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Ukraine's Revolution: A Challenge to Russia's Eurasian Integration Project

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Russia's actions towards Ukraine and Crimea have inaugurated a New Cold War in Russia's relations, and it will inevitably change Russia's relations with the states in its Near Abroad, and the West. One of the priority projects of Vladimir Putin, especially since the beginning of his third presidential term in 2012, has been the evolution of the Eurasian Customs Union (2010) and the Associated Economic Space (2012). As a part of this process, Belarus, Kazakhstan, and Russia aim to sign the founding documents on the creation of the Eurasian Economic Union in May 2014. The parties thus plan to launch the Eurasian Union in January 2015. The present article demonstrates how the February revolution in Ukraine, and especially the accession of Crimea to the Russian Federation, challenges the Eurasian project. In particular, the interpretation of the Eurasian initiatives as Russia's hegemonic project directed towards states in its Near Abroad has gained increased prominence. The vision over the Eurasian project as Russia's counterweight to the European Union (EU) influence over countries in Russia's Near Abroad has become more significant as well. In contrast, valuable features of the Eurasian Customs Union and Economic Space as primarily pragmatism-driven, efficiency-oriented initiatives, have been downplayed. Eventually, such a refocusing of the Eurasian project undermines Russia's perspective of projecting the political integration among the post-Soviet space on another level.

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The Many Faces of the Eurasian Project

Eurasian Customs Union has been a priority of Vladimir Putin since his presidential campaign in 2011. According to then Prime Minister Putin, the Eurasian Customs Union represented "a model of a powerful supranational union, capable to become one of the poles of the modern world, and linking Europe and the Asia-Pacific region".[1] In reality, however, the Eurasian Customs Union and the Associated Economic Space have been as ambiguous as they have been ambitious, and the project seemed to evolve around changing central themes. Among such faces of the Eurasian Customs Union and the Associated Economic Space were (a) the initial emphasis on the effectiveness and economic pragmatism, (b) the global outlook of the project and associated aspirations to act as bridge between the EU and regional organizations in Asia-Pacific, (c) Russia's regional hegemony project and (d) Russia-led aspirations to create a project capable of acting as a counterweight to the EU's influence in its Near Abroad.[2]

1 Vladimir Putin, "A New Integration Project for Eurasia: The Future in the Making" (*Izvestia*, 3 October 2011).

2 'Near Abroad' is a term of Russia's political vocabulary referring to the states which emerged after the dissolution of the Soviet Union, where Russia claims to have special interests.

Initially, Russia's accession to the World Trade Organization (WTO) in August 2012 provided an important impetus for the effectiveness and pragmatism as central driving force of the Eurasian project: Vladimir Putin declared that the Economic Space was to be guided by norms and principles of the WTO.[3] The rapid evolution of the Customs Union and the Economic Space, including the implementation of the Customs Union Code and the establishment of the Eurasian Commission in November 2011, as well as the Court and the Crisis Fund, supported this particular vision of the project. In this sense, Eurasian Customs Union differed from the other post-Soviet institutions characterized by ineffectiveness and inertia.

Early on, Moscow emphasized the "Asian" facet of the Eurasian Customs Union, namely the prospect for strengthening ties with the Asia-Pacific – a dimension of the project reinforced by the Asia-Pacific Economic Cooperation (APEC) summit held in Vladivostok in September 2012. However, such a global outlook was undermined by shift in perspective toward using the Eurasian Customs Union as a political and strategic counterweight to the EU. In addition, internal disagreements prevailed among members when it came to the political vision of the project. Specifically, Russia's insistence on the exclusion of the trade in oil and natural gas from the provisions regulating the Customs Union and Economic Space frustrated Belarus and Kazakhstan.

At the same time, the way the new participants were attracted to the project contradicted the idea of economic pragmatism and effectiveness. Remarkable examples of Russia's non-pragmatic interpretation of this project was the "integration discount" offered to Belarus in 2012,[4] Russia's assertive gas diplomacy, and a range of other measures regarding Armenia, which announced aspirations to join the Eurasian Customs Union to the detriment of the integration with the EU in September 2013.[5] The most recent example of such intensive and continuous Russia's foreign policy activism *vis-à-vis* states in its Near Abroad was the large-scale campaign targeting Ukraine, aimed to reorient it from signing the Association Agreement with the EU. Russia's actions became especially focused on Ukraine prior to the EU's Eastern Partnership Vilnius summit in November 2013, where the Association Agreement was to be signed. In this light, the hegemonic dimension and the dimension of a counterweight to the EU is the only explanation that consistently accounts for Russian foreign policy.

> The events in Ukraine raise a question on the actual character of the Eurasian project: is the rejection of the Eurasian integration limited to Ukraine, or does it have a spill-over effect on other post-Soviet states as well? The question is especially relevant considering the large population of Russian-speakers in the member states of the Eurasian Customs Union.

Ukraine as a Challenge to the Eurasian Project

In spite of the importance assigned to Ukraine in Russia's integration project, the February 2014 revolution, the Crimea referendum on 16 March 2014, and the region's subsequent accession to the Russian Federation made the accession of Ukraine to the Eurasian Customs Union highly unlikely. To those Ukrainians supporting integration with the EU, participation in the Eurasian project decision was never acceptable,[6] while a large part of those supporting the decision had to review their position after Crimea's referendum. To pro-Russia Ukrainians, rapprochement with the motherland is not associated with the loss of Ukraine's territorial integrity.[7]

Eventually, after Moscow used all its soft and hard power instruments, it could still not count on Ukraine as a

3 Vladimir Putin, "Russia's accession to the WTO" (*Interfax*, 11 November 2011).

4 The accession of Belarus to the Eurasian Customs Union was accompanied by the lowering of the gas price to US$ 165.6 per 1000m^3. See Alena Vieira and João Mourato Pinto, "EU's Eastern Partnership, the Russia-led Integration Initiatives in the post-Soviet Space, and the Options of the 'States-in-Between'" (*IPRIS Viewpoints*, No. 127, June 2013).

5 Michael Emerson and Hrant Kostanyan, "Putin's grand design to destroy the EU's Eastern Partnership and replace it with a disastrous neighborhood policy of his own" (*CEPS Commentary*, 17 September 2013)..

6 According to Razumkov Center polls, about 30% were in favor of joining the Russia-led Custom Union, while at least 40% were supporting integration with the EU, throughout 2011-2013. Razumkov Centre, "What integration course for Ukraine?" (2014).

7 Nevertheless, it should be stressed that according to Kiev's International Sociology Institute (KISS) polls about 26% support Ukraine's unification with Russia. KISS, "What kind of relations do Ukrainians what with Russians?" (2014).

building block of the Eurasian project, which would have instilled new dynamism into this initiative and eventually improved its global perspectives. At this moment, the events in Ukraine raise a question on the actual character of the Eurasian project: is the rejection of the Eurasian integration limited to Ukraine, or does it have a spill-over effect on other post-Soviet states as well? The question is especially relevant considering the large population of Russian-speakers in the member states of the Eurasian Customs Union. Also related, is there a possibility of upholding the initial prospects of the Eurasian project as an efficiency-oriented initiative, which brings the integration among the post-Soviet states on a new level?

As for economic effectiveness and pragmatism, Ukraine's February revolution and the accession of Crimea to the Russian Federation radically challenged these two features originally underpinning the Eurasian project. Firstly, Russia's propaganda campaign in Ukraine, the involvement in Ukraine's revolution, and Russia's actions in Crimea overall were certainly not a matter of economic calculations. President Vladimir Putin's recurring statements on the duty to protect the Russian-speaking population of Ukraine and the "betrayal" if Russia failed to do so[8] are illustrative. Secondly, the accession of Crimea to the Russian Federation implies significant costs for Russia, including a large-scale modernization and the establishment of the water, gas and electricity supply routes from Russia, which are especially significant given the high unemployment rate and the necessary welfare payments to the population on the peninsula.

Thirdly and most importantly, after Crimea it is hard to believe in effectiveness and pragmatism as the major driving force of any Russia's foreign policy actions. Mistrust will inevitably increase among Eurasian Union participants, notwithstanding Russia's insistence of the formally equal status of all the members. To other member states in the would-be zone, Russia's hegemonic position in the Eurasian Union will be associated with a loss of sovereignty. Such tensions dominate the project already, and they are visible in disagreements among the participants about the amount of Russia's subsidies and trade exceptions for the sensitive products, such as oil, gas, tobacco, and alcohol.

Eventually, the interpretation of the Eurasian project as based on economic efficiency is dubious. For this to become the driving force of the project, Moscow would need to invest a lot of time restoring the credibility of its integration intentions and of the adherence to the implementation of the agreed provisions. As for the member states of the future Eurasian Union, if their political leaders decide to move on with the project, this particular step will need additional clarification and explanations *vis-à-vis* their own populations.

More importantly, Ukraine's 2014 February revolution brought the political dimension of the Eurasian project under even more strain. Even before, the disagreements between members were significant: while supported and promoted in Moscow, the political dimension of the project was constantly rejected in Belarus and Kazakhstan. This is the case of the supranational Eurasian Council; or the Eurasian Parliament, an idea launched by the President of Russia's Duma in 2012, which was not supported in Belarus or Kazakhstan. Both countries always insisted on the room of maneuver in terms of foreign policy, and Moscow's calls for a monetary union have not received much of a reply.

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Ukraine's February revolution demonstrates, once again, how much the positions of the members can diverge. Back in 2010, Alexander Lukashenko, the president of Belarus, a country widely acclaimed as Russia's closest ally, caused for a diplomatic crisis with Kyrgyzstan by hosting the ousted Kyrgyz President Kurmanbek Bakiyev. This action not only confirmed Lukashenko's antagonist stance to the color revolutions, but also stood in contrast with Moscow's official position. In March 2014, the Belarusian president once again demonstrated a position diverging from Moscow's, by recognizing the territorial integrity of Ukraine and his willingness to dialogue with the leadership of Ukraine, considered "illegal" in

8 Vladimir Putin, "Otkaz ot pomoshchi v Krymu byl by predatel'stvom" [Refusing help to Crimea would equal betrayal]. (*Vzglyad*, 18 March 2014).

Russia.[9] Kazakhstan's leadership was more reserved, limiting itself to stressing the economic dimension as the only direction of the Eurasian project. All these actions seemed to reinforce the preexisting mistrust in the political integration and supranational institutions in the Eurasian project.[10]

At this point, it is premature to announce the political death and disappearance of the Eurasian project. However, the Ukrainian revolution and the referendum in Crimea seem to move this initiative closer to its predecessors in a range of Russian-led initiatives in the post-Soviet space. Unless countered with Moscow's readiness to invest its time, effort and money in new measures to promote integration and bring the other members more fully on board, the prospects of the Eurasian project are uncertain. The proclaimed intentions of the three countries, scheduled to bring tangible results as soon as 2015, do not guarantee that the planned agreements will be eventually implemented. This means that the Eurasian project, *de facto*, is in danger of being reduced to the shadow financial transfers between Moscow, on the one hand, and Minsk, Kazakhstan and potentially Yerevan, on the other hand, in the face of the increasingly different interests – and fears – of its participants.

9 Ukraine's economic and trade importance to Belarus should be emphasized in this respect: Ukraine account for about 10% of the Belarusian exports (*BBC Russian*, 12 March 2014).

10 Shanna Kanafina, "EvrAzEC: Kuda stremitsya troika" [EurAaEC: where are the three states heading to] (*Karavan*, 7 March 2014).

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