

EURASIAN INTEGRATION IN THE CONTEXT OF REGIONALIZATION: EXAMPLES OF EAEU AND BRI**Pallon Maria Dmitrievna**

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The second half of the 20th century and the beginning of the 21st century can be characterized by the growing influence of the internationalization of economic processes, which is ensured by the liberalization of trade, the creation of new modern communication systems, world norms and standards, and the development of economic ties between countries. Perhaps the highest form of internationalization can be called globalization, i.e., the formation of a single world economic and political system. The importance and influence of such world organizations as the UN (United Nations), the WTO (World Trade Organization), World Bank, etc. in directing public policy and economic decision-making on national level. Positive effects of globalization, like the liberal trade system allowing countries to enter the world market and economically prosper as they compete (new jobs created, increased production, higher wages, new economic and political ties), have been explained extensively through media and economic academic literature, making the internationalization of the world a given, status quo state of affairs for the analysis of economic and political processes. With good reason: integration allows for an effective international division of labor, and a country integrated into the international system does not need to rely only on its limited resources for its own development and security.

However, within the discourse of globalization and integration there is also considerable interest in the serious problems globalization creates. Different spheres of discourse, from academic to geopolitical, draw attention to the evidence and possibility of the process of de-globalization. Increasing world interconnectedness makes what otherwise would be a national (regional) crisis a worldwide one (2008 financial crisis, COVID-19 pandemic). Alongside crises, it is noticed that, although globalization did lift many countries out of poverty (China, Botswana etc.), it makes world inequality ever more evident and increasing, as richer, more competitive countries dominate the world economy, which is otherwise an oligopoly of large transnational corporations (most of which are registered in those privileged countries), giving them thus leverage in the geopolitical arena as well, leaving less competitive countries farther behind.

In this context, recently ever more politicians and academics express skepticism towards globalization. Global trade hinders [9], global political situation becomes increasingly tense and full of rivalry, nationalistic sentiments rise in the background of the 2008 crisis and COVID-19 pandemic [4], but the reliance of most countries on international relations (mainly trade) is acknowledged and evident, so the current trend in integration is regionalization. The 'realist' approach towards understanding regionalization would be to assume that the world will look like not individual countries competing in a worldwide system with overseer and control of global organizations, but as relatively independent regional blocs struggling for domination [11]. In other words, as has been recently expressed by politicians like Josef Borell or Vladimir Putin, since the global financial crisis in the context of formation of these regional blocs the world power structure is moving to a complex system of multipolarity [7].

In the context of intensifying competition between regional associations and political and economic contradictions, it is of interest to develop towards integration within the Eurasian region, which is currently represented primarily by the Eurasian Economic Union (EAEU), the Belt and Road Initiative (BRI) and the Shanghai Cooperation Organization (SCO), as well as other projects, such as the Eurasian Bank of Development.

Focusing on EAEU and the BRI, I will try to measure the successes and shortcomings of these projects.

At this stage of the article, it is worth dwelling on the EAEU. In view of what has been said earlier, integration as an idea with which we are familiar today practically originated in Europe, and the European Union (EU) can be called a prime example of a successful regional integration project, which thereby created an example to follow. The very term "integration" originated logically in Western Europe in the 1950s, when the European Economic Community was created. and Europe has finally established itself on the path to unification and the creation of an analogue of the United States in the region. [6]. The EAEU is an integration project that tries to follow the integration steps and "rules" set by this example, that is, the progress of its development can be viewed through the "stages of integration" (free trade zone, customs union, common market and economic union), and one of its main tasks is the implementation of the "four freedoms" on which the EU operates.

The members of the union are Russia, Kazakhstan, Belarus, Kyrgyzstan and Armenia, and it officially began its activities in 2015. The economy of EAEU today accounts for about 2.5% of world GDP, with Russia being the largest contributor, being the most populous member, consistently producing about 80% of total GDP and being both the largest importer and exporter of the union.

It was extensively emphasized that EAEU as a project is not an attempt to revive the Soviet Union or CIS, but a practically new and strictly economic union aimed at strengthening its members through coordinated efforts and ensuring their economic prosperity. And indeed, as Russian relations with its main trade partner – the EU – have significantly deteriorated since 2014, it, being a major political power in the region, as well as the largest economic actor in post-Soviet space, turned its attention to cooperating with countries closest to itself. Creation of EAEU allowed eased access to a large market of 180 million people for member countries, increasing trade, and, most importantly, trade of intermediary goods, giving prospects for the members' industrial cooperation and development. Significant is the role of EAEU in the sphere of energy: coordinated efforts of countries holding large reserves of energy resources such as gas and oil will ensure stable and reliable energy supply for member countries. An increase in the share of ruble transactions in trade turnover reduces dependence on foreign currencies. Withing the EAEU there is a fair amount of strategic planning meant to improve the countries' economic standing. The union sees development in the sector of innovation, digital governance and economy, food security, creating a single financial market, improving the institutional system etc. as its priorities for 2025 [12]. The progress in achieving strategic goals is monitored and made transparent by the Eurasian Economic Commission (EEC). To top it all off, the EAEU member states share a common culture and history, and strengthening the union could make the post-Soviet region of Eurasia more consolidated, partner-oriented and "friendly", thus creating a well bonded regional bloc.

However, on account of what the article mentioned earlier, one of the main problems that poses a serious challenge to all these positive developments is Russia's undeniable dominance and the overall grossly unequal economic situation of the member-states. Given that one of the supranational organs of the EAEU, reviewing its state, signing strategic goals and overall coordinating the economic policy of the union, EEC is located in Moscow makes Russian domination in the union furthermore apparent. Economic benefits of being the union are for the member states, they have shown to be different and unequal. For instance, Kazakhstan is more interested in trade and cooperation with China rather than EAEU member states. Armenia doesn't make significant contribution to EAEU economy and trade. Kyrgyzstan and Kazakhstan mainly produce and focus on developing production of energy resources and metals, which are 'outdated' and are not highly competitive sectors. Russia fosters the most investment potential and hence does the most investment, including that in member countries, and the member countries understandably cannot catch up. In addition, the external pressures and sanctions imposed by some countries, primarily on Russia and Belarus limit the EAEU's access to global markets and technologies and damage member-states reliant on trade and investment from Russia [13]. Additionally, members are reluctant to yield any significant say over internal policy decisions to supranational institutions, which limits the scope and depth of integration. It can be said that the free movement of people in EAEU in the context of realizing the four freedoms leads to heightened emigration and therefore brain drain from poorer member countries to Russia or Kazakhstan (as is the case for Kyrgyz republic). Political disparity between member countries, such as between Russia and Kazakhstan on

geopolitical questions and the basis of financial plans of EAEU also drag the integration. Credibility and commitment of common institutions is so far questionable as most of the member states have ongoing problems of transparency and corruption.

All that said, the public opinion on EAEU in poorer member countries is positive, and the development of the union hasn't been as long as the EU, for instance, so the aforementioned criticisms are the author's speculations in what otherwise is a positive project for the region.

One of the author's speculations on the question of its problems is that the EAEU is more so geopolitical in nature than economic, and is meant to be led by Russia in its struggle for bringing about the multipolar order. Inviting Iran, which has a history of continuous political standoff with USA, as well as the history of pressing western sanctions the author believes to be more so a political statement in the context of Russian 'pivot to the East' and 'Greater Eurasia' geopolitical trends, than a strategic outlook for economic cooperation. [5].

In this context, when analyzing the prospects for developing Eurasian integration, it is not possible to ignore its interaction with the Belt and Road Initiative (BRI), promoted by China. Russia has intensified the development of its economic ties with Asian countries and, above all, with China, which has become Russia's closest ally in many areas of activity—from joint investments in hydrocarbon development projects in Siberia and the Far East to the laying of new sea transportation along the Northern Sea route in the Arctic. Evidently, the Sino-Russian partnership should have some effects on the cooperation between China's BRI and the EAEU, where Russia plays a leading role. [8]

The BRI, also known as One Belt One Road (OBOR), is a massive strategic initiative launched by China in 2013. It aims to enhance connectivity and promote economic cooperation between China and countries in Asia, Europe, Africa, and beyond. The initiative seeks to revive the ancient Silk Road trading routes and establish new trade corridors, both on land and at sea.

The Belt and Road Initiative encompasses various infrastructure projects, including the development of roads, railways, ports, airports, and telecommunications networks. These projects aim to improve transportation and logistics, facilitate trade, and foster economic integration among participating countries. The initiative also promotes cultural exchanges, people-to-people connectivity, and cooperation in areas such as education, tourism, and technology transfer. One of the main strengths of the BRI is its potential to stimulate economic growth and development. By improving connectivity and infrastructure, the initiative can enhance trade flows, attract foreign direct investment, and create employment opportunities. It can also help countries diversify their economies and reduce dependence on a single market or commodity. Also, the initiative encourages collaboration among participating countries, fostering partnerships based on shared interests and common development goals. Through joint projects and investments, countries can leverage their respective strengths and resources to achieve sustainable development and prosperity. Furthermore, by investing in infrastructure projects in less developed areas, the initiative can contribute to poverty reduction, improve access to basic services, and promote social and economic inclusion.

Vladimir Putin proposed economic integration between the BRI and the EAEU in May 2015. Russia and China then signed an agreement for cooperation on infrastructure and trade. Putin signed it himself, showing Russia's interest, but all EAEU countries had already endorsed the BRI in 2013.

Putin's proposals for BRI-EAEU coordination changed over time. He first suggested including the EU in an "integration of integrations" – Greater Eurasia concept. Later, he dropped the EU and added ASEAN and the SCO. In 2016, he announced a "Greater Eurasian Partnership" with the EAEU, China, India, Pakistan, Iran, and the CIS. He said the other EAEU members agreed with this idea, as they had a common vision of Eurasian integration. The EAEU presidents have always supported the "integration of integrations." [10]

I will highlight policy barriers, debt sustainability, environmental and social impact as some of the main problems of the BRI. In terms of the first one, many BRI countries have high tariffs, non-tariff barriers, customs delays, and restrictions on foreign investment that hinder the flow of goods and services across borders. These policy barriers create "thick borders" that reduce the potential

benefits of improved connectivity. There is also a risk of poor transparency, corruption and mismanagement. Secondly, some BRI countries have taken on large loans from China and other sources to finance the infrastructure projects, raising concerns about their ability to repay the debt and maintain fiscal stability. Some critics have accused China of engaging in “debt-trap diplomacy” by lending to countries that cannot afford to pay back, and then using the debt as leverage to gain political or economic concessions [2]. Then, many BRI projects involve the construction of dams, roads, power plants, and other facilities that may have negative effects on the environment and local communities. These effects include deforestation, biodiversity loss, water pollution, displacement of people, and violation of human rights.

Apart from that, since BRI hosts a very large number of participants, there are geopolitical and security risks, primarily exemplified by India’s skeptical view of the projects as China’s plan of increasing its influence, when it opposed the China-Pakistan Economic corridor due to it going through a disputed territory of Kashmir. [3]

I would like to conclude the article with an attempt to assess reviewed integrational projects in the context of Eurasian integrational development on the following criteria: The degree of inclusiveness and openness: how many countries and regions are involved, and how easy or difficult it is to join or participate in the project; The degree of integration and coordination: how deep and comprehensive the project is, and how well it harmonizes and aligns the policies and interests of the participants; The degree of effectiveness and sustainability: how much the project delivers on its objectives and promises, and how resilient and adaptable it is to changing circumstances and challenges.

Using these criteria, a tentative ranking of the projects could be:

The BRI: The BRI would score high on inclusiveness and openness, as it covers a large number of countries and regions, and does not impose strict conditions or obligations on the participants. The BRI also scores high on effectiveness and sustainability, as it has mobilized substantial resources and achieved tangible results in many areas, and it has also shown flexibility and responsiveness to feedback and criticism. However, the BRI scores low on integration and coordination, as it is mainly driven by China’s vision and interests, and it lacks a clear and coherent framework and mechanism to harmonize and align the diverse and sometimes conflicting goals and expectations of the participants.

The EAEU: The EAEU scores high on integration and coordination, as it is based on a solid legal and institutional foundation, and it provides for common policies and standards in various economic spheres. The EAEU also scores moderately on effectiveness and sustainability, as it has improved the trade and transit conditions among its members, and it has also demonstrated some resilience and adaptability to external shocks and pressures. However, the EAEU scores low on inclusiveness and openness, as it has a limited membership and scope, and it faces difficulties and resistance to expand and deepen its integration with other countries and regions.

Therefore, based on this ranking, the BRI could be considered as the most beneficial project for Eurasian integration. However, this ranking is not definitive or conclusive, as it depends on the perspective and criteria of the evaluator, and it could also change over time as the projects evolve and interact with each other. Therefore, a more nuanced and dynamic analysis is needed to assess the prospects and impact of these projects on Eurasian integration.

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