political economic and juridical criteria for incorporation. The Provision of leaving the EU did not exist till the Lisbon Treaty came into force in 2009.	There is not certain criteria for incorporation. But from the beginning there is Provision about leaving the organization
Economic Policy	

Harmonization of economic policy and common monetary union.	There is neither harmonization of economic policy nor monetary union.
Institutions	
Legislative power belongs simultaneously to the European Council, European Parliament and European Commission. European Commission is the main executive power.	The institutions resemble those of the European Union but it can be mentioned the absence of the Eurasian Parliament. Moreover the Supreme Council has the wider circle of powers and functions, which shows the predominance of vertical powers in the Union and weak delegation of the authority. The Eurasian Commission is under the domination both Supreme Eurasian Economic Council and <u>Eurasian Intergovernmental Council</u>
Union's Values	
There are common values	Common values are not presented but there are common principles
Political culture	
Mature political culture, political cooperation of social groups and citizen movements, formalized channels created to protect common interests	Vertical communications and lack of differentiation of interests prevail

Source: Own elaboration on the basis of EU's and EEU's official juridical documents

44

Brusis (2014), in turn, argues that the formal design of institutions of Eurasian Economic Union is hardly unusual due to the Eurasian organizations used to imitate the EU in terms of the names and the goals of regional integration agreements. Hancock (2009) considers Eurasia a rare example of what one could call 'plutocratic' regional agreements, where the smaller members delegate the decision-making power not to a supranational body, but to a larger member.

However the EEU is a comparatively young organization and therefore it can use the experience and avoid mistakes made by more mature organizations. Although, its immaturity characterizes it as an unstable system, despite signed agreements and presence of supranational institutions. Integration processes are not finished yet and this does not exclude the possibility of reversible processes.

6. STRATEGIC PARTNERSHIP EU-EEU?

Strategic partnership can arise not only between countries but also between unions and political blocks (Kim, 2012). Following Gratius (2011b), the EU develops a 'three-step strategy' of strategic partnerships: first, with traditional post-Second World War Western partners such as Canada, Japan and the USA; second, with regional and inter-regional organization; third, with emerging powers such as BRICS in a new multipolar world order. Nevertheless, it is worth mentioning that not all scholars support such EU's 'three-step strategy'. Thus, for instance, Bendiek and Kramer (2010) highlight the uncertainties with regard to the relationship between bilateral 'strategic partnerships' and the EU's inter-regional 'strategies' (i.e. between EU-Brazil and EU-MERCOSUR



or EU-China, EU-India and EU-ASEAN, etc.), which in the past had already led to rivalries.

Taking into account EU's intention to develop the strategic relationships with certain international and regional organizations, such as the Organization for Economic Co-operation and Development (OECD), the Council of Europe (CoE), the Southern Common Market (MERCASUR), the Association of Southeast Asian Nations (ASEAN) and the African Union (AU) aimed to reinforce the global government it can be proposed the possibility of strategic partnership with the EEU.

To support this scenario we analyze the data on trade in the EEU both generally (see Table 2) and in regard to trade relations with the EU (see Table 3).

Looking at the data of Table 2 it can be observed that among all members of the EEU, Belarus and Armenia have a negative balance of trade. The negative balance of international trade may show the country's dependence on imports. It is also worth noting that the main line of revenue for Russia and Kazakhstan and Armenia is sale of raw materials and for Belarus it is resale of natural resources it receives from Russia at reduced rates. So we can conclude that the four countries are considered as exporters of raw materials and their economies depend primarily on the price of oil, gas and other natural resources. One of the main items of imports for the three members of the Union is the machinery industry that demonstrates the weakness of this domestic industry and the dependence on the foreign supplies.

Table 2. Main Data on Trade Turnover of EEU in 2013 (Billion \$)

Member	Trade Turnover	Export	Import	Main commercial partners	Main export item	Main import item
Republic of Armenia	5,9	1,5	4,4	RF China Germany Iran Ukraine USA Bulgaria	Cast iron Copper, Nonferrous industry, Diamonds, Minerals, Food products Energy	Gas Petrol Petroleum Tobacco products Food products Diamonds
Republic of Belarus	80,2	37,2	43	RF Ukraine Germany Netherlands China, Poland Italy	Re-export of mineral products, Machinery manufacturing, Food and agricultural products, Chemical industry	Petrol, Petroleum products, gas and other minerals, Machinery manufacturing, instrument engineering and transport facility, Products of chemical industry
Republic of Kazakhstan	131,4	82,5	48,9	RF China Italy Netherlands France Switzerland Ukraine	Petrol, Petroleum products, gas and other minerals, Nonferrous industry, Ferrous industry, Grain Crops	Machinery manufacturing, instrument engineering and transport facility, Raw petroleum, Chemical industry, Food products, Final goods
Russian Federation	867,6	523,3	344,3	China, Netherlands Germany Italy Ukraine Belarus Japan	Petrol, Petroleum products, gas and other minerals, Metallurgy, Chemical industry	Machinery manufacturing, Chemical industry, Food and agricultural products, Textile and shoes

Source: Based on official data of members' national statistics: <http://www.armstat.am/>
<http://www.belstat.gov.by/> <http://www.stat.kz/> <http://www.gks.ru/>



**The Eurasian Economic Union and its potential relationship
with the European Union**

Table 3. Main Data on Trade Turnover between Members of EEU and Countries of EU in 2013 (Billion \$ in Percentage Terms)

Member of the Eurasian Union	Turnover	Export	Import	% of turnover with the EU in total turnover	Main partners from the EU	Place of the EU in trade turnover
Republic of Armenia	1,7	0,5	1,6	28,2	Germany Bulgaria Belgium Italy Netherlands France Spain	First commercial partner
Republic of Belarus	21	10,5	10,5	26,2	Germany Netherlands Poland Italy Lithuania United Kingdom Latvia	Second commercial partner
Republic of Kazakhstan	53,3	43,8	9,5	40,6	Italy Netherlands France Austria Germany United Kingdom Spain	First commercial partner
Russian Federation	417,5	283,2	134,3	48,1	Netherlands Germany Italy Poland United Kingdom France Finland	First commercial partner

Source: Based on official data of members' national statistics: <http://www.armstat.am/>
<http://www.belstat.gov.by/> <http://www.stat.kz/> <http://www.gks.ru/>

Observing the main commercial associates for countries, it is necessary to emphasize that the Russian Federation is the main commercial partner for the members of the Union, while for this one in 2013, the main commercial partner was China, and neither Belarus nor Kazakhstan and Armenia can be named as the most important commercial partners of the RF. Such a position can indicate the supremacy of Russia in the Union

and the dependence on it by other members (above all it is the case of Belarus and Armenia, bearing in mind its dependence on Russian supplies of raw materials).

In terms of Table 3, it can be said that the EU plays an important role in the economies of the members of the EEU: if we consider the EU as a participant, it is the main trading partner for Russia, Kazakhstan, Armenia and the second one for Belarus. It is the case that the trade with the EU represents a significant part in the common exchange of members of the EEU.

But not only has the EU represented interest as commercial partner for the members of the EEU. As Table 4 shows, between the countries of the EU, it is possible to name the Netherlands, Germany and Italy as the main trading partners of the EEU members. That is to say they are countries - founders of the EU and their opinion has strong weight on the European common foreign—policy decisions. Hence it can be concluded that these countries are interested in economic integration with the EEU and its political weight could positively influence the development of relations between the EU and the EEU.

48

It is worth mentioning that, although relations with Kazakhstan, Belarus and Armenia are not as interdependent as the Euro-Russian relations (the RF provides the EU with 33% of its oil needs and 34% of its natural gas consumption), each of these countries represents interest for the EU and has potential for future development of trade with them. This way, Kazakhstan is the ninth country for territory and holder of rich deposits of oil, natural gas, gold and other raw material. Today Kazakhstan is the third energy resources exporter to European countries, among countries not members of the OPEC, after Russia and Norway. By the way, Austria imports from Kazakhstan 25 % of its needs for energy resources, Romania 30 % and for Germany it is the supplier number four. And that is precisely the reason why in the Table 4 we can observe that the exports from Kazakhstan to the EU far exceed the imports.

The Republic of Belarus, in its turn, despite the fact that it does not have its own deposits of energy resources; it has access to Russian raw materials at low price, re-export them to the European Union and may be alternative supplier to some European countries. Also it is a country that is fully situated in Europe and borders with some of the member countries of the European Union. In this way, the border with Poland is 399 km, with Lithuania 462 km, with Latvia 143km; as a whole the length of the border with the European Union is 1004 km. As they are neighbors, ecological problems, for example, or security problems turn out to be difficult, or even impossible to solve without cooperation. The development of trade in this region is equally important for both the Republic of Belarus and its neighbors. That is why it is no wonder at all that Poland, Lithuania and Latvia are some of the main commercial associates of Belarus, among European countries (see Table 3). Belarus also borders with the Russia and Ukraine and hence it can be said that it has geostrategic location connecting the EU and its Eastern European neighbors.



Speaking about the Republic of Armenia, although it does not have common borders with the European Union (neither with the RF), in case of incorporation of Turkey to the EU, this small country with its rich deposits of non-ferrous metals will turn into a neighbor of interest for European countries.

Summarizing the contents of this section, it can be concluded that the EEU and the EU have common interests. And the strategic partnership between two unions could be based, first of all, on common economic interests. However the negative experience of strategic partnership between Russia and the EU demonstrated that such pragmatic partnership based just on common commercial is not enough for establishing real long-term strategic partnership. Thus, several factors that in practice hinder the scenario of establishment of the strategic partnership between two Unions should be mentioned.

First of all, we find a difference in the values promoted by the EU. The EU considers the member countries of the EEU as non-democratic states, even as a threat to the development of democratic principles in the Eurasian continent. Secondly, there are historical stereotypes that have not disappeared yet in some countries of the European Union, which, after the fall of the USSR, perceived the idea of integration in the post-Soviet area as a threat and revival of the Soviet empire. Moreover, such stereotypes increased after Russia interfered in the Ukrainian conflict, which led to the incorporation of the Crimean peninsula into the Russian territory. Third, the member countries of the Eurasian Union represent a different political system from 'multilevel governance' in the EU, which means both vertical and horizontal decentralization. The centralized model based on foreign policy vertical power of the member countries of the EEU supposes existence of powerful center that takes decisions. As a result, on the one hand, the countries of the EEU are capable of taking decisions and negotiating much faster compared to the EU; - but on the other hand it is a weak point of the EEU because any change in leadership in these countries can lead to disorder in the political system and put an end to the idea of integration in the Post-Soviet Space.

49

The security field and collaboration at the international level are the most problematic field in the Euro-Russian relations, which, in its turn, can be transmitted to the level of the EEU in the future.

The next factor is the level of development of the parties: according to the Global Index of Competitiveness 2013-2014, the RF occupies the place 64, Kazakhstan 50, Armenia 79 and the Republic of Belarus is not presented in the ranking, while most of the countries of the EU are way ahead and some of them are in the Top-10. The strategic partnership supposes equality of partners, but seeing different level of development of the economies it is difficult to speak about equality of relations. However, in the future this factor could be the reason for rapprochement between two Unions and integration of their economies with the aim of modernization of the EEU members' economic system.

Erokhin (2014) argues that today BRICS (Brazil Russia India China South Africa) seems to be the only alternative to the alliance of USA and the EU. Taking into account that the Western financial market is now limited for Russia because of sanction, BRICS becomes the largest source of investment. The size of the EEU is too small to become any real alternative to Russia's relations to China, to BRICS countries, or to grow into the regional power, comparable with the EU. From our point of view one of the option for the EEU could be to renew its relationship with EU taking into account the common commercial interests, necessity in technologies and modernization of economy and its infrastructure, geographic proximity and common historical-cultural roots. Moreover, with advanced integration and building a real strategic partnership between the EEU and the UE the ex-Soviet republics will not have to choose between two powerful agents in Eurasia, which can prevent emergence of conflicts in the Post-Soviet Space.

7. CONCLUSIONS

50

In this research the new regional integration, the EEU, in the Post-Soviet Space was analysed. Different goals of its members, weak economic base and prevalence of Russia pointed out that the EEU is rather geopolitical project than economic. It can be concluded that without strong economic content the deeper integration is quite questionable. The political crisis between Russia and the EU, the low world oil prices also complicate further integration.

As for comparative analysis of the EEU and the EU, the significant difference regarding its objectives, agenda, apolitical regimen, conditions for incorporation and leaving of organization, antecedent status, economic policy, political culture and institutions were found out. With regard to EEU's institutions even though they resemble those of the EU, absence of Eurasian Parliament, and limited functions of Eurasian Commission and strongly marked domination of Eurasian Economic Council and Eurasian Intergovernmental Council under other institutions make EEU's interinstitutional relations completely different. Moreover the absence of harmonization of EEU's economic policy contradicts the principals of deep economic integration.

Regarding the possibility of establishment of strategic partnership between both unions' common commercial interests, necessity in technologies and modernization of economy and EEU's infrastructure, geographic proximity and common historical-cultural roots were defined as factors that could unite the EEU and EU in future. Moreover, with advanced integration and building a real strategic partnership between the EEU and the UE the ex-Soviet republics will not have to choose between two powerful agents in Eurasia, which can prevent emergence of conflicts in the Post-Soviet Space.



Nevertheless at the same time such factors as different values, political regimes and systems, disagreements on the international stage, different level of partners' development embarrass the establishment of strategic partnership between the EEU and EU.

The strategic partnership between two unions based on economic interests is possible just in case the parties resolve its disagreements at the international level and security field and the EU sacrifices the conception of common values in favor of economic benefits of cooperation. However such a pragmatic approach towards the strategic partnership is quite instable and dangerous as was demonstrated by the negative EU-Russian experience.

REFERENCES

ALLISON, R. (2008): "Virtual Regionalism, Regional Structures and Regime Security in Central Asia" *Central Asian Survey* No.27, pp. 182-202

BENDIEK A. and KRAMER H. (2010): 'The EU as a 'Strategic' International Actor: Substantial and Analytical Ambiguities" *European Foreign Affairs Review*, Issue 4, pp. 453-47

51

BERRES, L. (2014): "Novaya evraziyskaya valuta budet nazivatsa 'altin'", *MK*, Accessed December 15, <http://www.mk.ru/economics/article/2014/04/09/1011735-novaya-evraziyskaya-valyuta-budet-nazyivatsya-altyin.html>

BRUSIS, M. (2014): "A Eurasian European Union? Relaunching Post-Soviet Economic Integration." *Mimeo*,

BUGAJSKI, J. (2008): "Expanding Eurasia: Russia's European Ambitions." CSIS. Washington

CAMERON, DAVID R. and MITCHELL A. ORENSTEIN 2012: "Post-Soviet Authoritarianism: The Influence of Russia in Its Near Abroad." *Post-Soviet Affairs* No 28, pp. 1-44.

COLLINS, K. (2009): "Economic and Security Regionalism among Patrimonial Authoritarian States: The Case of Central Asia." *Europe-Asia Studies* No61, pp.249-281.

EROKHIN, V. (2015): "Contemporary Reshaping of Eurasian Integration: Russia's Policies and their Implication for the EU and EurAsEC". *Procedia Economics and Finance* No 22, pp.402-411.

GLEASON, A. (2010): "Eurasia: What Is It? Is It?" *Journal of Eurasian Studies* No1(1), pp. 26-32

GRATIUS, S. (2011): "The EU and the 'special ten': deepening or widening Strategic Partnerships?" *Policy Brief. Frida, a European think tank for global action*, No 76, June, pp.1-5.

GRINBERG, R.C. (2013): Evraziyskiy Souz: xrupkie nadezdi. *Megdunarodnaya ekonomika*. №1, p. 87-89

HANCOCK, K. (2009): "Regional Integration: Choosing Plutocracy." Palgrave MacMillan. Basingstoke

HARTWELL, CH. A. (2013): "A Eurasian (Or a Soviet) Union? Consequences of Further Economic Integration in the Commonwealth of Independent States." *Business Horizons*. No 56, pp. 411-420

52

KIM, A. (2015): "Common Currency of the Eurasian Economic Union: Testing the Ground?" *Eurasia Daily Monitor*. Vol. 12, Issue 57. Available at: <https://jamestown.org/program/common-currency-for-the-eurasian-economic-union-testing-the-ground/#>

KIM, G. (2012): "Kazajstan y Ugnaya Coreya po Puti k Strategicheskomy Partnerstv". *KISI*. Kazakhstan, Almaty.

KUBICEK, P. (2009): "The Commonwealth of Independent States: An Example of Failed Regionalism?" *Review of International Studies* 35, pp. 237-256.

KUZMINA, E. (2015): "Expansion and Free Trade", the Eurasian Economic Union. Analyses and Perspectives from Belarus, Kazakhstan, and Russia. *FRIEDRICH EBERT STIFTUNG Felix Hett and Susanne Szkola (Ed.)*, pp. 8-11.

LIBMAN, A. (2007): "Regionalization and Regionalism in the Post-Soviet Space: Current Status and Implications for Institutional Development." *Europe-Asia Studies*, 59, 3, pp. 401-43.

LIBMAN, A. and OBYDENKOVA, A. (2013): "Informal Governance and Participation in Non-Democratic International Organizations", *Review of International Organizations*, 8, 2, pp. 221-243



- LIBMAN, A. and OBYDENKOVA, A. (2014): “Understanding the Foreign Policy of Autocratic Actors: Ideology or Pragmatism? Russia and the Tymoshenko Trial as a Case Study.” *Contemporary Politics*, 20, 3, pp. 347-364.
- MALASHENKO, A. (2011): “Zametki o prostranstve, imenuemom postsovetskim, i o tom, chto tam delaet Rossiya”, *Druzhba Narodov* No 9, pp. 135-152.
- MELNYKOVSKA, I., HEDWIG P. and RAINER SCH. (2012): “Do Russia and China Promote Autocracy in Central Asia?” *Asia Europe Journal* No 10, pp. 75-89
- Official Page of Armenia’ National Statistics, 2014. Accessed February 15.
<http://www.armstat.am/ru/>
- Official Page of Foreign Affairs Ministry of Belarus, 2014. Accessed December 15.
<http://www.mfa.gov.by/export/export/>
- Official Page of Kazakhstan’s Embassy in Brussels, 2014. Accessed Dec 15.
<http://www.kazakhembassy.in/index.php/Foreign-Policy/kazakhstan-eu-cooperation.htm>
- Official Page of Kazakhstan’s National Statistics, 2014. Accessed December 15.
<http://www.stat.gov.kz/>
- Official Page of National Statistics of Belarus. 2014. Accessed December 15.
<http://belstat.gov.by/homep/ru/indicators/ftrade1.php>
- Official Page of Russia’s National Statistics 2014. Federate State Statistics Service. Accessed December 15.
http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/en/main
- SATPAYEV, D. (2015), “Kazakhstan: Economic Integration Without Relinquishing Sovereignty”, *The Eurasian Economic Union. Analyses and Perspectives from Belarus, Kazakhstan, and Russia. FRIEDRICH EBERT STIFTUNG. Felix Hett and Susanne Szkola (Ed.)*, pp. 11-15.
- SAVIETZ, C. R. (2012): “The Ties That Bind? Russia’s Evolving Relations with Its Neighbors.” *Communist and Post-Communist Studies*, 45, 401-412.
- SIVICKIY, A. (2015): “Belarus: Muted Integration Euphoria. The Eurasian Economic Union.” *Analyses and Perspectives from Belarus, Kazakhstan, and Russia. FRIEDRICH EBERT STIFTUNG. Felix Hett and Susanne Szkola (Ed.)*, pp. 15-18.

SUCHCKO, O. (2004): “The Dark Side of Integration: Ambitions of Domination in Russia’s in Russia’s Backyard.” *Washington Quarterly*. No 27(2), pp. 119-131

TSYGANKOV, A. (2012): “The Heartland No More: Russia’s Weakness and Eurasia’s Meltdown”, *Journal of Eurasian Studies No3* (1), pp.1-9

VANDERHILL, R. (2013): *Promoting Authoritarianism Abroad*. Boulder: Lynne Rienners.

ZAGORSKI, A. (2015): “Caught between the Economy and Geopolitics”, *The Eurasian Economic Union. Analyses and Perspectives from Belarus, Kazakhstan, and Russia. FRIEDRICH EBERT STIFTUNG. Felix Hett and Susanne Szkola (Ed.)*, pp. 4-8.

ENDNOTES

54

¹ Altin (of the Turkish language and Tartar alti – six or altin – I pray) – the face-value of the ancient Russian monetary system. The currency was minted for the first time in 1654, in copper. The silver altin appeared in 1704.

² It means the society of integrative community with the loyalty towards the common political centre

