

clusions about the macro-economic effects of the current, as well as, future integration measures.

Indeed, a report by the Centre for Integration Studies of the Eurasian Development Bank that was published at the beginning of 2012, forecasts that the formation of the Common Economic Space between Russia, Kazakhstan and Belarus will have a positive impact on the development of the countries involved, contribute to deep structural changes in their economies and facilitate their mutual trade and GNP growth rates.

According to this report, by the year 2030 the greatest macro-economic effect from integration will have been witnessed in Belarus, with a substantial increase in its machine-building and food-processing sectors predicted. Economic integration with Russia and Belarus will allow Kazakhstan to upgrade the technological level of its industrial output and radically reduce energy and materials consumption per unit of production. The over-reliance on the mining sector and metallurgy in Kazakhstan's economy is projected to gradually decline, while serious changes in its structure will come as a result of higher growth rates in the service sector, machine-building industries, transportation and communications.

Also, the report forecasts that over the period of 2011–2030, the cumulative effect of economic integration within the framework of the Common Economic

Space may reach US\$ 632 (in 2010 prices) for Russia, US\$ 106.6 for Kazakhstan and US\$ 170 for Belarus.

Admittedly, these forecasts may seem to be overly optimistic, and will quite likely undergo certain corrections and changes in the future. What is important, however, is that the report reflects changes in the economic mood within the CU and CES member countries, whereby integration plans and emerging business opportunities linked to them are stimulating growing interest among society, and local business circles in particular.

As a consequence, integration processes in the post-Soviet space are no longer restricted to government or government-sponsored programs, but are characterized by an increased involvement of private business. This is because private businessmen have begun to recognize the benefits created by the emergence of a new common market, by the formation of a unified customs area, by the unification of services rates, by the prospects of a free flow of labor, etc. As a result, private businessmen are starting to put forward their own initiatives provoked by these new developments. This growing interaction between government and private activities will begin to transform economic integration in the post-Soviet space, from a process initiated from "above", largely from the political level, into an integral part of the routine everyday economic life of the countries taking part in it.

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ANALYSIS

When the "Near Abroad" Looks at Russia: the Eurasian Union Project as Seen from the Southern Republics

By Marlène Laruelle, Washington

Abstract

Moscow's role and legitimacy in the post-Soviet space is widely discussed within CIS countries. Beyond the divergences of opinion concerning the merits of the Eurasian Union project, a key element underlying the prevailing skepticism about Russian-led integration in Central Asia and the South Caucasus is the low level of trust in the Kremlin's capabilities and capacity to effectively manage such an integration project.

The view of Russia held by other former Soviet republics is extremely diversified and varies from country to country, but also from group to group within countries: political authorities, economic circles, intellectu-

als with nationalist sensibilities, Russian minorities or minorities supported by Russia. These countries and groups perceive Moscow's role and legitimacy in the post-Soviet space differently. Moreover, the projects of

regional integration initiated by Moscow do not cater to all CIS countries to the same degree: Putin's Eurasian Union project is aimed mainly at Central Asia, less at the South Caucasus, with the ultimate aim and supreme reward being the potential reintegration of Ukraine into the Russian bosom.

Kazakhstan: Enthusiastically Supportive, but Hoping for Equal Status

In Kazakhstan, public opinion as expressed in surveys, as well as by the ruling elites, is very favorable towards Russia. The Kazakh President, Nursultan Nazarbayev, presents himself as a very enthusiastic supporter of all proposals for regional integration suggested by Moscow. Astana is particularly supportive of the idea of the Eurasian Union, which is unsurprising given that Nazarbayev championed a similar idea from 1994 onwards, but which was at the time ignored by Boris Yeltsin. Nazarbayev tried to revive this proposal in 2004 by commissioning the famous Russian publicist Alexander Dugin to write a book glorifying his Eurasianist vision, which facilitated a large media operation both in Russia and in Kazakhstan. This Kazakh Eurasianist ideology is based on a twofold appreciation: firstly, of the country's geographic position at the "crossroads" of Eurasia and as the meeting point of Russian/European, Asian/Chinese and Muslim civilizations, and secondly, of its internal national diversity, in particular its important Slavic minorities. On an economic level, the Eurasian Economic Community, as much as the Customs Union, both tend *a priori* to fit with Kazakh economic strategies, with some competitive sectors aiming to gain access to the Russian market, as well as, to a lesser extent, the Belarusian one.

However, this pro-Russian stance ought not to deceive us: Astana also wholeheartedly backs concurrent regional initiatives in the name of its "multi-vector" foreign policy, and sees itself, over the long term, not as a loyal second to Russia, but as an *equal* partner. Moreover, the younger generation of Kazakh political and economic leaders, who will rise to power in the years to come, will probably be more nationalistic and out to legitimize a new Kazakh identity, which will be in large part de-Sovietized, less favorable to national minorities, more concerned about the country's industrial and economic autonomy, and that will look to continue to assert Kazakhstan as an autonomous regional power in Eurasia.

In addition, if the strategic partnership with Moscow is practically never challenged within Kazakh political debate, the notion that the Customs Union works to promote national economic interests does not receive unanimous support. In March 2010, 175 members of the Kazakh opposition parties, as well as non-governmental organizations and people from the world of the media,

signed an open letter to President Nazarbayev asking him to pull out of the Union. Even among the current ruling circles, dissonant voices make themselves heard: if the idea of a common external trade tariff and the unification of technical regulations (for instance, sanitary ones) is largely supported, deeper economic integration poses more problems and greater dissent, since some Kazakh sectors could be penalized by Russian competition, in particular in the mechanical and chemical industries, and potentially also agribusiness. Moreover, as Kazakhstan is pushed to trade more with the members of the Customs Union, it will tend to receive less imported technology from the more technologically advanced countries, especially European ones. Lastly, the prospect of a common currency, though not officially rejected, has been postponed to a time far in the future and is actually not considered a serious future strategy, since it would signal a loss of national sovereignty.

In practice, Kazakh hesitations on the economic level could grow in the coming months, if the Common Economic Space does not bring advantages to the Kazakh companies that target the Russian market, or if it works to penalize integration into the World Trade Organization, which Kazakhstan is likely to receive by the end of 2012, or if the Kremlin maneuvers ineptly by transforming the economic argument into a tool for domestic interference.

Kyrgyzstan, Tajikistan, Armenia, Azerbaijan: from the "No Choice" Strategy to a Quiet "No Thanks" Policy

In the other countries of Central Asia and the South Caucasus, Eurasian integration does not raise much interest. Although, such ideas were very evident in Kyrgyzstan during the 1990s and at the start of the 2000s under the presidency of Askar Akayev, since then such discussion has disappeared. It is also largely non-existent in Tajikistan, where identity narratives are oriented around the Persian-speaking world, and where Eurasianism is decried as a pro-Turkic doctrine, one that is thus favorable to the historic Uzbek enemy. If the current Kyrgyz ruling circles are considered pro-Russian, their choice is a pragmatic one, not an ideological one: massive labor migration, investments, movements of capital and strategic orientations are directed towards or come from Russia and Kazakhstan, and only the country's role as a platform for the re-export of Chinese products prevents it from seeing only advantages in the Customs Union. In Tajikistan, the President, Emomali Rakhmon, and his close associates are taking increasingly anti-Russian stances, but the Tajik economy, which is less linked to China than its Kyrgyz neighbor, is almost totally oriented around Moscow, and Dushanbe has limited geopolitical options to alter this, leaving Russia in a position

of significant influence due to an absence of competition. However, the Kyrgyz and Tajik elites know that the Customs Union and the potential Eurasian Union would make Russia an even more significant stakeholder in their domestic affairs, hence they are reluctant to join.

The same hesitation crops up in Armenia, a country which is also very dependent upon Russia both economically (Moscow is the main trading partner of Yerevan and controls 80 percent of its energy resources) and strategically (Moscow has a 49-year agreement for the stationing of its troops at Gyumri). If the Prime Minister, Tigran Sarkisian, has praised the Eurasian Union, the dominant idea remains, nonetheless, “not to rush” any such development. The country signed an agreement to create a free trade zone within the CIS, but the fear of a total loss of independence regarding Moscow is also present. For Armenia this could result in a difficult situation in the event of a Russo–Azeri rapprochement, or in the context of an already well developed alliance between Russia and Turkey. It also risks hampering potential European investments. The Armenian reading of Russian integration projects thus remains centered on the questions of Nagorny-Karabakh and of the Turkish blockade, more than on a narrative about the need for any kind of supranational Eurasian integration.

In Azerbaijan, the official discourse is balanced. The authorities have said clearly they are currently not interested in a Customs Union or the project of a Eurasian Union, not seeing any benefits in it for their country, but they claim to be well disposed in principle to strategies of cooperation, and indeed of integration, provided such strategies are beneficial to all members. President Ilham Aliyev quite rightly highlights that bilateral economic relations with Russia have been booming without the need for a specific regional framework. Even Asef Hajiyev, deputy member of the interparliamentary group for promoting Azerbaijan–Russia friendship, considers that the Customs Union is yet not attractive to the Azerbaijani economy, which is heavily based on Western investments in the oil and gas sectors. He also states that the country wants to preserve the competing GUAM structure, and is not convinced by any kind of integration with a structure that recognizes the Armenian position on the Nagorny-Karabakh conflict. Baku thus has enough leeway and self-confidence to refuse quietly the Russian proposals, but does not think it would be penalized should these proposals become a reality.

Turkmenistan, Georgia, and Uzbekistan: Positioning Themselves Outside the “Eurasian” Narrative

The final group of countries is the three post-Soviet states that have taken a stance of total disagreement with

the idea of Russia-backed regional integration, namely, Turkmenistan, Georgia, and Uzbekistan. The first two do not belong to any such regional structures (the Eurasian Economic Community (EAEC), the Collective Security Treaty Organization (CSTO)), while the latter does, but has suspended its participation in the EAEC and only participates reluctantly in the CSTO. For Moscow, the bad will of Ashgabat presents no major problem. A Georgian commitment to policies more favorable to Russia would of course be welcomed, but neither is this absolutely necessary. The Uzbek refusal of Russian integration strategies is seen as more problematic, and the Kremlin still hopes to be able to reintegrate Tashkent by exacerbating its regional isolation or as a result of a presidential succession that could be to its advantage.

In Uzbekistan, President Islam Karimov has clearly expressed his opinion by stating that Moscow’s strategies of integration represent no more than a return to a disguised Russian imperialism and that his country had no need for integration with “a political flavor”. The Eurasianist narrative has never been well received in Uzbekistan: It has been perceived as a form of hidden Russian nationalism, as a Soviet nostalgia unsuited to the country, or as a competing narrative orchestrated by Nazarbayev. By the early 1990s, Almaty and Tashkent had entered into symbolic competition: Islam Karimov referred to the need for regional unity by reviving the historical name of Turkestan, and promoted an identity based on Turkic and Muslim values that he named Turanism, while Kazakhstan, by contrast, adopted Eurasianist arguments. Twenty years later, Uzbekistan remains clearly opposed to any Eurasian notions. It actively aims to distance itself from Moscow on the strategic level by promoting the return of the United States to the region, as well as on the economic level by targeting China, and in any case takes an isolationist approach, showing little interest in any form of regional cooperation. The Turkmen President, Gurbanguly Berdimukhammedov, for his part, did not need to voice explicit formulations and, to avoid having to take a position on Russian integration projects, was able to refer to his country’s status of permanent neutrality, validated by the United Nations in 1995.

In restive Georgia, the Atlanticist approach of the Saakashvili Presidency is unambiguous in its criticisms of Putin’s attempt to “resurrect the Soviet corpse”. However, the confrontation with Russia is not unanimously supported, and other actors discretely call for rapprochement with Moscow. These political actors (The Conservative Party of Zviad Dzidzighouri, the Worker’s Party of Chalva Natelachvili, The New Right, The Democratic Movement-United Georgia of Nino Burjanadze, and the Georgian Party of Irakli Okruashvili) rally around,

among other things, the Georgian Church. The Church is indeed legitimated to speak in the name of the nation and of its cultural values and cannot be suspected of not being loyal to the independent state, which it defended by asserting its refusal of Abkhaz or South Ossetian secessionism. However, it can simultaneously maintain a position of proximity to Russia in the name of a common religion. For those who are most critical of the strategic choices taken by Tbilisi since the Rose Revolution, there is no question of Georgia rejoining Moscow-backed regional organizations, but instead there is an interest in minimal mechanisms of cooperation with Russia. Even in Georgia, Moscow has soft power instruments that it could activate, if it saw fit, and ones that would pass through Orthodox unity and the emergence of an alternative Georgian identity that does not deny its rootedness in the Eurasian space.

Conclusion

The project of a Eurasian Union does not garner much support in the former Soviet republics, except in Kazakhstan, and even then there are reservations about the eco-

nomnic benefits. In the second member country of the Customs Union, Belarus, the official narrative in favor of more integration with Russia is not without ambiguities. The Belarusian authorities intensified their efforts to please Moscow by publicly praising the idea of the Russia-dominated Eurasian Union, but mainly because of the current political and economic deadlock that pushes Minsk into a “no other choice” strategy. This “no other choice” policy is also to be found in Kyrgyzstan and Tajikistan. Russian projects of regional integration nonetheless have to contend with two rebellious members, without which a Eurasian Union would be rather irrelevant and unattractive: Ukraine and Uzbekistan. Moreover—and this idea is dominant among all of Russia’s neighbors—this integrative strategy is challenged not because of Moscow’s (il)legitimacy to generate an integrationist dynamic, but because there are questions marks over its ability to do so: the low level of trust in the Kremlin’s effective management and capabilities is a key element of the prevailing skepticism about Russian-led integration in the South Caucasus and Central Asia.

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