

Schools of Political Studies
Thematic meetings during the World Forum of Democracy (3-7 November)

Thematic Group Meeting
“What impact does the Eurasian Customs Union have on relations with Europe?”
3 November 2014
Synopsis¹

This meeting was attended by participants from Schools of Political Studies from Minsk, Moscow, Yerevan and guests from Bishkek.

The invited Speaker, Dr **Alexander LIBMAN** presented three stages of the Eurasian integration project: customs union, common economic space and economic union (scheduled in 2015). He underlined that the **Eurasian Economic Union (EEU)** has the **potential to be the first integration organisation in the region** that is a project really achieved by the states involved (contrary to the previous ones). The Eurasian project has a similar institutional design as the European Union (for example the competencies of the Commission and Court), but it is **not willing to co-operate directly with the EU**. Moreover, the speaker underlined that the two projects would be mutually incompatible for the countries concerned, since a country cannot join two customs unions at once. Therefore, those countries that also have the door open to join the EU, will need to decide on which integration project they wish to join.

The Eurasian integration project can be perceived as a **Russian tool of influence**. Some of the participants expressed fears that the Eurasian project could stop democracy diffusion from the West, procure legitimacy for regimes at the domestic level or even promote autocracy. As a result of the economic integration, Eurasian countries will possibly have more links to Russia and thus be exposed to political pressure, leading to building regimes imitating democracy or similar to the Russian one. However, the Eurasian economic project does not specifically translate such aims in the normative form. Moreover, it seems that it is still the Community of Independent States (CIS) that continues to play a symbolic, ideological and practical role in this geographical sphere (for example when Kyrgyzstan joined the Parliamentary Assembly of the CIS, the country experienced influence on the laws voted in its parliament).

It is now too early to forecast how far the Eurasian Economic Union will develop or what will be the guiding principles of the organisation. What can be observed already is that the organisation will **not only promote Russian interests**. It has the potential to promote economic reforms, a factor that can be important for countries that are not members of the World Trade Organisation. Moreover, the EEU could provide economic support to its members (for example Belarus). The decision-making based on consensus, while guaranteeing equal voting rights to all its member states, could significantly affect the functioning of the organisation by making it difficult to take decisions. At the same time it does not change the **asymmetry of power between member states**. A risk exists that the strong countries dictate to the weaker ones, but the use of pressure is not possible on regular bases as partners may withdraw. However, the question as to which extent the EEU could indirectly affect the political sphere remains valid.

When speaking about Eurasian integration, **Jiří VOGL** (Moderator, Directorate of External Relations) drew the participants' attention to the **relationship between the economy and good governance, democracy, rule of law and human rights** (i.e. the values and mandate of

¹ Notes taken by Bogumila Warchalewska-Muller, DPP

the Council of Europe). In response it was suggested that, from the perspective of the democratic countries, the EEU can bring positive effects if it concentrates on the economy only, but when venturing into other facets of integration, this could be more problematic.

Some participants suggested that the Eurasian integration project was accelerated to respond to the Eastern Partnership project promoted by the European Union (EU). According to others the EU **lost an opportunity** to liaise with the Eurasian project and it is difficult now to imagine more intensive co-operation between EEU and EU in the future. Some participants pointed to the ties between China and Central Asian countries. In this context the speaker indicated that Russia was reluctant to move towards economic integration with China but that the current situation of international sanctions could change relations with this player.

The Eurasian Economic Union has a **great potential** but there are **problematic issues** such as: its deficient ideological foundations based on anti-EU sentiment; the lack of a normative goal; asymmetric relations between member states and top-down decision making. These leave the question open as to whether it will really work. Moreover, the events in Ukraine this year have placed Russia in a difficult economic situation (sanctions) that could constitute a burden on its neighbours and put the whole economic integration project at risk of stagnation. Furthermore every country in EEU seems to have different strategic goals.