

“The Forgotten Region: Russia and Eurasia¹

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Since the collapse of the Soviet Union in December 1991, a subset of the 15 newly independent states that replaced the vast Communist country have formed a region around Russia, while others have broken off to join Europe (the three Baltic Sea states: Estonia, Latvia, and Lithuania) and others have connected with one or more other regions, depending on time and issue area. The formal regional agreements that characterize Eurasia have been mostly top-down approaches led by the Russian presidents, beginning with Boris Yeltsin and continuing today with Vladimir Putin. After going through a series of names, the independent states minus the Baltics are now generally referred to as Eurasia to denote the basic geographic fact that they spread across the two continents, but also, for some, the political point that this region is historically not entirely of either continent, instead its own unique space. Scholars who are mostly from Russia, Europe, and the US, many of whom were once Soviet experts, have been studying the region since 1991, with the Western scholars mostly looking to include the area in theoretical literature but with limited empirics and the Russian scholars, occasionally joined by colleagues in Belarus, Kazakhstan, and Ukraine, focusing on empirics largely absent theoretical frameworks. We argue that significant contributions to our understanding of economic, political, cultural and other issues in the region will be made when these two groups of scholars work more closely together. In turn, scholars of regionalism who systematically include this often forgotten region in their comparative analyses will advance the fields, for both those working on regional issues in Eurasia and those studying regionalism from a comparative perspective.

We begin the chapter with a discussion of the various names and configurations used to define the region. We need explore expectations for regionalism among the Eurasian states in the period shortly after the Soviet collapse. Section 3 examines the evidence for regionalism,

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most of it economic regionalism. We discuss institution-building in Eurasia, which has been significant ever since 1991, the evidence of economic and other interactions among Eurasian states, and then the literatures views on why there has not been as much integration as some expected or would like to see. Because of Russia's dominant role in the region, combined with its imperial and Soviet past and the current trend toward authoritarianism, in Section 4, we cover the research on Russia's role in integration, including the possibility it is only using integration to re-create an empire. In Section 5, we consider a new literature on autocracy promotion and whether the Eurasian project is being used for this purpose. In the penultimate section, we note that the region is indeed contested, briefly reviewing why Central Asia is viewed as a potential sub-region of importance and Ukraine's uncomfortable position between Europe and Eurasia. Our conclusions focus on potential research agendas for scholars of the region and comparative regionalists.

1. Naming the region: an historical perspective

Unique to world regions, the Eurasian region was once a single state, the Union of Soviet Socialist Republics (USSR) or the Soviet Union, which disintegrated into its constituent parts on December 26, 1991, almost exactly 69 years after its founding. By the time of its collapse, there were 15 republics, which subsequently became independent states: the three along the Baltic Sea (Estonia, Latvia, and Lithuania), the three bordering Europe (Belarus, Ukraine, and Moldova), the three along the Caucasus mountains (Armenia, Azerbaijan, and Georgia), the five in Central Asia (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan), and Russia itself.

At the conclusion of World War II, the victorious states led by the two largest powers, soon to be known as superpowers, divided the world into spheres, with the US leading the capitalist states, and the Soviets, the communist ones. With the Iron Curtain drawn between East and West, the region of Eastern Europe came to mean European states with communist systems. Institutionally, the Soviet Union and its so-called satellite states of Eastern Europe were united through the Warsaw Treaty Organization and the Council of Mutual Economic Assistance (COMECON). COMECON represented an unusual attempt to coordinate planned economies (Stone 1996; Metcalf 1998) and was sometimes included in comparative regionalism studies (e.g. Brada and Mentzel 1985).

Between 1989 and 1991, the once unified Communist region completely transformed politically and economically, splitting into Eastern Europe and Eurasia, each on different trajectories. Communist regimes in Eastern Europe collapsed first, starting with Poland and then Czechoslovakia (which later split into the Czech Republic and Slovakia) and Romania in 1989, followed by Bulgaria, Hungary, and East Germany, which united with West Germany to form the new Federal Republic of Germany in October 1990. The Eastern European states pursued joining the European Union (EU), with some creating intermediary agreements for a subset of states, such as the Visegrád Group of Hungary, Poland, and the Czech Republic and Slovakia, which created the Central European Free Trade Agreement.ⁱ As these events rapidly unfolded with communist governments falling like dominoes, some of the Soviet republics began negotiating to reform the USSR into a less centralized Union of Sovereign States. The debate over a new union became moot in December 1991, when Belarus, Russia and Ukraine simultaneously declared the USSR non-existent and created the *Commonwealth of Independent States (CIS)*, proclaiming the goal of deep economic and political integration without the communist ideology and with membership on a voluntary basis. Some of the Soviet institutions survived the state's collapse and became part of new regional organizations.

Since the Soviet collapse, scholars have used varying names to identify the 15 former republics. In the early 1990s, a large number of studies considered all former Soviet republics as a region, typically referring to them as the *post-Soviet space* or *newly independent states*. Increasingly, the three Baltic states (Latvia, Lithuania and Estonia) were seen as separate from this group, due to their strong focus on European integration, which culminated in joining the EU and NATO in 2004. Since 1994, all other former Soviet states belong to the CIS, leading some to refer to the group as simply the CIS, not an entirely accurate term since Georgia left the CIS in 2008. In Russia, the term *near abroad* was used informally. However, some argue that this term carries a political message, meant to imply that these states belong to the Russian sphere. As such, many English-language scholars no longer use the term.

In contrast to other world regions, most of the names discussed thus far refer to an historical past or the name of an agreement rather than to a geographic region. However, since the 2000's, a growing literature uses the geographic reference of *Eurasia*, the term we adopt for this chapter. A number of scholarly journals now include Eurasia in their titles, such as *Eurasian Geography and Economics* and *Journal of Eurasian Studies*, as do several research institutes,

such as Harvard University's Davis Center for Russian and Eurasian Studies. Finally, some of the regional accords and organizations opted to include Eurasia in their names, including the Eurasian Development Bank and the Eurasian Economic Community. (For an in-depth survey of the names see Vinokurov and Libman 2013). The reference to Eurasia, although convenient, is still imperfect – at least because the notion of 'Eurasia' has been used in different contexts in various disciplines, and, what is particularly problematic, seems to be linked to 'Eurasianism' – an anti-Western political ideology, which developed in the Russian emigrant circles in the 1920s and (in a different version) is popular in modern Russia. Eurasianism, however, seems to have little practical impact on Eurasian integration, and it is not clear at all whether it provides any sort of guiding principles for it.

Before discussing the Eurasian literature in detail, it is important to observe that there are currently two separate literatures that seldom communicate with one another. One is a relatively small literature primarily by US and European scholars that tends to be theoretically and comparatively grounded but somewhat light on empirical research; the second is a vast literature in the Russian language primarily by Russian scholars (with some colleagues in Belarus, Ukraine and Kazakhstan) that tends to be heavily empirical but often atheoretical. In this chapter, we focus on the first literature, while introducing some important contributions from the second one. Collaborations between these two groups, as well as with comparative regionalism scholars, would be most beneficial to developing our understanding of the region and in turn providing a more comprehensive understanding of the body of regionalisms around the world.

2. Expectations for regional integration

Unlike in other regions, all of the states of Eurasia were once united in a single state, with extensive and advanced industrial economies that were interconnected. For example, oil and gas from Kazakhstan was refined in Russia and vice versa. Railroads, electricity grids, oil and gas pipelines, and major paved roads linked the states together, with Russia as the hub.

Then, quite suddenly and simultaneously, these states were politically independent, each thrust into deciding whether it wanted to continue formal integration with other Eurasian states, cooperate but not join formal agreements, exclude itself from the Eurasian region in favor of other regions or a more unilateral approach. These options were not necessarily exclusive, as states could make difference choices for different issue areas.

Consistent with the extant literature, we focus on economic issues. The literature shows that state's choices varied significantly: the Baltic states joined the EU and NATO, but continued some trade with Russia, particularly on energy; Ukraine continued trading strongly with Russia and increased trade with the EU and other states; Kazakhstan and Belarus joined almost every integration and cooperation agreement that Russia proposed, sometimes pushing for even faster or more complete integration than Russia wanted; Kyrgyzstan and Tajikistan joined some Russian-centric agreements but did not fully implement them; Uzbekistan mostly rejected regional accords until the US and EU criticized it for human rights abuses, after which it showed greater interest in Russia; Georgia rebuffed Russia, especially after the 2008 war, when it left even the CIS; and the Central Asian states formed some of their own agreements, but ultimately did not continue with them. Clearly, there is not a single regionalism that encompasses all states.

The literature is replete with explanations for why Eurasia has not become a unified, strongly integrated region. Some of these explanations are based on expectations before accords were signed, while others explain why the formal agreements have not been as successful as expected. Before discussing the evidence of regionalism, we cover here the expectations for regionalism after the Soviet collapse, including who would most benefit and possible barriers to regionalism.

Those who predicted strong and continued regional integration argued that states would benefit from staying integrated due to the high economic interdependence of the Soviet republics and thus cost of breaking those relationships and building them with non-Eurasian states. In addition, some argued that a number of problems required cooperation, if not integration, with neighboring states, such as environmental concerns, common transportation routes, and oil and gas pipelines (Gleason 2001). In contrast to these arguments, a large literature argued that the gains of Eurasian economic integration, such as a customs union, were questionable. Michalopoulos and Tarr (1997) argue that formal economic integration in Eurasia is unlikely to be economically beneficial in the long run, since regional integration precludes the access to new technology and supports the persistence of old Soviet patterns of production, which were mostly inefficient. Furthermore, the Eurasian states did not meet many of requirements economists have found are likely to lead to welfare enhancing integration: high levels of pre-union trade among members, high pre-union trade barriers, low customs union barriers on trade with the rest of the world, a large number of members with sizable economies, competitive (at equal levels of

development) rather than complementary (some developed, some less developed) economies within the membership, and geographically proximate members (Hancock 2009). While some of these conditions were met (high pre-union trade and geographically proximate), most were not, suggesting that economic integration would have mixed results at best. Despite these predictions, many of the Eurasian states moved forward building new economic integration institutions.

3. Evidence of regionalism

For the Eurasian region, scholars have looked mostly for three types of evidence of regionalism, with the bulk of the research on economic issues: first, that states are engaged in regional **institution-building**; second, that there is significant **regionalization** among states and their polities within the region; and third, that the **institutions are responsible** for creating increased interactions and positive effects, such as higher growth rates than would otherwise be observed. When state leaders argue that there has been little regionalism in the area, they generally mean that the institutions have not been effective in increasing trade and economic growth. While scholarship for some other world regions, notably Europe, has extensive literature on how people identify with the region, there is not much of this research for Eurasia.

On the first point, there is no doubt that states have been actively creating a variety of institutions for Eurasia, many of them designed chiefly by Russia and with a focus on trade. Second, there is limited evidence of increased interactions among the states and their polities, such as greater trade levels than would otherwise be expected. Finally, however, the effectiveness of the institutions has been questioned by a number of studies, with most concluding there are minimal and mostly negative effects, as was predicted by economists.

3.1 Institution building

The states of Eurasia have signed a large number of partially overlapping regional cooperation and integration agreements, with most of the more substantive ones focusing on economic issues (for the full list see Appendix). However, scholars have not reached a consensus on which regional organizations should be treated as Eurasian. Most studies include the Russia-centric economic and political agreements, while others include agreements with only Central Asian states (none of which are currently active),ⁱⁱ and some that include states outside

Eurasia, notably China and some Muslim states (Linn and Pidufala 2009; Laruelle and Peyrouse 2012). The Shanghai Cooperation Organization (SCO), which includes China, Russia and three of the Central Asian states, receives significant attention in the literature. A special case of Eurasian regionalism is the GUAM (Georgia, Ukraine, Azerbaijan, and Moldova) Organization for Democracy and Economic Development, based in Kyiv. Russia has accused the organization of seeking to counter the CIS, but GUAM members deny this. Most recently, they monitored the May 25, 2014 elections in Ukraine (GUAM 2014). Another possible sub-region are the trans-Caucasian states, but these are never discussed as a region, as the seemingly perennial conflict between Armenia and Azerbaijan makes cooperation impossible. Georgia is mostly focused on Europe, Armenia looks to Europe and Russia, while Azerbaijan turns toward the Islamic states in the region. Finally, the countries surrounding the Black Sea have created several organizations, sometimes with the aid of Western states and international organizations. These agreements demonstrate that Eurasian states are often part of other contiguous or sub-regions, a point we discuss in more detail in the “Contested Regions” section.

Scholars generally divide Eurasian economic regionalism into three eras. First, in the initial post-Soviet years, 1992 to 1994, the CIS dominated, with its ambiguous and wide-ranging goals. While some founding documents discuss strong economic and political cooperation, others look at the CIS as a tool to coordinate reforms and limit the costs of disintegration (the tool of ‘civilized divorce’, see Kux 1996). The CIS was designed as a purely intergovernmental organization, where all members had the right to opt out of any agreement or decision. Many just did that, weakening the organization. Initially, the CIS was based on Soviet organizations and institutions (e.g. the common currency zone based on using the Russian ruble – the Ruble Zone), most of which never functioned properly. In 1993, the CIS members signed several new accords (the New Ruble Zone, the CIS Economic Union, the CIS Payment Union and the CIS Free Trade Area), mimicking the regional agreements in other parts of the world (particularly the EU). Scholars generally concur that none of these agreements were implemented, making the CIS a mostly paper organization (for surveys of evolution of Eurasian regionalism see Olcott et al. 1999; Molchanov 2009; Hancock 2009; Obydenkova 2011; Libman and Vinokurov 2012a; Hansen 2013).

In the second era (1995-2000), smaller groups of states signed accords that were distinct from the CIS (Bremmer and Bailes 1998, Hancock 2009). Most did not include the broad

‘opting-out’ provisions of the CIS and required all members to comply fully. Furthermore, most used weighted voting for decision-making. This group includes the Customs Union (1995), which later became the Eurasian Economic Community (EurAsEC, 2000) of Russia, Belarus, Kazakhstan, Kyrgyz Republic, and Tajikistan, and several accords between only Russia and Belarus, culminating in the Union State of 1999. The EurAsEC created a limited FTA and partial harmonization of tariffs. The Russia-Belarus Union includes free movement of labor and capital and a limited FTA and customs union. However, states did not fully implement the agreements they signed. Economic integration thus remained mostly a series of incomplete accords, limited to repeated integration rituals. As we discuss further on, Russia has long sought to bring Ukraine into these integration accords, with little success. The ongoing 2013-2014 Ukraine-Russia crisis is partly a result of differences over economic integration.

In the third era (2006-2013), states formed the Eurasian Development Bank (EDB) and a second Customs Union of Russia, Belarus and Kazakhstan. The EDB was established in 2006, and unlike previous financial institutions (e.g. CIS Inter-State Bank) obtained substantial funding from members (especially Russia and Kazakhstan) to finance projects supporting regional integration. The Customs Union (CU), based on the 1995 customs union, was re-invigorated in 2010. The 2010 CU created strong supranational authorities governing trade relations (the Eurasian Economic Commission), established the common customs tariff and removed internal customs checkpoints at the borders of its members. Unlike preceding accords, states have mostly complied with these agreements. While the 1995 CU was partially implemented (Hancock 2009) and thus served as a foundation for the next accord, the 2010 CU is considered the first fully functioning Eurasian integration agreement (Dragneva and Wolczyk 2013). In 2012, the CU members signed agreements on economic policy coordination and free factor movement, creating the Common Economic Space. In 2014, the Eurasian Economic Union agreement was signed, which includes ambitious goals of liberalization of markets for services and some sensible goods (e.g., energy and medicines), although with a substantial delay (up to ten years), which makes the prospects of achieving these goals uncertain.

[Create and include here a table showing the major agreements, who joined and when]

3.2 Regionalization

Scholars find some evidence of regionalization in Eurasia, although not as significant as the designers of the regional accords might have hoped. Several econometric studies find that intra-regional trade declined substantially after the Soviet collapse, but remains higher than expected from a standard gravity model (Djankov and Freund 2002a, 2002b; Fidrmuc and Fidrmuc 2003; De Sousa and Lamotte 2007; Shepotylo 2009). Recent research suggests that trade levels are declining (Gurova and Efremova 2010), particularly for Russia and Ukraine (Freinkman et al. 2004).

Studies of FDI and labor migration show greater regionalism than the trade data suggest. During the first post-Soviet decade, there was almost no cross-border FDI, as emerging private and public companies had to solve more acute problems of survival and development before international expansion. Migration was mostly permanent emigration of Russian ethnic minorities back to Russia. The situation changed in the 2000s. On the one hand, there is substantial evidence of the growing cross-border investments by Eurasian countries, with particular attention on emerging multinationals from Russia and Kazakhstan (Crane et al. 2005; Libman and Kheyfets 2006; Vahtra 2005, 2007; Kuznetsov 2007; Kalotay and Sulstarova 2010; Kheyfet 2011). Investments are partly due to persistent Soviet business connections (Yudanov 2000), and partly to new companies in emerging industries. On the other hand, economic growth in Russia (and later in Kazakhstan as well) attracted a substantial flow of temporary labor migrants from poorer countries; for some of the Eurasian countries remittances from the temporary migrants abroad became one of the main sources of growth (Laruelle 2007). The FDI literature mostly uses case studies, attempting to identify the reasons why Eurasia attracts the bulk of Russian and Kazakhstani investments and which obstacles companies face. Scholars concur that cultural and economic proximity make it particularly easy for Russian multinationals to enter neighboring states' markets. Migration in Eurasia is studied primarily by sociologists, identifying the features of migrant communities and the patterns of their behavior; there has been some recent work by economists and political scientists on this topic as well (Korobkov 2007; EDB 2012c).

Energy, especially oil and natural gas, is another regionalism issue that has received important scholarly attention. Energy, natural resources, and related infrastructure have played a significant role in creating or reinforcing regionalism in parts of Eurasia. Scholars see these as

playing differing roles, sometimes creating cohesion and other times tension. Drawing on economic theories, Hancock (2009) argues that oil and gas pipelines have played a critical role in Eurasia, pulling Belarus, Ukraine, Kazakhstan, and Turkmenistan closer to Russia than might otherwise be the case, but also creating pressure for these states to find alternate routes to reduce their dependence on Russia. The pipelines are an example of relation specific assets (RSAs), physical assets that link together one or more states and that would be costly to rebuild or repurpose for uses that would break the relationship. Regional electricity grids link together states in Central Asia. Rivers are natural RSAs, rather than human-built RSA, that have created regionalism, primarily in Central Asia between Kyrgyzstan, Tajikistan, and Uzbekistan (Spor and Krutov, 2003, Zakhirova, 2013). Some earlier analyses suggested that an asymmetry in resource endowments might create regionalism, based on the exchange of water and energy. Among the Central Asian states, upstream countries tend to be energy-poor but rich in water, while downstream states are the reverse. [note: this will be expanded]

In the security issue area, not nearly as much research has been done, perhaps because it is not seen as viable for the region, given Russia's military, including nuclear, dominance. An exception is Buzan and Waever (2003) who include Eurasia as a single 'security complex', recognizing the interdependencies between countries. Others have studied integration in transportation, aviation and energy and have found stronger regionalism due to the common standards and infrastructure inherited from the USSR (Libman and Vinokurov 2012b).

Socially, Russian still serves as the lingua franca in this space (Pavlenko 2006). People in Eurasian countries frequently have relatives or friends in others; Russian mass literature and Russian TV dominate the media landscape throughout the CIS. Sterzhneva (1999) indicates that the extent of this 'social integration' in Eurasia is extremely high even as compared to the EU. In addition, at least in the 1990s a large portion of the population of the post-Soviet countries identified themselves with the common 'Soviet' origin rather with the particular country they live in. Increasingly, nationalism is stronger than regionalism or identification with the Soviet past (Libman and Vinokurov 2012a), although this varies among countries.

Not much research has been done to evaluate how citizens see themselves in terms of the region. Recently, however, the Eurasian Development Bank (2012a) conducted a large public opinion survey to identify which group of countries the public sees as most important in terms of political, economic and cultural ties: the Eurasian states, the EU, or other countries (this survey

has been implemented regularly on annual basis since then). Politically, all countries except Georgia focus on Eurasia. Culturally, citizens of Russia, Kazakhstan and Kyrgyzstan identify most with Eurasia. Economically, Russia, Kazakhstan, Kyrgyzstan and Tajikistan see Eurasian states as main partners.

Whether these levels of regionalism will persist is open to analysis, with most publications on the topic arguing that the ties will disappear over time as the common Soviet and imperial legacy vanishes. In turn, these states will become part of either Europe or the Islamic world (Trenin 2002; Gleason 2010; Malashenko 2011; Tsygankov 2012).

3.3 Effects of Institutions

As the previous section demonstrates, there is evidence of political, economic, and cultural regionalism in Eurasia. Yet this does not explain the causes of Eurasian regionalism. To get at this question, a number of scholars have investigated to what degree the formal institutions cause the observed levels of regionalism. Most find they are not nearly as effective as their members hoped.

In the area of migration and FDI proceeded with very little support of the formal regional organizations – in fact, it flourished where intergovernmental cooperation failed or even when governments attempted to restrict emigration or inflow of FDI. This is not to say that political factor had no impact on multinationals and migrants. On the contrary, under Putin Russia seems to actively use the economic expansion of its multinationals as a tool of political dominance (Tsygankov 2006), along with the more traditional tools of energy dependence (Nygren 2007). But in many cases investments in Eurasia are done by Russian companies with weak political connections or even by small and medium-sized enterprises. Thus, Eurasia seems to resemble East Asia in the predominance of market-driven integration as opposed to intergovernmental cooperation. However, creation of the CU did facilitate FDI flow between Russia and Kazakhstan (and even resulted in strengthening jurisdictional competition of these two countries, see Kheyfets 2011). Furthermore, Eurasia represents an interesting case when FDI and migration outperform trade in terms of regionalization – while the standard theory of economic integration assumes the opposite. Libman and Vinokurov (2012c) link it to the effect of Soviet legacies. As discussed in the conclusion, there are major problems with the data, so these findings should be taken as preliminary.

Numerous scholars have tried to explain why Eurasia is not integrating more fully, both in terms of implementing agreements and seeing improved economic performance. Interestingly, most of the problems identified in the Eurasia literature have also been found in studies of the developing world (Kubicek 2009; Obydenkova 2011a, 2011b; Wirminghaus 2012). Several factors appear in the majority of studies:

- Integration creates re-distributional conflicts between members. In numerous cases, policies of some Eurasian countries, notably Russia, created negative externalities for their neighbors, starting with the collapse of the Ruble Zone (Dabrowski 1997; Orłowski 1994). For example, countries implemented unilateral currency devaluations or imposed tariff and non-tariff protection measures on trade (e.g., citing health concerns) and changed the prices for state-regulated commodities (especially gas). As a result, these policies shifted the terms of trade and made some of the countries more competitive than others, forcing the losers to introduce further protectionist measures.
- Regionalism contradicts nation-building projects. As Kuzio (2001) notes, Eurasian countries simultaneously underwent political and economic transitions, state-building and nation-building. The variations in attitudes of Eurasian states towards regionalism can be explained by the variations in their nation-building strategies (Abdelal 2001; Hale 2008), with some deciding to distance themselves from Russia. Some studies also indicate the lack of commonly accepted goals of Eurasian regionalism (Kubicek 2009) and the split analysis of expert communities in terms of the value of integration (Libman 2009).
- Non-democracies cannot make credible commitments. Because non-democracies find it more difficult to make credible commitments, they are less likely to engage in regional cooperation. However, the CU also provides evidence that under certain conditions non-democracies are able to cooperate, thus making Eurasia a fruitful ground for investigating this issue, which has broader implications for other world regions and issue areas (Libman and Vinokurov 2014).
- Poor institutional design undermines regionalism. This argument applies in particular to the CIS with its 'opting out' system, which made commitments unreliable (Gleason 2004).
- Other integration opportunities are more attractive. Some states may have decided other states (China) or integration efforts (EU) are preferable to Eurasia or extra-regional powers have otherwise influenced the states (Malfliet et al. 2005; Molchanov and Yevdokimov 2005;

Hancock 2009). Darden (2009) and Aslund (2013b) argue that some ruling elites have economic ideologies opposed to greater regionalism. Views on Eurasian regionalism may differ for individual interest groups. For example, Melnykovska and Schweickert (2008) argue that the Ukrainian ferrous metals tycoons determined the country's choice between European and Eurasian integration. Recently, some scholars have argued that integrating with the EU would be more advantageous than joining the CU (Movchan and Guicci 2011; Shepotylo 2013). However, this option is open to only two states, Ukraine and Moldova, given that the other states are not in Europe and Belarus' dictatorship prevents it from joining.ⁱⁱⁱ

More negative assessments have followed the founding of the 2010 CU. has led to a number of negative assessments. A number of studies using computable general equilibrium (CGE) models predict that the CU will have limited or negative effects on its members (Vinhas de Sousa 2011; World Bank 2012; Tarr 2012; Carneiro 2013). In terms of trade, studies typically find either no effect, or very weak evidence of trade creation, and even some evidence of trade diversion (Mogilevskii 2012; Isakova and Plekhanov 2012; Libman and Ushkalova 2013; Isakova et al. 2013). Any positive effects might be merely from increased tariff revenue (Mogilevskii 2012). Furthermore, the CU is likely to be associated with redistributive effects in favor of individual countries (Astrov et al. 2012). Aslund (2013a) concludes that the CU is primarily a political project with (most likely) negative economic consequences for members. A few have argued that the CU could become welfare-enhancing if it succeeds in removing non-tariff barriers between countries and facilitates FDI and labor flows (Tarr 2012). Only one study very positively predicts the CU will substantially improve the economic performance of its members (EDB 2012b).

Despite the majority of studies showing formal integration as disappointingly ineffective, some have focused on how informal regionalism has brought benefits. Notably, in the second half of the 2000s, states with higher rates of intra-regional trade exhibited higher growth rates (Libman and Obydenkova 2013a; Jenish 2013).

4. The role of Russia

Given Russia imperial and Soviet history, combined with rising nationalism and a turn toward authoritarianism under Vladimir Putin, many have raised questions about Russia's motives in

pushing Eurasian regionalism. Most regions have a hegemon. Comparative regionalism studies have shown that these hegemons, or regional plutocrats, defined as economically dominant states such that they can provide substantial benefits to other members (Hancock 2009), has historically been required for successful regional economic integration (Mattli 1999). In the Eurasian region, Russia is clearly the plutocrat, accounting for 76% of the regional GDP (as of 2012). Mattli (1999) and Hancock (2009) find that these regional plutocrats provide financial and other incentives to entice states to join the integration accords. Has Russia been playing this traditional role or is it a different kind of actor?

The regional literature looks at Russia's dominant position from three perspectives, with varying conclusions. First, some add power asymmetry to the reasons why Eurasian institution-building has not led to the positive outcomes desired by Russia and other participants. They argue that smaller states could perceive a Russian-led regional organization as a threat, particularly given the extent of their economic ties and the weakness of their statehood. Note that this conclusion goes against the historical record that shows plutocrats are required for successful integration. In an earlier piece, D'Anieri (1997) argues that Eurasian countries would not benefit from attempts to 'tie the hands of Russia' by making it part of a formal regional organization (an approach used for dealing with hegemons in other world regions). Some argue that Russia is insufficiently strong to force Eurasian countries to join regional organizations (Libman 2007), while others argue that Russia can use its economic and political power to entice other states to join. For example, Russia charged Belarus substantially lower natural gas prices in exchange for being a highly active integration member (Hancock 2006a). Miller (2006) and Libman and Obydenkova (2013b) argue that the concerns of Russian hegemony influence which countries most actively participate in Eurasian regionalism. Libman and Obydenkova suggest countries least dependent on Russia are the most active integrators as they can easily withdraw from regional organizations under Russian pressure. Thus, there is not yet a consensus on whether Russia has a positive or negative role in increased integration.

The second issue examined by the literature is how much control Russian has within the various institutions. The literature commonly sees Eurasian integration as a tool of Russian foreign policy, used to control the neighboring countries (Sushko 2004; Savietz 2012). However, the empirical examinations of this issue are rare. One case which has been studied in the literature is the design of the Customs Union 2010. The CU was associated with substantial

adjustments in tariffs in all of its members; however, it is typically claimed that the common customs tariff was basically modeled based on Russian tariff, as was the case for the 1994 CU. Mkrtrchyan (2013) challenges this view, showing that Russian influence was even smaller than one would expect. Thus, the perception of Eurasian regionalism as a mere tool of Russian dominance may be questionable. At times, other countries (like Belarus and Kazakhstan) have often been more active in pushing regionalism than has Russia— and in some cases Russia turned down proposals of further integration. At the same time, it is not clear why the leading power is consistently supporting multilateral regionalism rather than bilateral bargaining with individual countries, which could possibly give Russia more leverage. One answer may be that the regional integration in Eurasia is mostly rhetorical and is done for domestic purposes to appease the population of Russia, which, as the surveys show, is strongly in favor of Eurasian regionalism (EDB 2012).

However, an alternative explanation of why Russia is interested in multilateralism is given by the third set of studies – those which look how asymmetric power structure in Eurasia influenced the particular design of regional integration agreements. The rhetoric of Eurasian regionalism and the formal design of its institutions since the end of the first era (and disappearance of the last remaining Soviet institutions) are hardly unusual – on the contrary, Eurasian organizations frequently mimic the EU in terms of the names and the goals of regional integration agreements (Brusis 2014). Unlike South-East Asia, there exists no alternative approach to regionalism, which is theorized and developed in Eurasia. Practically, however, the design of regional organizations in Eurasia shows a number of rare features. 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. From this point of view, Eurasian regionalism experienced a number of changes over time. While early regionalism in the CIS was mostly intergovernmental, the second era of Eurasian regionalism was characterized primarily by the predominance of plutocratic agreements. It could have been driven by the internal political changes in Russia (making plutocratic agreements more acceptable or desirable), but also with the change of power balance between countries. The last factor most likely explains why plutocratic design did not last: while the Customs Union of 2010 was created as a plutocratic agreement, in less than two years it was transformed into a supranational organization with equal powers of all member countries.

5. Autocracy promotion

Eurasia may serve as an example of regional organizations for which the actual rationale differs substantially from the declared goals. Questions about Russia's ultimate goals combined with the predominance of non-democracies—Freedom House rates five of the twelve states “Partly Free” and the other seven “Not Free”— makes Eurasia a relevant case for a recent and growing literature on autocracy promotion and diffusion (Ambrosio 2010; Burnell and Schlumberger 2010). Certainly, there are no organizations in Eurasia that explicitly consider themselves as countermanding democracy (thus, the situation is strikingly different from the ideologically driven organizations of the Socialist time). However, these organizations can be used as a tool to prevent democratization.

Yevstigneev (1997) was the first to argue that economic regionalism in Eurasia serves as a rhetorical tool to protect the interests of Soviet-style monopolies rather than as true economic enterprise. From the autocracy promotion perspective, Libman (2007) suggests that the main reason why Eurasian regionalism exists is a rhetorical one: given the importance of Eurasia in the public opinion of some countries, their leaders can use their participation in Eurasian regionalism as an argument against domestic opposition. Belarus president Alexander Lukashenka, for example, built his regime based on the idea of being the protector of the Russia-Belarus Union. In this case, by contributing to the integration rituals, Eurasian autocracies mutually support each other. For example, an autocrat facing political pressure at home could improve his position by signing a new agreement with Eurasian states that does not actually pursue the goal of economic cooperation. In fact, cooperation may be undesirable to prevent increasing dependence on a foreign partner. In some cases, support is associated with explicit criticism directed against opposition abroad. For example, the CIS Electoral Monitoring seems to regularly endorse electoral manipulations in the Eurasian countries (Kelley 2012).

Autocracy promotion in Eurasia includes three distinct (and partly contradictory) approaches. The first looks at Eurasian regional organizations as **tools of autocracy promotion by Russia**. In this case regionalism is seen as but one instrument (together with bilateral cooperation, adjustments of gas and oil prices or loans), which is used by Russia to support fellow regimes (Tolstrup 2009; Jackson 2010; Melnykovska et al. 2012; Cameron and Orenstein 2012; Vanderhill 2013). The second approach concentrates on **mutual support of autocracies** in

which authoritarian regimes engage in integration rituals in order to strengthen each other (Furman 2004; Allison 2008; (Collins, 2009). The third approach discusses the **unintended consequences** of Eurasian integration resulting in autocracy promotion. In the simplest case, Eurasian regionalism provides regimes access to resources (e.g. loans or cheap energy) or allows them to reduce external pressure from democracies. The mechanism could also be more complex: Obydenkova and Libman (2012), studying sub-national political regimes in Russian regions, show that autocratic consolidation was particularly likely in regions, which were more actively engaged in trade with non-democratic CIS countries. Trade encourages mutual learning, and also provides additional instrument of influence for domestic autocrats.

This literature raises several questions. First, why do the states engage in autocracy promotion at all? One could explain it by ideological considerations and common values (Kagan 2008; Jackson 2014). Autocracy promotion could also serve as a tool of rent-seeking: Bader et al. (2010) argue that because autocratic regimes are less concerned about public goods provision, they are more likely to form alliances with autocrats to extract rents. Autocracy promotion may be based on concerns regarding stability of domestic regime: the power of example and the communication across democratic movements make democracy contagious (Ambrosio 2009). One could suggest that the autocracy promotion results from simple mimicking democracies and their democracy-promotion. Finally, it is occasionally explained by the power interests of Russia, which is claimed to find it easier to control the Eurasian countries if they are ruled by fellow autocrats (Bugajski 2008). Other studies, however, criticize this perspective, arguing that low credibility of commitment makes autocratic regimes problematic partners for Russia (Obydenkova and Libman 2014).

Second, how effective is autocracy promotion? Eurasia provides at least one example where autocracy promotion was arguably successful: Belarus, where Lukashenka's regime receives substantial support from Russia (Silitski 2005). Other cases are more doubtful. While Russia supported particular groups in other Eurasian states, and very often sided with the incumbents, it failed to achieve any tangible influence on regime transition. Occasionally, Russia sided with anti-authoritarian forces (Obydenkova and Libman 2014). [note: where and when?] This lead to an under-researched question: what happens when there is conflict between promoting autocracy and other foreign policy goals (e.g. rent-seeking by elites or political dominance).

6. Contested regions

Throughout this chapter, we have argued that Eurasia should be viewed as a region and demonstrated that many scholars agree. However, as in other world regions, some Eurasian states and their citizens are in geographic, economic, cultural and political spaces that allow them to see themselves as part of two or more regions. In the West, states and citizens feel the pull between Eurasia and Europe. Some scholars argue that cultural identities strongly influence whether states choose Eurasian vs. European regional organizations, especially the EU and NATO (Abdelal 2001; Hale 2008). Political leaders and citizens may also identify as Central Asian (Qoraboyev 2010a, 2010b) or from the Black Sea region. Some literature attempts to identify which states are most Eurasian, a group that changes depending on how one measures the variable: the states most active in formal Eurasian regional agreements are Russia, Belarus, Kazakhstan, Tajikistan, Armenia and Kyrgyzstan but intra-regional FDI suggests Ukraine is more Eurasian than Kazakhstan, and migration flows indicate Uzbekistan is strongly Eurasian. [add citations]

We briefly explore three cases in which scholars argue that sub-regions play a significant role: Central Asia, the Black Sea, and Eastern Europe. Scholars have given substantial attention to the five Central Asian states. Superficially, they share a common suffix: -stan, leading some in the West to dub them “the Stans” (The Economist 2009). (The suffix translates as “place of;” thus, Kazakhstan is the “place of the Kazakhs.”) On a substantive level, Central Asian states have been seen as a natural grouping because they are contiguous, predominantly Muslim and Turkic-speaking (except Tajikistan, where a version of Farsi is spoken), share historical, cultural and economic ties (such as a regional electricity grid), and rely on clan politics (Olcott 1995, 2005; Collins 2004, 2006). Others argue that common problems create a region, notably ecological degradation of the Aral Sea, located in Uzbekistan and Kazakhstan; the growth of organized crime, narcotics, drug trafficking and arms smuggling; considerable outmigration; and criminal elements in the power structure (Ubaidullouev 2010). Furthermore, Central Asia may be one of the most important areas for informal regionalism, or what World Bank analysts Kaminski and Mitra (2012) call “bazaar networks.” The World Bank report found that the informal networks enhance welfare by increasing trade without tariffs, are a major employment source for women, and provide access to otherwise unavailable goods. These trade numbers are

not reported, since they do not go through official channels. However, as in some parts of Africa (Afrika and Ajumbo 2012), analysts have found that this trade plays a significant role in the economics of the region. As for formal agreements, a number of Central Asian treaties were signed in the first ten years after the Soviet collapse but these are no longer in effect.

Recent archeological findings suggest that Black Sea civilizations acted as an economic region dating back to the 3rd millennium BCE (Bauer and Doonan, 2012, Bauer, 2009). Some argue the region has re-emerged with the end of the Cold War (Ivan, 2012, Aydin, 2009, Aydin, 2005). Three reasons are given for this renewal: energy geopolitics, an epistemic community focused on cleaning up the Black Sea, and the 9/11 attack on the US. Dudău and Guedes (2012) argue that the region has become more important as former Soviet states want to sell their oil and natural gas to lucrative and energy-hungry Europe. Secondly, the pollution of the Black Sea, where the Danube, Dnieper and Don rivers all empty, has brought together sea-bordering states as well as riparian states. Several states signed a 1992 convention to protect the Black Sea against pollution. In 1993, the UN/World Bank's Global Environmental Facility and several wealthy states (the Netherlands, France, Austria, Canada, Japan, and the EU) funded the Black Sea Environment Program (BSEP). Finally, Aydin argues that after 9/11, the US saw the region as the gateway to the Middle East and thus of strategic interest. US interest in turn brought the attention of the EU and Russia, the latter seeing US military bases as a threat to its regional dominance (Aydin, 2009).

The most concerning Eurasian conflict to-date is the ongoing conflict between Russia and Ukraine. Several scholars view the crisis as largely the result of regional identity, with Ukraine's population split among those who are more pro-European and those who favor greater integration with Russia and by extension Eurasia. This split has been reflected among the rulers as well as citizens, which presidents and prime ministers leaning one way or the other. Russia has long sought to encourage or perhaps coerce Ukraine into joining various Eurasian integration efforts. Ukraine has occasionally considered it, going so far as to sign the Single Economic Space accord, but has always then backed away from implementing any of the regional agreements. [note: expand and add citations]

7. Conclusion

Eurasia has sometimes been the forgotten region among comparative regionalism studies. This is perhaps because so many scholars and political leaders in the West assumed that any efforts at integration were actually Russian attempts to re-create the Soviet Union and thus were better placed in the imperialism literature. This chapter seeks to demonstrate that there is much more going on in the region than some have assumed and that Eurasia deserves to be included in comparative regionalism studies. At the least, empire-building should be a point of investigation rather than assumption.

The research shows a rich regionalism picture, even as various findings are contested: How much regionalism is there? What role have institutions played? Should states join these formal agreements? In this final section, we note some of the challenges of researching Eurasian regionalism as well as areas that deserve greater attention.

The studies of economic regionalism in Eurasia face a major problem - the lack of data. The CIS includes an Interstate Statistical Committee, which maintains detailed statistical accounts on most Eurasian countries. This is much better than in many developing countries, where there is simply no statistical information available. However, the quality of information on the cross-border economic linkages remains questionable. The data on trade are somewhat better, although they also contain multiple gaps (which seem to matter particularly for Central Asia with its developed informal cross-border networks, see Kaminski and Mitra 2012). The establishment of the CU, which abolished internal customs borders, made the trade statistics for Russia, Belarus and Kazakhstan problematic. Currently the records of cross-border trade within the CU are mostly based on VAT data and on statistical reporting of companies, but the standards used in each of the three member countries of how to register trade deals are different and the enforcement of reporting is questionable. This is one of the reasons why accurate investigation of trade effects of the CU is so hard.

The data on investments and labor flows have been even less reliable. From the point of view of the FDI, most investment deals are organized through offshore companies, what make the identification of the origin of FDI inflow impossible. Furthermore, countries differ a lot in terms of the standards of how FDI transactions are recorded: the record of the same investment flow by the target and by the origin country may differ by several times. For migration, Eurasia is characterized by the dominance of informal and semi-legal (or even illegal) migration, which escapes official public registration. Thus, relying on official migration records (and even on the

assessments by police) is very hard. In the last four years, there has been substantial effort to improve the quality of data by the EDB, primarily within two of its projects. The System of Indicators of Eurasian Integration (SIEI) released in 2010 and 2014, aggregates a large set of indicators on various forms of economic connections between countries. The Mutual Investment Monitoring (started in 2013) collects press information on various FDI transactions implemented by the Eurasian countries. While these datasets have received only limited attention in the literature thus far, they represent a potential for further detailed microlevel studies. Despite these challenges, scholars should forge ahead as the data are improving over time.

Most of the research to date has been focused on formal regional economic integration efforts, many of these designed by Russia. We recommend more research on other types of regionalism, such as interactions between elites, systematic research on the effect of lobbies and interest groups on Eurasian regionalism, citizen perceptions of regionalism, and security regionalism. The autocracy promotion and energy regionalism literatures continue to show promise and should be further investigated.

Another important issue, which has to be taken into account, is that the Eurasian regionalism did emerge immediately after the collapse of the Soviet Union. It may have affected the way it developed and the behavior of political and economic actors (Libman and Vinokurov (2012a) attempt to develop a theory of what they call ‘holding-together regionalism’ in Eurasia). However, it also means that studies of Eurasian regionalism, while advancing arguments explaining success or failure of regional organizations, should explicitly contrast them with the explanations of collapse and fragmentation of the Soviet Union – or explain why some factors affected the development of the USSR in one way, but may have a different impact on how Eurasian regionalism develops. With very few exceptions (like Hale 2009), this type of research is absent in the literature.

As noted at the beginning of this chapter, two separate scholarly communities need to start working together: European/American scholars with their theoretical lenses and Russian/Eurasian scholars with their empirical research. Together, these scholars can more effectively contribute to our understanding of the region and how it fits into the comparative regionalism project. We hope that our chapter stands as an example of the fruits of this type of collaboration.

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Appendix: Regional organizations in Eurasia

1. Primary organizations

- Commonwealth of Independent States (CIS), established in 1991, current membership: Russia, Ukraine, Belarus, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, Armenia, Azerbaijan, Moldova, Turkmenistan. Includes multiple subsidiary organizations, of which the most important are:
 - CIS Economic Union, agreement signed in 1993, never implemented, agreement expired, membership: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Uzbekistan, Ukraine, Tajikistan, Moldova, Russia, Turkmenistan
 - CIS Free Trade Area (CIS FTA), established in 2011, current membership: Armenia, Belarus, Kazakhstan, Russia, Moldova, Ukraine, Kyrgyzstan, Tajikistan, Uzbekistan (special regime)
- Eurasian Economic Community (EurAsEC), established in 2000 as a transformation of the Customs Union of 1995, current membership: Russia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan
 - Customs Union / Common Economic Space (CU / CES), established in 2010, current membership: Russia, Belarus, Kazakhstan (Armenia, Tajikistan and Kyrgyzstan' membership under negotiation); formally part of the EurAsEC, but has its separate institutional structure
- Union (State) of Russia and Belarus, established in 1997: current membership: Russia, Belarus
- Single Economic Space (SES), agreement signed in 2003 by Russia, Belarus, Kazakhstan and Ukraine, never implemented
- Eurasian Development Bank (EDB), established in 2006, current membership: Russia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Armenia

- Organization of Collective Security Treaty (OCST), established in 2002 based on the Collective Security Treaty of 1992, current membership: Russia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Armenia

2. Central Asian regionalism

2.1. Only post-Soviet countries

- Central Asian Cooperation Organization (CACO), established in 2002 as a transformation of the Central Asian Union (1993), in 2006 merged with EurAsEC after Russia joined the organization in 2004, original members: Kazakhstan, Tajikistan, Uzbekistan, Kyrgyzstan

2.2. Broader Central Asia (selected)

- Economic Cooperation Organization (ECO), established in 1985, current membership: Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Turkey, Tajikistan, Turkmenistan, and Uzbekistan
- Central Asian Regional Economic Cooperation (CAREC), established in 1997, current membership: Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Tajikistan, Turkmenistan, Uzbekistan
- UN Special Program for the Economies of Central Asia (SPECA), established in 1998, current membership: Azerbaijan, Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan
- Shanghai Cooperation Organization (SCO), established in 2001 as a formalization of Shanghai Five group (1996), current membership: China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan

3. Black Sea organizations

- Organization of the Black Sea Economic Cooperation (BSEC), established in 1992, current membership: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, Serbia, Ukraine
- Black Sea Naval Cooperation Task Group (BlackSeaFor), initiated by Turkey in 2001, includes Bulgaria, Georgia, Romania, Russia, and Ukraine. Conducts search and rescue

missions, cleans sea mines, protects the environment, and organizes good will visits among members.

4. Organizations created to limit Russian influence

- GUAM Organization for Democracy and Economic Development, established in 1997, current membership: Georgia, Ukraine, Azerbaijan and Moldova

ⁱ In early post-Soviet studies, these regional integration attempts were discussed along with Eurasian regionalism as defined in this chapter (Brada 1996); however, after the EU admitted the eastern European states in the 2000s, there was no longer a separate region of Central and Eastern Europe.

ⁱⁱ Between 1993 and 2004 Central Asian countries experimented with a number of organizations of this sort, with Central Asian Cooperation Organization (CACO) being the latest; in 2004 Russia joined CACO, and in 2006 it was merged with Eurasian Economic Community. Currently there are no clearly sub-regional organizations in Central Asia.

ⁱⁱⁱ This issue is critically discussed by Vinokurov and Libman (2012) and Charap and Troitsky (2013)