The Eurasian Union and the reconstitution of the regional order in Central Asia

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Abstract

This paper looks at various political and economic initiatives that together constitute the evolving Eurasian Union project, which brings together Russia, Belarus, and Kazakhstan with smaller Central Asian states. It attempts to build a theoretical framework for the conceptual mapping of changes in the regional order in the post-Soviet Central Asia, while examining the evolution of the regional integration process there and the impact that the relations between Russia and China may have on this process.

Keywords: Russia; Eurasia; China; Eurasian Union; new regionalism

Introduction

Following the dissolution of the USSR, Russia’s postcommunist leaders initially appeared keen on shedding the vestiges of the “empire”: getting rid of what was perceived as unproductive subsidies to other NIS. However, the effects of the dissolution, specifically the breakage of the unified economic complex of the former Soviet Union, were no less harmful to the Russian national interests as they were to the national interests of smaller NIS. Transition to a new type of political and economic relations between these states had to be managed on a new, multilateral basis. Such a transition mechanism had been proposed in the form of the Commonwealth of the Independent States (CIS), still centered on Russia as an internationally recognized legal successor to the Soviet Union. The CIS started a process of regional (re)integration on a new, postcommunist and posthegemonic basis.

The very first customs union inside the CIS had been created in 1994 by Kazakhstan, Uzbekistan and Kyrgyzstan. It was Kazakhstan’s President Nursultan Nazarbayev who proposed the establishment of the Eurasian Union of States. The draft document entitled “Establishment of a Eurasian Union of States” was officially submitted to the heads of State of the Commonwealth of Independent States in June 1994 and distributed at the Forty-ninth session of the UN General Assembly next month. However, the idea could only come to fruition with Russia’s coming on board and leading the process that got the name of the Eurasian regional integration.

The “Eurasian” label draws from the tradition of Russian émigré thinkers of the early twentieth century, who posited existence of the specifically “Eurasian” core to the Old World continent, which is neither Europe nor Asia as such, but represents the “Old World’s centre,” the continental “torso” of the Eurasian landmass, consisting mainly of its three largest plains – East European (Russian), West Siberian, and Central Asian – and their adjacent peripheries to the east. This Eurasia proper, Eurasia sensu stricte, is to be differentiated from the classic geographic concept of a continent spanning both Europe and Asia in their entirety, Eurasia sensu latoire.
The idea of the continental “trunk”, which bears uncanny resemblance to Halford Mackinder’s Heartland, has carried weighty geopolitical implications: a historical mission of the Eurasia proper, according to classic Eurasianists, is to be a unifier of the entire continent, the true “middle” world bridging both European and Asian “peripheries of the Old World.” Whether an empire or a commonwealth, Eurasia is a naturally integrated entity and is predestined to remain wholesome and indivisible: in one formulation, “the nature of the Eurasian world is least conducive to ‘separatisms’ of any kind – whether political, cultural or economic” (Savitskii 2007: 247).

Clearly, there is more than accidental trace of Russian imperial nationalism here. Yet, Eurasian regional integration today supposedly designates voluntary processes of predominantly economic cooperation. With economic cooperation at its core, it also engages social, political, administrative, regulatory and normative exchanges indicative of multifaceted coordination of governance among several postcommunist states from Belarus to Tajikistan.

Regional integration in the post-Soviet Eurasia parallels similar developments elsewhere in the world. This new regionalism world-wide represents not only an adaptive reaction to economic challenges, security dilemmas, uncertainties and risks of the global age, but also a new way to “go global.” The followers of the new regionalism (NR) approach in international political economy (Breslin, Hughes, Phillips & Rosamond 2002; Söderbaum & Shaw 2003) see the object of their studies as a complex process that goes beyond economic to engage cultural, political, and security aspects of life of the societies involved. The agency’s aspect of this process, the NR strategies of foreign policy zero in on a “strategic goal of region-building, of establishing regional coherence and identity” (Farrell 2005: 8).

Postcommunist regionalism is a novel object to study. It may be included in the so-called “third wave” of regionalisms around the world, distinguished from both the first “wave,” which is usually associated with closed regional trade arrangements and import substitution strategies, and the “second wave,” sometimes referred to as “open regionalism,” which emphasized regional integration compatible with non-discriminatory trade liberalization and openness to the outsiders. In this scheme, the “third wave” represents an attempt at selective, negotiated openness and resuscitation of traditional preferential trade agreements (Bonapace 2005).

Regionalization efforts in Eurasia have been informed by the narrative and institutional diffusion of regionalist concepts transplanted from the European integration discourse. At the same time, conceptual borrowing could not but get affected by the collapse of the neoliberal model of globalization after the 2008-2009 financial crisis and the protracted recession of the Eurozone. These events gave a new boost to Russia’s own advocacy of both regional and cross-regional alternatives to neoliberalism (Plummer 2009; Lavrov 2011). The Eurasian Union is being suggested as a prime specimen of alternative regionalization.

The CIS evolution

Re-integration of a collapsed multinational federation on a voluntary basis, no longer in a state’s form but as a region comprising several newly independent states is a task that is principally different from a typical region building exercise. Many CIS agreements expressed good intentions, but did little to ensure coordination and compliance with adopted decisions. In early 2012, the CIS boasted 1925 signed multilateral documents, yet the average rate of their implementation at the national level, according to the research done by the Permanent Mission of the Russian Federation (2009) stood at 55-56 percent, starting with a low of 7 percent for Turkmenistan and 14 percent for Georgia. The non-implementation led to several rounds of organizational “taking stock,” resulting in the dumping of 30 percent of the signed documents cumulatively by the time the CIS was to celebrate its twentieth birthday (CIS Executive Committee n/d).
Moscow pinned the blame on its partners’ non-compliance. Smaller states blamed Russia’s self-centeredness and the propensity to impose its preferences on others. Bureaucratization, incoherence and the lack of meaningful cooperation between the CIS bodies and the national institutions of member states contributed to the widespread perception of impasse and institutional ineffectiveness. As the implementation gap built up, Ukraine’s President Leonid Kuchma went on record complaining that “a shapeless organization like the CIS has no future” (Erlanger 1995).

Instead of growing into a tight union with coordinated trade, security, monetary and economic policies, the CIS shaped out as a loose consultative forum. Annual summits became increasingly shallow. The 2001 summit was snubbed by leaders of Georgia and Turkmenistan. In 2004, Belarus’s Alexander Lukashenko chose to ignore the annual meeting in Moscow. In March 2007, the secretary of the Russian Security Council Igor Ivanov suggested that the CIS “has played its role,” and the emphasis in Russia’s foreign policy should be on “those structures that have future,” such as the Eurasian Economic Community or the Collective Security Treaty Organization (Rosbalt 2007).

In spite of this thorny road, the CIS did not collapse and continued providing venues for interstate negotiations. It coordinated legislative and regulatory acts, maintained energy flows, created common markets in agriculture, transportation and information technologies, and facilitated security cooperation, which included a unified system of air defense. It sponsored a number of specialized agencies, such as the Antiterrorist Centre, the Interstate Bank, and the Electric Energy Council; the interstate councils on emergency situations, antimonopoly policy, aviation and air space use; the Council of the Heads of Customs Services and so on.

The CIS peacekeepers helped to freeze several conflicts in the post-Soviet space and played a decisive role in putting an end to the protracted civil war in Tajikistan. In most cases, the CIS served as a useful shell for cooperation of border guards, security services, police and judicial institutions, as well as defense establishments of the member states. It is hard to overestimate the fact that the Commonwealth opened doors for virtually unrestricted flows of people across the national borders, helped preserve essential economic ties and slow down deterioration of common cultural space, provided room for information exchanges and people’s diplomacy.

Economic cooperation within the framework of the CIS prepared conditions for regeneration of the mutual trade turnover in the future. New interstate projects in nuclear energy, transportation, space industry, health care and information technologies are under way. The Russian Federation appeared as one of the top ten investors in Armenia, Azerbaijan, Belarus, Kazakhstan, Moldova, Tajikistan and Ukraine. Russia’s Ministry for Economic Development led preparation of the draft Free Trade Agreement of the Commonwealth of Independent States, which entered into force initially between Russia, Ukraine and Belarus on September 20, 2012. The CIS scorecard is not perfect; yet, representing it bluntly as a failure (Kubicek 2009) is hardly unproblematic.

From the Eurasian Economic Community to the Eurasian Union

To speed up formation of a customs union and single economic space, Russia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan launched the Eurasian Economic Community (EurAsEC), whose purpose Lukashenko identified as “the effective utilization of the five nations’ economic potentials for the advancement of the living standards of the peoples” (Lukashenko 2004). In 2006, the EurAsEC expanded to include Uzbekistan. However, two years later Tashkent chose to suspend its participation. Armenia, Moldova, and Ukraine were given an observer status.

The EurAsEC proved more successful in facilitating trade among its members than the CIS. If trade turnover among the CIS member states grew threefold in 2000-2010, internal trade turnover of the
EurAsEC countries increased more than 4 times in 2000-2008 (Mansurov 2010). Between 2001 and 2010, gross domestic product of the member states grew, on average, 1.6 times, industrial production increased 1.5 times, and the volume of fixed investment – 2.2 times (Mansurov 2011). In 2009, the Interstate Council of the EurAsEC established the Centre for High Technologies and a regional Anti-crisis Fund, which was used to alleviate consequences of the global financial crisis.

With EurAsEC moving on decisively as the preferred vehicle for economic integration in the region, Nazarbayev advocated creation of a regional development bank. Vladimir Putin supported the initiative, and the Eurasian Development Bank was founded in January 2006. Sensing new opportunities, several non-governmental business associations in Russia were keen to jump on the bandwagon. In 2008, the EurAsEC Integration Committee, the Russian Chamber of Industry and Trade, the Russian Alliance of Manufacturers and Businesspeople, and the Association of Financial and Industrial Groups of Russia sponsored creation of the Eurasian Business Council.

EurAsEC promoted deepening of economic and regulatory integration. Seeking to build further on these achievements, three leading member states of the EurAsEC – Russia, Kazakhstan and Belarus – decided to move on to the next phase of integration and realize the already agreed-upon measures for the creation of a functioning Customs Union. The idea of a multilevel, multispeed integration, first realized in Europe, dictated an equally cautious, gradualist approach to integration in Eurasia.

The Commission of the Customs Union began its work in January 2009. It coordinated preparation of documents necessary to lay down a legal foundation for the new entity. On June 9, 2009, Vladimir Putin announced that Russia, Belarus and Kazakhstan would be joining the WTO together as a customs union. That union officially came into existence on January 1, 2010. Same day, the newly formed organization promulgated a common external tariff and non-tariff regulations based on the agreed-upon list of goods whose import/export was to be regulated supranationally. The Treaty on the Customs Code of the Customs Union went into effect from 1 July 2010. By July next year, the transfer of customs controls to the external borders was accomplished, with full abolition of customs clearance for the goods moving between Russia, Kazakhstan and Belarus and intended for domestic consumption. In 2012, the Eurasian Community’s Court of Justice started functioning. It has been given international commercial arbitration powers with relation to the disputes emerging in the framework of the Customs Union and among the EurAsEC member states.

In September 2012, the Eurasian Economic Commission (EEC) approved an action plan on Kyrgyzstan’s entry to the Customs Union and appointed a taskforce to prepare a “road map” for accession. Parallel to that, the EEC prepared a master document on the creation of the Eurasian Economic Union and presented it to the governments of Russia, Kazakhstan, and Belarus for adoption in 2013. The plan’s purpose was to ensure that all necessary measures were being implemented for the formal launch of the Eurasian Economic Union (EEU) on January 1, 2015. The treaty on creation of the Eurasian Economic Union, based on the EEC plan’s recommendations, was signed by the leaders of Russia, Belarus and Kazakhstan in the Kazakh capital Astana on May 29, 2014. Meanwhile, according to official statistics, internal trade turnover of the Customs Union member states grew 10 percent in the first two years since its creation, while the external trade increased by less than half that number (RIA Novosti 2012). The early results of regional economic cooperation seemed encouraging.

**CSTO**

In addition to a number of economic initiatives, Russia has also spearheaded defense cooperation and formation of a regional security community. The primary drivers for the creation of the would-be alliance were NATO’s enlargement to the east and the threat of militant Islam, which was acutely felt in Eurasia’s southern "underbelly." The Tashkent Treaty on Collective Security (CST) was signed in 1992 by Russia,
Armenia, Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan. Belarus joined a year later. Russia’s defense planners focused on counterterrorism, border security, military cooperation and the protection of regional stability, national sovereignty and territorial integrity of the participant states. The Central Asian participants were especially concerned with the rise of political Islam and externally induced challenges to their regimes. The containment of the ongoing civil conflicts in Tajikistan and Georgia and the cessation of hostilities in the Nagorno-Karabakh area of southern Caucasus required immediate attention. Finally, no single state could effectively deal with the problem of transnationally organized criminal groups engaged in drugs and human trafficking, which acquired colossal proportions in parallel with the essential failure of the NATO ISAF Mission in Afghanistan to provide security.

The first ten years of the CST treaty brought mixed results. As expectations of using the collective security provisions of the CST for stopping the internal (Georgia) and external (Azerbaijan) conflicts were not realized, these two states left the Treaty in 1999. So did the Republic of Uzbekistan, whose leaders felt the country was abandoned to face the threat of the cross-border spillover of militant Islam from Tajikistan and Afghanistan on its own. It became obvious that further institutionalization of defense and security cooperation was long overdue. In 2001, Russia promulgated creation of the Collective Security Treaty Organization (CSTO). Its first successful operation “Kanal” (Canal) aimed to pre-empt drug trafficking from Afghanistan across the Central Asian borders. In eleven years since 2003, the annual Kanal campaigns succeeded in seizing hundreds of tons of drugs, which would qualify this international collaborative effort as one of the largest and most effective operations against illicit trafficking of narcotics in the world.

The CSTO grew into an organization with its own budget, secretariat, central staff, peacekeepers, Collective Rapid Deployment Force (KSBR) and the Collective Rapid Reaction Forces (KSOR). In addition to KSBR and KSOR, it currently has two regional groups of forces at its disposal, the Russia-Belarus and the Russia-Armenia groupings. By 2013, the KSBR for the Central Asian region consisted of ten battalions and stood about 4,500-man strong, while the KSOR forces grew to 20,000 troops. The rapid reaction and rapid deployment forces are trained to combat terrorism, organized crime and drug trafficking, and to deal with emergency situations. They may be also used for peacekeeping and counterinsurgency activities. The CSTO holds regular military exercises, conferences, and training, and carries out joint operations within its broader mandate of the strengthening of peace, international and regional security and stability. The main vehicle of military-economic cooperation in the CSTO framework is preferential pricing of Russia’s supplies of arms and ammunition to its partners.

The Kremlin views the CSTO as “a key instrument to maintain stability and ensure security” in its “zone of responsibility and adjacent regions” (Foreign Policy Concept 2013). Critics charge that the CSTO lacks clear ideology and looks more like a club for the preservation of authoritarian regimes, rather than a security organization genuinely concerned about developing effective partnerships with other alliances or finding collective solutions to common problems. The CSTO’s regional relevance will be tested in the years following the complete withdrawal of the US and NATO troops from Afghanistan. It will be expected to put a decisive end to the Afghan heroin trafficking through Central Asia, launch effective confidence building measures along the Tajik-Uzbek border, and get involved into a seriously troubled southern Kyrgyzstan region. Until it proves itself capable of delivering tangible results in these areas, its relevance will remain open to questioning.

**Eurasian regionalism as a neohegemonist project**

The tug-of-war between Russia and the European Union over Ukraine has underscored the dilemma of regional integration in Eurasia: how to ensure true political and economic cooperation in the region that was once subject to Russia’s imperial domination without provoking fears of weaker neighbours?
Ukraine has long tried to ride two horses moving in different directions, betting on continued cooperation with Russia, while moving closer and closer to the association with the EU and NATO. When the EU refused to deal with the Russia-led Customs Union as a single entity and dashed Kiev’s hopes of having the best of both worlds simultaneously, Ukraine was forced to make a choice, and eventually chose affiliation with the EU.

Russia responded, first, with the customs war of summer 2013 and then, with the military intervention in the Crimea. According to the Ukrainian position, this leaves no doubt that the idea of Eurasian regional integration was a Russian neohegemonist ploy from the start.

It is hard to remember now that Russia was quite hesitant to lead the regional integration processes in the postcommunist Eurasia from the start. Its support of integration in the framework of the Commonwealth of Independent States, as well as Russia-Belarus Union, has been lukewarm and contributed to the CIS’s ineffectiveness. When, in the first decade after the disbandment of the Soviet Union, sociological surveys showed people’s preferences for reintegration, elites in Moscow were more concerned with jockeying for positions and property in Russia proper. Former Soviet republics were perceived as suppliants for subsidies and protection: an unwanted burden, not an asset. Nazarbayev’s appeals for substantial integration, inclusive with the supranational pooling of sovereignty, fell on deaf ears. Kazakhstan’s 1994 proposal to establish the Eurasian Economic Union was pretty much ignored in Moscow.

The situation changed with Putin’s ascent to power. The elites were now ready to see the near abroad as an asset, a potential source of benefits that only regional cooperation could deliver. Perhaps, the change of heart was brought by several years of continuous pro-integration pressure from below or, perhaps, the newly formed classes of rich and super-rich sensed potentially lucrative economic opportunities across the border. In any case, Russia’s eventual decision to “supply” leadership of regional integration projects in the post-Soviet space was in no small part driven by a pre-existing societal “demand,” which the political entrepreneurship of a new leader sought to satisfy.

By 2010s, however, the moods Russia’s partners shifted. The new generation, born and raised in the post-Soviet times, no longer perceives Russia as either a natural or necessarily privileged partner. Businesses learned to trade with the far abroad, and established relationships that no longer rely on mediation by Moscow. Convincing them that the Eurasian Union makes economic sense takes time and energy. Most importantly, it will take repeated positive experience of collaboration and mutually beneficial cooperation in the framework of Common Economic Space. In purely economic terms, this work has only just begun.

In terms of international politics, the situation in the Crimea makes it very hard for Moscow to dispel that negative impression of Russia-favoured regional economic integration in Eurasia that was first formulated, with rather uncharacteristic for a diplomat bluntness, by Hillary Clinton: “a move to re-Sovietize the region” (Klapper 2012). Even while no one in their right mind would imagine Putin’s restoring the Soviet-era institutions as such, the ostensibly “voluntary reunification” of the Crimea and, perhaps, parts of eastern Ukraine with Russia might only be read as Russia’s imperial creep. Such a move unquestionably does great disservice to the idea of mutually beneficial regional cooperation in Eurasia.

At the same time, the Central Asian states have no other means, besides various regional integration strategies, to balance against potential big-power hegemony, whether coming from Russia, China or the United States. Regionalism is also a platform to jumpstart development. The Central Asian governments are well aware of real economic and political benefits that regionalization offers: expanded economic aid, improved security and enhanced international status. The presumed encroachments on their national sovereignty have so far failed to materialize, even when Russia’s intervention was required and requested, as in the case with Kyrgyzstan’s ethnic riots.
Some scholars question authoritarian and semi-authoritarian states’ ability to limit sovereignty for the sake of regional integration. According to this line of thought, only democracies presiding over fully operational market economies can successfully implement a regional integration project. Authoritarian regimes must be reluctant to enter into regional integration agreements that limit their freedom of maneuver and reduce the rents they can provide to supporters (Mansfield, Milner, & Pevehouse 2008).

However, numerous regional integration arrangements around the globe are being implemented by less than fully democratic governments that seat atop more or less intrusively regulated and only partially open economies. These regimes routinely deal with, and bow to, external demands and conditions advanced by the regional bodies of states. Various impositions on sovereignty that such a country would not take from the world’s great powers get accepted if they come from a regional body of peers. It has been noted in this regard that regional integration could conceivably evolve out of “cooperation between stable and predictable autocracies, as well as democracies” (Schmitter & Kim 2008: 28).

It seems unfair to dismiss the already functioning Customs Union of Russia-Belarus-Kazakhstan or the emerging Eurasian Economic Union with its executive institution, the Eurasian Economic Commission, operating since July 2012 under the principle of consensus, as a crude disguise for Russia’s regional hegemony (Cohen 2013). Both Belarus and Kazakhstan maintain a good measure of decision-making independence in the matters related to the Customs Union. As far as Russia’s strategy goes, ensuring survival of friendly regimes should not be confused with a desire to dominate those regimes, hence bear full responsibility for the countries in question. These are two very different policy goals. There is no evidence that the Kremlin is prepared to control its Eurasian partners in a Soviet-style fashion.

Russia’s expedition in the Crimea heightened concerns about regional security. Yet, regional security threats are also best addressed by cooperative efforts on a regional basis. Ukraine’s predicament has been made difficult precisely by the fact that it is not yet integrated into either European or Eurasian regional security complexes. Having sat on the fence between the two for far too long, it fell victim to the competition between two regional formations that are now literally taking it apart.

With a degree of plausibility that at least equals the neoimperialist hypothesis, Russia’s policy toward its neighbors can be explained by Moscow’s genuine concern for the development of the neighborhood. A common feature of the NR processes in less developed parts of the world is an attempt to shield the region from ruinous impacts of neoliberal globalization (Väyrynen 2003) and certain resistance to external influences generally speaking (Beeson 2003). In such a perspective, Russia’s ambitions at regional leadership are not necessarily hostile to western interests or the interests of the neighboring BRIC members India and China. However, the evolving situation in Ukraine impacts not only regional, but also international and global politics, and it is too soon to deliver a definitive verdict as to the future turn of events across the Eurasian landmass.

**Common social problems**

A number of common interests unite Russia and the Central Asian states. Among those, we should note certain disproportions in distribution of material and labor resources because of historical and cultural differences between the constituent parts of the former USSR. After once-unified territory was cut into 15 parts, some of these “parts” were very soon stranded with a lot of citizens without jobs, while others appeared to be short on labor. The development of a functioning labor market became a regional priority. Labor migration from regions overflowing with human resources to regions lacking them became an issue that politicians on both sides had to make into consideration while dealing with the neighbor.

Labor migration in the CIS area is estimated as 9-10 million people a year. The main donor, or emitting, countries are Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Moldova, Tajikistan, Ukraine, and
Uzbekistan. The total share of the migrant workers leaving their homeland for other countries varies from 20 percent of all adult citizens in Georgia and Azerbaijan to 30 percent in Kirgizia, Moldova, and Tajikistan. Almost 70 percent of all migrant workers go to Russia. Labor migrant remittances from Russia generate about 8 percent of the total national income in Azerbaijan and climb up to 15 percent of the total national income in Kirgystan and Tajikistan. Yet another big recipient state is Kazakhstan, which accepts workers mainly from the neighboring states of Central Asia. In 2006, an average monthly salary in Kazakhstan was 4-5 higher than in Uzbekistan and Kirgystan, or 9-10 higher than in Tajikistan.

The sudden influx of migrants causes many problems, which were unknown in the past. One of the key ones is discrimination and xenophobia, showing itself as the lack of tolerance towards foreign workers. Almost every day the Internet, Russian newspapers and other media resources publish numerous stories about clashes between members of different ethnic communities, inter-ethnic gang fights, mob violence and similar stories speaking to re-emergence of inter-ethnic and inter-racial hatred and xenophobia. Among the victims, people from Uzbekistan and Tajikistan figure prominently. These stories can be interpreted in many ways. While we believe that there are several key reasons that led to such sorry outcomes, here we want to emphasize just one, but perhaps, the most important reason – the lack of proper education that affects all parties to the conflict.

Specifically, the following problems need to be addressed by both the emitting and the recipient countries:

1) The lack of language proficiency. Russian language was the only medium of communication for 160 or so nations of the former Soviet Union, and first or second language in all of its republics. Now it has official or semi-official status only in few of them, and in 20 years that has passed since 1991, a new generation has grown up, having very poor or almost zero ability to speak/understand Russian language – the fact that leads to a lot of misunderstanding and conflicts when labor migrants come to Russia for work. To those people who belong to the same Slavic language group, as Ukraine and Belarus do, the communication problem is not so big, but for the people from totally different Turkish or Caucasian background it turns more and more serious with every new generation.

2) The lack of cultural sensitivity and ignorance of other people’s customs and religions. The recent growth of interest towards Islam and its doctrine in traditionally Islamic regions, such as North Caucasus and Central Asia, resulted in a drive to protect the ritual and observe it even while abroad. But such a determinainment immediately causes strong opposition from the local population, especially in the areas with little or no exposure to Islam or areas where other religions were perceived as “alien” and even dangerous in the past. Russian populace in particular may condescend to certain Muslim traditions as “barbaric” (e.g., killing the sheep outdoors during the celebration of Kurban-Bairam) or see them as “dangerous” and “radical” (e.g., mass praying in the streets, etc).

3) Historical education or rather, the lack thereof. New states tend to create new histories, new myths and new heroes. Of course, those who become new heroes here or there are quite often looked down upon by the other nations. One country’s hero may be perceived as a scoundrel or a murderer in the other country. The medieval Japan’s warlord Toyotomi Hideyoshi, who is a great name in his home country, is looked upon as worst-than-a-devil in neighboring Korea. The growing cult of Amir Timur (now the Great Ruler, formerly the Great Conqueror) in Uzbekistan, just like the other “great” khans in Central Asia, may be welcome by Central Asians, but perceived very differently by the Russians.

4) General knowledge about the culture and life of the people in the country where somebody intends to work. More often than not, foreign workers come to the host country knowing little to nothing about its cultural traditions. Strict censorship of Russia-made programs by the radio and TV stations of the newly independent states, as well as virtual blockade of the Russian cinema and general paucity of
cultural exchanges between the emitting and recipient states results in the situation when many prospective and actual labor migrants know very little about modern Russia or Kazakhstan, their peoples, life standards and traditions. This leads to profound culture shocks and conflicts for many non-Russian migrants from the very moment they cross the Russian border.

The situation is not improving, but rather worsening with every passing day. The only solution is, for both the emitting and the recipient countries, to invest in the cross-cultural education, human rights protection and social and cultural adjustment of the labor migrants. The sooner the newly independent national governments review their attitude towards teaching the Russian language and spreading Russian culture at home, the better it will be for their prospective labor migrants. Reciprocally, the more efforts are invested in the cross-cultural education in Russia itself, the more solid foundation will be built for interethnic tolerance and intercultural dialogue in the newly globalized, multicultural societies of Eurasia.

**China and the SCO**

Regionalism may provide a shell for strategic interaction among states, e.g. alliance formation “to counter the power of another state or group of states within or outside the region” (Söderbaum 2005: 224). Regional institutions are then formed as a means of balancing power of a locally dominant or threatening state (Hurrell 1995: 50). They may also be used as a means to resolve historical and current contradictions between two of such regionally dominant states, e.g. Germany and France in the early phase of the evolution of the European Union.

When approached from this point of view, CSTO or the Shanghai Cooperation Organization (SCO) cannot be understood except against the background of the distribution of power in the region. Russia’s relative success in Central Asia has been determined by its willingness and capacity to provide political, financial, and military assistance to local elites, as well as by Moscow's indifference toward the type of governing regimes there (Roeder 1997: 236-7). Yet, another country with an enormous economic and military potential and equal willingness to turn a blind eye to the lack of democracy in the region emerged as Russia's most powerful competition – China. The struggle with China's growing influence in Central Asia proved an uphill battle for Moscow and brought in reluctant acceptance of the inevitable: the concrete structure of an emerging regional order will be determined in close consultations between Moscow and Beijing. Regional institutionalization appeared as the best means available for regional power sharing (Molchanov 2008).

Conceived as a regional security organization, the SCO uniquely brings together a post-hegemonic state (Russia), an ascendant hegemony (China), and several resource rich states in between – most notably, Kazakhstan and Uzbekistan. Although the Sino-Russian relations are the mainstay of the SCO activities, this organization should not be considered as either the “Chinese” or the “Russian” tool. It is based on interdependence and complementary interests. Moreover, the Central Asian states are capable of demonstrating independent policies. The balancing act they show with respect to Russia and China’s interests in their oil and gas deposits abundantly illustrates the point.

China uses the SCO to restructure the political-economic geography of the region. In 2009, through the medium of the SCO structures China proposed to lend US$10 billion to countries hit by the global economic crisis (CNPC ships oil, 2009). In June 2011, Chinese President Hu Jintao used the SCO summit to announce $12 billion in new concessional loans to the SCO Central Asian partners. In September 2013, Xi Jinping toured most of Central Asia, offering at least US$48 billion in trade credits and investments to Kazakhstan, Kyrgyzstan and Uzbekistan. Xi’s initiative of a “Silk Road Economic Belt” envisions new transportation corridors and a substantial boost in the Chinese imports of hydrocarbons from the region. The construction of the fourth trunk of the Central Asia-China Gas Pipeline (CAGP) will increase the volume of gas exports from Central Asia up to 80 billion cubic meters per year by 2020, thus accounting
for over 40 percent of China's gas imports. All of this shows the ascendance of China and the respective weakening of Russia’s positions in the region.

From the perspective of Russian policymakers, the SCO is, at once, a pet project and a source of concern, given China’s growing role in the organization. My interviews with Russian international relations specialists produced a rather dark picture of China’s “taking over” the SCO by buying out the Central Asian vote. I find this picture unjustifiably pessimistic. While Russia is, indeed, no match to China’s economic power, it still wields instruments of considerable influence – from advanced weaponry to natural resources to membership in the world’s elite clubs of developed nations to intangible ties of personal connections and soft power inherited from the Soviet past. Because of that, Eurasian regionalisms are still very much a product of a multilateral strategic interaction between the Russian federation, the PRC and the Central Asian states. The latter tend to balance between the known evil (Russia) and the yet unexplored consequences of the all-too-heavy dependence on a state whose imperial and tribal predecessors left rather chequered memories in the region.

Neither Russia nor China has been able to establish itself as a principal engine of Eurasian regionalism so far. The Sino-Russian duo as yet another candidate for the role still has to be established and institutionalized. In the meantime, a more or less genuine multilateralism appears as the only way to move things forward. Eurasian regionalism will remain dependent on the states’ ability to overcome mistrust and put their common interests above the narrowly construed national priorities. Should this happen, a new hub will emerge in the region, and the Eurasian Union-SCO synergy may provide new impetus for development.

**Eurasian regionalism as an instrument of development and security**

Russia's regional integration policy has been primarily about advancing Moscow's geopolitical and geo-economic goals. However, for the Central Asian states, regionalism opened a space to balance against potential Russian hegemony and a platform to jumpstart development. While the European-style pooling of sovereignty will not be attempted any time soon, the ongoing trade and policy coordination and the creation of effectively functioning multilateral institutions characterize a generally successful regionalist project. The Eurasian Union, if executed properly, may actually materialize as an “effective link between Europe and the dynamic Asia-Pacific region” (Putin 2011).

The process leading to the creation of the Eurasian Economic Union (EEU) is part of the phenomenon of “new regionalism” around the globe. Integration in the developing world has been animated by the idea of using regionalist ties to adapt to the imperatives of globalization. Regionalism in Eurasia, as exemplified by both the EurAsEC/EEU and the SCO, is called upon to provide a cushion against potentially devastating effects of the current crisis of global capitalism. The main concern of the participating actors is to prevent backsliding into the world’s periphery and maintain political and economic independence.

Eurasian states are vulnerable economically. For many reasons, they cannot risk the laissez-faire type of a plunge in the unchartered waters of global trade and finance. Some version of a developmental state and neoprotectionist policies are called forth to address systemic disadvantages that emerging economies carry vis-à-vis mature capitalist economies of the West and fast-growing markets in East Asia. Regional cooperation often enables privileged access to the credit, labor, and trade markets of partner states, thus helping to resolve complex questions of economic development.

Eurasian regionalism has also become a factor in provision of regional security. The CSTO and the SCO have been specifically devoted to this purpose. However, even the much criticized CIS has also been instrumental in performing a number of security functions: from preservation of essential economic ties to
political coordination to providing for an organized division of assets, obligations and liabilities of the former Soviet states.

Regional cooperation in Eurasia creates an international environment conducive to the survival of vulnerable postcommunist regimes, especially those directly challenged by the outside forces emanating from the unstable regional peripheries. The Taliban’s cross-border challenge to Uzbekistan and Tajikistan might have been hard to repel without some grounding of national efforts in broader multilateral and region-wide frameworks. The creation of the Eurasian Union will strengthen regional security and help withstand the threat of militant Islam.

Finally, regional integration establishes a symbolic community of belonging that bolsters legitimacy of the postcommunist governments and validates them externally. This, in turn, results in reconfiguration of the regional political and economic space: away from the liberal-democratic West and toward more or less authoritarian, politically centralized and neo-protectionist East.

Modelling Eurasian regionalism

Divergent national interests have given rise to uneven patterns of integration in Eurasia. The Central Asian states have engaged in sub-regional cooperation and sought deeper integration with the adjoining regions and countries. Parallel to that, larger countries have embarked on the path of pan-regional integration, as has been evident particularly in the case of the strategic Sino-Russian partnership. Russia, China, and Kazakhstan have played a unifying role in the creation and development of the Shanghai Cooperation Organization (SCO), while Russia, Belarus and Kazakhstan spearheaded the creation of the Eurasian Economic Union. Each of these countries advanced a somewhat similar explanation of the regionalist raison d’etre based on affirmation of unifying values, historical affinity of the neighboring nations and their desire to build a regional community that would follow a new, non-hegemonic pattern of international relations.

Eurasian regionalism has more than one pole "around which expectations converge" (Young 1980). Economy is one of them, security is another, and joint opposition to the U.S. unilateralism is the third one. Just as the European Union insists on the members’ commitment to shared values, Eurasianists proclaim spiritual closeness of the Russian and the East Asian civilizations, both of which value collectivity and equity over individual achievement and private property. In Russia, Eurasianism is about balancing against the West and sharing of a common economic, geographic, and cultural space with other similar-minded nations. For Kazakhstan, Eurasia is a unique region where Islam and Christianity can co-exist peacefully through the “centuries of mutual enrichment of Slav and Turkic peoples” (Nazarbayev 2002). For Beijing, Eurasianism is the identity claim that ensures the country’s ‘peaceful rise,’ as Chinese traditional values of Confucianism are uncannily echoed in the Eurasian values of collectivism, statism, equity, and community (Xiang 2004).

The Eurasian Economic Union will have certain features that will distinguish it from other regional integration projects around the world. It will reflect Russia’s reactions to the emerging regional preponderance of China. It will be based on the participants' common preference of the state-led, top-down variety of regionalization. It will grow through conscious foreign policy choices of the national leaders, rather than spillover effects of societal transactions initiated from below. It indicates growing significance of Central Asia, and the importance of the Asian vector in Russia’s foreign policy. It gives pride of place to common political interests of several countries resisting western-style democratization, but at the same time claims to bring a new developmental momentum to the region. Unabashed fascination with the Chinese model of development and joint criticisms of the neoliberal pattern of globalization, as conceived and spearheaded by the USA, set Eurasian regionalism apart from a number of comparable regionalist projects around the globe.
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