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## **Eurasian Regionalisms and Russian Foreign Policy**

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*Please treat as a draft*

Mikhail A. Molchanov<sup>1</sup>

### **Abstract**

The paper looks at regional integration projects in the postcommunist Eurasia, defined as the former Soviet space plus China, from the point of view of Russia's foreign policy design and implementation. The foreign policy is the main vehicle to project the country's perceptions of itself internationally. When foreign policy acquires a regionalist dimension, it signifies important changes to the country's international orientations, but also reveals something important about the country itself. Russia's critics perceive its efforts at creation of the Common Economic Space and the Customs Union with Kazakhstan, Belarus and Ukraine as neo-hegemonic and perhaps, neoimperialist in nature. I disagree with this assessment. I address Eurasian regionalist projects as a subset of the new regionalism (NR) developments that had emerged in response to neoliberal globalization and represent an adaptive reaction to it. The foreign policy emphasis in a study of evolving regionalisms endeavors to refocus the attention on regionalizing agency and its role in shaping regional institutions and structures. Such a refocusing allows building a bridge from a study of new regionalism to a study of domestic determinants of foreign policy.

Keywords: Russia; Eurasia; Commonwealth of Independent States; new regionalism

### **Introduction**

Eurasian regionalism is a group of sometimes complementary and sometimes contradictory processes of economic, social, political and normative (re)integration of several postcommunist states that span the Eurasian continent from Belarus to China. It represents a reaction to economic challenges and security dilemmas of the global age, as well as narrative and institutional diffusion of regionalist concepts transplanted from the European integration discourse into the policy discourse of the postcommunist elites.

Regionalism in Eurasia emerged in the early 1990s in the form of the Commonwealth of the Independent States (CIS), still centered on Russia as an internationally recognized legal successor to the Soviet Union. Alternative regional organizations were both promoted from outside and emerged as endogenous responses to Russia's predominance in the CIS. While all of

<sup>1</sup> Mikhail A. Molchanov is Associate Professor and Chair in the Department of Political Science, St. Thomas University, Canada. E-mail: molchan(at)stu.ca.

them were motivated by an idea to create a regional community that would be comparable, if not directly to the European Union than to the ASEAN or the Mercosur, mechanic adaptation of the external patterns of regional integration to the new, post-hegemonic contexts of power sharing and collective deliberation proved difficult to accomplish. Taking Russia as an undisputed center of gravity for the region, some of these organizations grew to become, more or less, Russia-centripetal, while some others emerged clearly centrifugal.

### **Twenty Years After: The Russia-centred projects**

At the September 2011 celebrations of the CIS 20<sup>th</sup> anniversary the heads of the CIS member states adopted a Declaration, which lauded the Commonwealth as an “authoritative regional interstate organization” that created necessary “conditions for steady development of the mutually beneficial cooperation in the national interests of each of the CIS member states” (CIS 2011). An analytical report specifically prepared for the meeting claimed that the CIS evolved into a working model of cooperation in different formats and on various levels, which has been based on such principles as “flexibility and selective participation in it of the states seeking to achieve consensus.”

Such an optimistic assessment would raise eyebrows not so long ago. Regional economic cooperation in the CIS framework was premised on the idea of Russia’s leading role in the economic and monetary union that would be essentially run from Moscow. However, the international ruble zone soon collapsed, and extraterritorial rights for the Russian troops stationed abroad had to be negotiated on a case-by-case basis. Instead of growing into a politico-military union with coordinated trade, monetary and economic policies, the CIS shaped out as a loose consultative forum, an instrument of a “civilized divorce,” in Ukraine’s President Kravchuk’s memorable phrase. Annual summits became increasingly shallow. In March 2007, the secretary of the Russian Security Council Igor Ivanov suggested that the CIS “has played its role,” and the emphasis in Russia’s foreign policy should be on “those structures that have future,” such as the Eurasian Economic Community or the Collective Security Treaty Organization (Rosbalt 2007).

Smaller states identified the problem as being chiefly caused by Russia’s self-centeredness and the propensity to impose its preferences on others. Bureaucratization, incoherence and the lack of meaningful cooperation between the CIS bodies and the national institutions of member states were part to blame. In early 2012, the CIS boasted 1741 signed multilateral documents – agreements, decision, declarations and regulations – while the average rate of their implementation at the national level stood at 55-56 percent (CIS Executive Committee 2012; Permanent Mission of the Russian Federation 2009).

In spite of this thorny road, the CIS did not collapse. It allowed institutionalization of the relatively unrestricted movement of labor, coordinated legislative and regulatory acts, maintained energy flows, created common markets in agriculture, transportation and information technologies. It established the multilateral Economic Council, Economic Court and the Inter-Parliamentary Assembly of the CIS member states. It facilitated cooperation in military and security spheres, including these countries’ joint membership in a unified system of air and missile defense. It branched out and sponsored a number of specialized agencies, such as the

International Association of the Academies of Sciences, Interstate Foundation for Humanitarian Cooperation, and such interstate bodies as the Council for Cooperation in Science, Technology, and Innovations, the Hydro-meteorological Network and so on.

In 2000, Russia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan proclaimed establishment of the Eurasian Economic Community (EurAsEC). In 2006, the EurAsEC expanded to include Uzbekistan. However, two years later Tashkent chose to suspend its participation. Armenia, Moldova, and Ukraine were given an observer status. Since 2002, the member states' trade turnover increased threefold.

Meanwhile, the Central Asian nations, often presided by Kazakhstan, launched several independent initiatives. The Central Asian Commonwealth was formed soon after the collapse of the Soviet Union. The name mutated to the Central Asian Economic Union in 1994, the Central Asian Economic Cooperation in 1998, and the Organization of Central Asian Cooperation (OCAC) in 2002. Russia joined it in 2004, and succeeded in merging it with the EurAsEC a year after.

In addition to a number of economic initiatives, Russia has also spearheaded defense cooperation and formation of a regional security community. The Tashkent Treaty on Collective Security (CST) was signed in 1992 by Russia, Armenia, Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan. Belarus joined a year later. Russia's defense planners focused on counterterrorism and border security measures first, broader military cooperation second. In 2000-2002, the CIS Anti-Terrorist Centers were open in Moscow and Bishkek, Kyrgyzstan. Next year, Russia promulgated creation of the Collective Security Treaty Organization (CSTO) with its own budget, secretariat, central staff and the Collective Rapid Reaction Forces (CRRF). The CSTO holds regular military exercises, conferences, and training, and carries out joint counterterrorism operations. During the August 2011 summit the leaders agreed to form and equip 19,000 strong Collective Rapid Reaction Force (KSOR) to act as a barrier against potential Taliban incursions.

A breakthrough in the Eurasian regional integration was achieved with the 2006 decision to establish a EurAsEC Customs Union, with Russia, Kazakhstan and Belarus as its first members. The idea of multilevel, multispeed integration, borrowed straight from the EU lexicon, proved equally useful for Eurasia. An agreement on the formation of the unified customs territory was signed in 2007, yet negotiations over technical issues went on for two more years. On June 9, 2009, Vladimir Putin, then acting in Prime Minister's capacity, announced that Russia, Belarus and Kazakhstan would be joining the WTO together as a customs union. A common external tariff was launched on January 1, 2010. The treaty on the Customs Code of the Customs Union was signed on November 27, 2009, and ratified next year. The Customs Union Customs Code entered into force in all three countries by July 6, 2010, and by July 2011 transfer of controls to the external borders was accomplished, with full abolition of customs clearance for the goods moving between Russia, Kazakhstan and Belarus and intended for domestic consumption.

Since October 2010, senior executives of the CIS, CSTO, EurAsEC and the Shanghai Cooperation Organization (SCO) administrative structures coordinate their work on a regular basis, meeting annually. During their November 2011 meeting, senior administrators reached an agreement on further coordination of regional integration efforts of their respective organizations

and hailed the formal launch of the Common Economic Space of Belarus, Russia and Kazakhstan from January 1, 2012. The next step for Belarus, Kazakhstan, and Russia is to make the transition to a higher level of integration, characteristic of a common market with free movement of goods, services, capital, and labor. The creation of the Common Economic Space is considered as a crucial step toward the establishment of a functioning Eurasian Economic Union.

### **Dilemmas of Russian foreign policy analysis**

A typical rationalist, interest-centered account may fail to produce an adequate explanation of Russia's taking the lead in creating supranational institutions in Eurasia. According to such an account, in a post-hegemonic environment that the former Soviet space represents, Russia, as the strongest state, should be content to exploit numerous power asymmetries on the basis of bilateral agreements with its weaker neighbors. It may consent to multilateral arrangements where it has a de-facto or de-jure veto power. It may attempt an alliance building exercise or launch a fully intergovernmental regional integration project to create a pocket market for its exporters or ensure cheap labor inflows. However, it is not expected to agree to the deepening of integration via creation of commitment institutions or supranational delegation of authority.

The announcement of the Eurasian Union, complete with its first supra-national executive institution – the Eurasian Economic Commission (EAEC) – apparently does not fit the scheme and falsifies these predictions. According to the agreement on the establishment of the Eurasian Economic Commission, the commission may issue decisions mandatory for all of the signing parties. Why should Russia agree to voluntary restrictions on its sovereignty? Why should it face future prospects of being outvoted by its partners, even if now the key EAEC's decisions are consensus-based? Why should its national or regional authorities who might prefer to ignore the EAEC decisions be obliged to deal with the Court of the Eurasian Economic Community, officially in business since 2012?

A fully rationalist, neorealist explanation of these developments is not immediately obvious. The rationalist methodology in IR theory focuses on power differentials or applies economic reasoning to produce rather static structuralist propositions as to the expected behavior of self-motivated actors. The actors' interests are perceived as given, objectified and pre-structured by certain qualities of the system and distribution of capabilities between its parts. The very idea of an "interest," in the positivistic rendering of the term, presupposes the state's immutable predisposition to act in fully predictable ways as a rational utility maximizer. Utility maximization itself is understood rather narrowly, as a pursuit of material benefits used chiefly to maintain and increase one's power base over time.

A region building exercise that dilutes or circumscribes one's power base and freedom of maneuver can only be understood, for this viewpoint, as a tactical step back in anticipation of larger power gains in the future. In other words, it can only be rationalized as something other than genuine regional integration attempt, as, perhaps, a sneaky empire-building ploy aimed at restoration of "a position of strength vis-à-vis the West, as well as other powers, such as Iran and China, by exercising power over dependent neocolonies, primarily the former Soviet states" (Wallander 2007: 113). Given the standing power of neorealist, positivistically rationalist and economic reasoning over the minds of many a policy-oriented writer in the West, it is a little

surprise that neoimperialist explanations of Russian foreign policy are gaining momentum (e.g., Aslund 2008; Lucas 2009; Ismayilov 2011).

However, as one rather under-appreciated rationalist argued some time ago, rationality itself is culture-bound and culture-based (Wildavsky 1987). Constructivists in IR theory give pride of place to the role of ideas, norms, identities, psychology and culture as factors in foreign policy and interstate relations. The realist/constructivist divide involves an opposition between rationalism and reflectivism as methodological standpoints. Wildavsky's idea of cultural rationality is an example of a reflectivist approach applied at a group level. A culturalist approach goes deeper than purely psychological or epistemological approaches, also embraced by constructivism, by grounding ideas in social practices and established ways of collective behavior. Culture theorists trace the origins of the dominant social systems of ideas and perceptions to social practices and structures, arguing "that various ways of thinking and perceiving tend to be developed within specific social settings" (Verweij 1995: 91).

Exaggerated accounts of Russia's neo-imperialist inclinations, allegedly predetermined by its historical past, simplify analysis and blind researchers to the emergence of new factors and movers of policy. When such accounts appear center stage in the media and get accepted as a matter of intellectual fashion, they may sway the policy community and practical politics itself. The "empire" ceases to be a bad word it used to be in the Soviet discourse and becomes a fashionable discourse marker at first. It may then turn out in policy-related pronouncements by the Russian politicians themselves, as in Anatoly Chubais' (2003) infamous dictum that "liberal imperialism" should become Russia's ideology for "all foreseeable historical perspective," while the building of a "liberal empire" – Russia's mission for the 21<sup>st</sup> century.

Russia's post-Soviet transformation has profoundly affected political institutions and social structures, thus bringing a number of new policy factors to birth. First, the making of foreign policy was liberated from ideological pressures and distortions caused by the communist doctrine, including such of its principles as "proletarian" and socialist internationalism. What it meant in practice was withdrawal of subsidies to ideologically defined allies and reorientation from the unconditional support of clients to the pragmatic, interest-based style of relationships. Second, the end of Soviet socialism meant an embrace of capitalist values, albeit in their rather uncomplicated rendering as freedom to get rich and use the poor. As rich got richer and poor got poorer, both federal budget and national resources were made subject to the politics of kleptocracy that served mostly well-connected *nouveaux riches*. Third, the loss of material capabilities was amplified by the corresponding diminution of the status of the army, security and intelligence communities, academic and cultural elites. The spectacular rise of Putin's select KGB buddies – the so-called siloviki – while changing the social composition of the ruling class somewhat, had not changed its modus operandi. Russia's "young Turks" had failed to bring along the much anticipated esprit de corps of the nationally minded officers. Consequently, it was not the Russian state's neoimperialism, but the greediness of the Russia's new rich that caused other CIS countries to worry about protection of the national economic complexes from the encroachments of Moscow's politicians-turned-oligarchs.

## **Centrifugal tendencies**

In the mid-to-late nineties, the Ukraine-led GUAM (Georgia-Ukraine-Azerbaijan-Moldova) gained momentum as a chief opponent of the so-called “Russian Four” (Russia-Belarus-Kazakhstan-Kyrgyzstan), the countries that formed the core of the CIS customs union and its various collective defense agreements. With the blessing of the USA and NATO countries, Kiev moved on to conclude bilateral agreements with the countries of the southwestern post-Soviet periphery, each with its own grudges against Moscow. Georgia and Moldova were less than happy with the CIS peacekeeping operations, Azerbaijan saw Russia favoring the Armenian side in the Nagorno-Karabakh conflict, while Ukraine sought to break its energy dependence on the Russian monopolists with Azerbaijan’s assistance.

To a varying degree, all four laid claims to a “European” identity, in contradistinction to its alleged opposite, the Eurasian identity championed by Kazakhstan’s Nazarbayev and such Russian politicians as Yevgeny Primakov and Vladimir Zhirinovskiy. They saw themselves well positioned to eventually enter the European structures of economic cooperation and security by moving as far away from Russia as possible. All four felt intimidated by Russia’s military machine and therefore coordinated their efforts at the CFE (Conventional Forces in Europe) negotiations to secure strict limits on Russia’s forces positioned near their borders. All four saw reintegration efforts in Eurasia as a threat to their national independence, and sought to counterbalance with regime building premised on the idea of eventual reintegration with the European Union.

In a clear allusion to the Russia-led union of four, expanded to five when Tajikistan decided to join, the 1997 Ukrainian-Georgian “Declaration of Two” stated a need of a “counterbalance to unions and alliances within the CIS.” The idea of the CIS (in effect, Russian) peacekeeping in such zones of conflict as Abkhazia, South Ossetia or Transdniestria was countered with Ukraine’s proposal to send its own peacekeepers on the conditions agreed upon with Georgian and Moldovan governments respectively. The April 1999 summit of the CIS presidents saw Georgia, Azerbaijan and Uzbekistan withdrawing from the Collective Security Treaty, with Uzbekistan temporarily joining the GUAM (hence, the GUUAM) soon thereafter.

GUAM’s coming into being was symbolically announced in Washington during the NATO summit that has historically redefined the mandate of North Atlantic Alliance. Thus, the five most openly critical of Russia states had no so tacitly pledged their loyalties to Russia’s traditional nemesis. Western analysts of Zbigniew Brzezinski’s school hailed this as a sign of “geopolitical pluralism” that has been somehow equated with movement toward international openness and liberalization.

However, the GUAM’s planned escape to the West remained an exercise in futile rhetoric. During the January 2000 CIS meeting all of the GUUAM members endorsed Putin as the Chairman of the CIS Heads of State Council. The meeting adopted a Russia-sought resolution, following which the GUUAM defense ministers’ meeting was cancelled. In March 1999 Ukraine joined the Inter-Parliamentary Assembly of the CIS. The 2001 meeting of the GUUAM members, which was supposed to move forward the process of its institutionalization, had been

postponed by few months on requests from Azerbaijan and Moldova. Following the adoption of the GUAM Charter, the organization stagnated, and Uzbekistan formally quit in 2005.

None other but the U.S. Office of Secretary of Defense tried to revive the moribund organization by various measures designed to assist its member states in designing and implementing new cooperative agreements. It did not really work. The 2004 revision of Ukraine's military doctrine lost its previous reference to the country's aspiration to join NATO and the EU. A summit, planned for June 2004, was postponed until further notice.

The "colored revolutions" in Georgia and Ukraine temporarily galvanized the grouping. With the U.S. nudging, GUAM cloned into the Community of Democratic Choice, which opened a consultative forum between the four GUAM members and the three Baltic states, Slovenia, Romania, and Macedonia. A year later, during the May 2006 summit in Kiev, the four presidents signed a Charter for the freshly minted Organization for Democracy and Economic Development (ODED). The so-called ODED-GUAM promised to establish itself as a beacon of democracy and good governance in the realm allegedly threatened by Putin's authoritarianism.

Most GUAM decisions remain on paper. Its continued existence is premised on the idea of regional identity alternative to that of Russia-promulgated alliances of semi-authoritarian states: according to an official website, "The Organization for Democracy and Economic Development is fully responding to the interests of its Member States, because GUAM priorities are based on democracy, respect for human rights, and the rule of law" (Ministry of Foreign Affairs and European Integration of the Republic of Moldova, n/d). However, with the ascension of Viktor Yanukovich to presidency and virtual "Putinization" of Ukraine that followed, that country's claim to clear democratic credentials is being progressively eroded. Azerbaijan has been hereditary dictatorship all along, while Saakashvili's regime in Georgia has been criticized by the US Department of State and human rights groups for recurrent prosecution of dissenters and restrictions on media freedom. GUAM's rhetorical movement toward Europe and way from Eurasia brought little tangible benefits. Even so, its very existence speaks to a geopolitical reality that is more complex than the one of an unquestioned Russian hegemony.

Indeed, Russia's foreign policy itself is no longer hegemonic and cannot pretend to be. A long and convoluted process of soul-searching added to the trauma of the USSR termination and the post-Soviet thievery of the state. These days, for Russia's foreign policy establishment, simply staying the course may be difficult enough; innovating is so much harder. Against this background, the Eurasian regional integration project announced by Putin in late 2011 appears more of emulation, a reaction to the unfolding events, a belated response to the Kazakhstan Nazarbayev's original idea of the 1990s, rather than a bold, creative initiative it may look like to the uninformed.

### **Russian foreign policy: The phases of evolution**

Russia's foreign policy after the end of the Soviet Union went through several distinct stages of development. Typically, classifications include the short-lived Atlanticist phase of rather uncritical collaboration with the West (1992-93), the Eurasianist interlude orchestrated by Yevgeny Primakov, Russia's foreign minister in 1996-98 and prime minister in 1998-99, and the

decidedly less Romantic turn to the “national pragmatism” with Vladimir Putin’s ascent to power at the turn of the century. Seen from another angle, this same classification would refer to Russia’s more or less enthusiastic embrace of the US leadership of the post-cold war world, together with a more or less grudging acceptance of the new world’s unipolar structure; the disappointment and dismay that followed NATO’s expansion to the east and the bombings of Serbia; Russia’s quest for new allies and reassertion of multipolarity; finally, the rhetorical replacement of “multipolarity” with “multivectorism” – a softer-sounding, strategically and tactically more cautious and less grandiose in both the vision and the implementation version of the same.

Meanwhile, the national-pragmatist epoch of Putinesque stability, itself more than a decade and a half long, deserves its own periodization beyond the most obvious divisions into the first, second, and third Putin and one nominally Medvedev’s administrations. Putin’s first term in the office was multivectorist in essence and might be called a balancing phase. Various regional integration projects in the former Soviet space were accordingly seen through the lenses of restoration of the international leadership, power and prestige that Russia could naturally claim for itself were it to be taken seriously as one of the “poles” in the emerging multipolar world structure. In the conduct of foreign policy, there was less of a great power identity and more of an interest. Because of that, the balancing phase was also truly pragmatist. Pro-western leanings and assertions of Russia’s “Europeanism” were well balanced by activism in the East. Russia became an observer in the Organization of the Islamic Conference. In 2001-2006, a string of state visits resuscitated ties with Libya, Syria, Morocco, Egypt, Algiers and Turkey. Putin held direct talks with Afghanistan’s Hamid Karzai, visited Ulaanbaatar, Pyongyang, Seoul, Tokyo, New Delhi and Beijing. Joint military exercises were conducted with India and China. In 2005, Russia participated in the first East Asia Summit as an observer.

The second stage in the development of Putin’s “national-pragmatist” approach to foreign policy saw what Russian analysts called a turn toward Asia. Although senior officials of the Ministry of Foreign Affairs insisted that both western and eastern vectors in Russian foreign policy are equal in importance and independent of each other (Lavrov 2006), the Kremlin’s policies had soon made Russia’s preferences clear.

Inspired partly by China’s impressive rise and rediscovery of the strategic importance of the Asian energy markets, the “Asian turn” acquired distinct anti-western overtones following the string of “colour revolutions” that had been much helped by western advice, encouragement, and cash handouts. The “Orange revolution” in Ukraine dealt a particularly heavy blow to Russia’s aspirations of the assured friendliness, if not necessarily submissiveness, of the CIS-designated regimes in the near abroad. The “rose revolution” in Georgia and the “tulip revolution” in Kyrgyzstan consolidated the trend and further confirmed suspicions of the West deliberately working against Moscow’s interests. Commercial and geostrategic competition with both China and the West in Central Asia proceeded against the background of the weakening of traditional instruments of control, which brought forth a “new enthusiasm among the Moscow leadership for ‘soft hegemony’ in southern Eurasia, carried out through the instrumentalities of economic integration ...” (Gleason 2003: 61).

The third and current stage in the development of Putin's foreign policy can be called regionalist proper. While Asia remained important, Europe reappeared as a locus of Russia's geopolitical and geoeconomic interests. The launch of the Putin Mark III regime with the carousel-like rotation of the "tandem" signified the end of semi-authoritarianism and the transition toward a more openly authoritarian system of governance. Imperialist tendencies could be a natural complement of that in foreign policy, were it not for the regime's weakness.

According to the Global Financial Integrity 2011 report, Russia stood second in the world, yielding only to China in the amount of capital illicitly transferred abroad: \$427 billion in the years 2000-2008, which incidentally corresponded with Putin's first two terms in the office. In parallel to this state capture by the oligarchy, resources that the rest of the nation can access proportionately dwindle, which affects real economy, defense and security, and the budget envelopes available for international aid, education, cultural exchange and the like. As a result, Russia not only lacks crucial capabilities necessary for power projection abroad, but cannot be imagined to develop those any time soon. Its foreign policy is doomed to accept regionalist direction and rhetoric for three reasons: 1) to build the country's soft power in its immediate vicinity; 2) to benefit from the economies of scale; and 3) to make the maximum use of Russia's natural position as the largest transit corridor between Europe and Asia.

Regionalist strategies in Russia's foreign policy are easily explained by considerations of material interest, which undoubtedly play a role. In most cases, such considerations can be summed up under the rubric of "saving a penny on a dollar," which stands in a sharp contrast to the Soviet largesse of throwing money out on the ideologically motivated, albeit marginally useful, international relations projects. These days, as Russia's executive and business oligarchs amass larger and larger fortunes, the money available for the activist domestic and foreign policies correspondingly shrinks. While traditional hard power capabilities fall victim to the politics of kleptocracy, the need to spread the cost of power projection abroad intensifies. Hence, rather than using Russia's own troops to stabilize potentially explosive regions, such as Kyrgyzstan or Tajikistan, Moscow prefers to engage the CSTO collective forces as regional peacekeepers. Regionalist strategizing via coordination of border patrols or anti-terrorist activities in the CIS, CSTO, SCO or the Eurasian Union frameworks helps avoid costly engagements, while resuscitating Russia's status imagery and self-perception as that of a "primus inter pares" among the countries of the region.

In addition to purely economic considerations and the discrepancy between Moscow's global ambitions and limited capabilities, regionalism serves Russia's politics of prestige that RAND theorists see as a true driver of policy since Putin's coming to power at the turn of the century. According to this point of view, a prestige-seeking state looks to demonstrate its power and influence, imaginary or real, in a quest for international recognition and respect. The prestige-seeking approach to foreign policy makes full use of various soft power instruments available to the state, including such factors as its geographic size and proximity to the smaller neighbors, a cultural affinity with the so-called kindred states and nations, trade and investment ties, resource dependencies, transportation corridors, mass media and communications influence, public-relations instruments, and the like (Oliker et al. 2009: 87-90). Regional integration projects are part and parcel of this politics of prestige, since they not only supply its inputs and instruments, but also serve as enablers and get glorified as desired outcomes and international success stories.

## **Taking stock**

According to the Foreign Policy Concept of the Russian Federation (2008), integration associations are “acquiring an ever-growing importance in the global economy and emerge as a major factor of regional and subregional security.” Integration in the framework of the CIS/EurAsEC/Customs Union, the Asia-Pacific integration (APEC, ASEAN Regional Forum, SCO) and strategic partnerships with China and India clearly stand out among Russia’s regional priorities. Eurasian integration became one of the key themes in Putin’s presidential election campaign. While answering World War II veterans’ question on the revival of the Soviet Union, he classified regional integration as

one of the most important directions of our foreign policy. The rebirth of the Soviet Union today is impossible and not needed, unfortunately, yet our historic mission is to retain all that is benign, useful and promising... We are prepared for the deepest forms of cooperation. I must say, with satisfaction, that, for the first time in all post-soviet years we managed to make a real step in that direction, when we created the Customs Union (Pervyi Kanal, Russian TV, 27 January 2012, 18:16).<sup>2</sup>

If the Customs Union and the Common Economic Space answer Russia’s desire to lead economic development of the region, the Collective Security Treaty Organization (CSTO) is being designed as a key instrument of power projection. This constitutes a key point of the debate and potential disagreement between the members, as illustrated in Uzbekistan’s decision to withdraw from the Collective Security Treaty in 1999, only to re-join the organization in 2006. Even then, Tashkent has continuously blocked Russian attempts to deploy collective peacekeeping forces and refused to contribute national troops to the newly formed collective rapid reaction forces, which Karimov actively opposed until finally acquiescing in December 2011.

The Kremlin views CSTO “as a key instrument to maintain stability and ensure security in the CIS area ... a multifunctional integration body” and “a central institution ensuring security in its area of responsibility” (Foreign Policy Concept 2008). Since it is being formed on the basis of Russia’s 98th Airborne Division and the 31st Airborne Assault Brigade, the CRRF force is essentially under the Russian command. In addition to that, Russia maintains military bases in Kyrgyzstan and Tajikistan. During the December 2011 meeting, Russia had succeeded in making other CSTO members agree to the idea that any foreign bases on the territory of the CSTO states should be vetted by all members of the organization. This, in fact, gave Moscow a veto right with regard to any foreign basing plans in Central Asia. However, the question remains, if American and NATO presence in Afghanistan is significantly weakened, can Russia and Russia-led CRRF forces contain the threat of radical Islamization of the region without external help?

Some analysts believe they cannot (Bushuev 2011). Critics charge that the CSTO lacks clear ideology and looks more like a club for the preservation of authoritarian regimes, rather than a security organization genuinely concerned with finding collective solutions to common problems. According to an Uzbek observer, “given the mostly Russia-centric nature of the CIS

<sup>2</sup> Putin’s comments are also available at the 1<sup>st</sup> Channel’s website, <http://www.1tv.ru/news/social/197624>

and CSTO, security and integration in the post-Soviet space still cannot be regarded as a genuinely multilateral endeavor” (Tolipov 2012). Moreover, the organization lacks resources and failed to intervene decisively to stop, or contain local conflicts. As argued by a former diplomat, “At present, CSTO remains a theoretical proposition of collective security but devoid of any real content” (Bhadrakumar 2011).

Be it because of a tacit acknowledgement of inherent weaknesses or a genuine desire to expand inter-regional cooperation, the CSTO has been expanding ties with other countries of the region, targeting China in particular. In October 2007, the CSTO signed a memorandum with the Shanghai Cooperation Organizations (SCO) on broadening security cooperation through coordinated and joint activities to combat terrorism, organized crime and drug trafficking. The SCO's activities today extend from anti-terrorism and joint military exercises to cooperation in education, economy, trade and finance. What distinguishes the SCO from its regional security counterpart, the CSTO, is its emphasis of both economic and security dimension of cooperation where the goal of the elimination of regional instability serves an underlying economic imperative, and such “soft” issues as energy security are treated on a par with more traditional security concerns.

The SCO brings Russia and China together with a group of secularised Central Asian states which stand a good chance to serve as a bulwark against militant Islam and stabilise the otherwise volatile region. Seen from another angle, the SCO provides a meeting space for the largest energy consumer in the world – China – and the largest energy producer in the world – Russia, with hydrocarbons-rich Kazakhstan and Uzbekistan in-between. Perhaps not accidentally, geographic span of this interstate organization essentially coincides with the span of oil and gas pipeline networks traversing Eurasia. The emphasis on resource (energy, water) security is central to its efforts in several other, related areas.

### **Eurasian regionalism as a Russia-China interaction**

Regionalism may provide a shell for strategic interaction among states, e.g. alliance formation “to counter the power of another state or group of states within or outside the region” (Söderbaum 2005: 224). Regional institutions are then formed as a means of balancing power of a locally dominant or threatening state (Hurrell 1995: 50). They may also be used as a means to resolve historical and current contradictions between two of such regionally dominant states, e.g. Germany and France in the early phase of the evolution of the European Union.

When approached from this point of view, neither CSTO nor SCO can be understood properly except against the background of the distribution of power in the region and the policies of the regionally dominant states, Russia and China. Other key movers for politics of alliances in the region are the eastern enlargement of the European Union, the US attempts to penetrate the region, and the impressive strengthening of Asia. Russia's relative success in the region has been determined by its willingness and capacity to provide political, financial, and military assistance to local elites, as well as by Moscow's indifference toward the type of governing regimes there (Roeder 1997: 236-7). Yet, another country with an enormous economic and military potential and equal willingness to turn a blind eye to the lack of democracy in the region emerged as Russia's most powerful competition – China. The struggle with China's growing influence in

Central Asia proved an uphill battle for Moscow and brought in reluctant acceptance of the inevitable: the concrete structure of an emerging regional order will be determined in close consultations between Moscow and Beijing. Regional institutionalization appeared as the best means available for regional power sharing (Molchanov 2008).

The Shanghai Cooperation Organization (SCO) was established by China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan in 2001. In less than five years, Shanghai 5 developed as a multifunctional regional club. The SCO proclaimed objectives are peace, security and stability in the region; economic development; a just international order; and joint efforts to combat terrorism, separatism and extremism. As of recent, new functions were added, including multilateral credit and investment projects, new forms of economic cooperation, and joint educational and cultural projects. An inter-bank consortium was created to facilitate intraregional trade. With the help of a credit fund of US\$ 900 million provided by China, the SCO member states agreed to speed up cooperation in the fields of energy, information technology and transportation.

Conceived as a regional security organization, the SCO uniquely brings together a post-hegemonic state (Russia), an ascendant hegemony (China), and several resource rich states in between – most notably, Kazakhstan and Uzbekistan. Although the Sino-Russian relations are the mainstay of the SCO activities, this organization should not be considered as either the “Chinese” or the “Russian” tool. It is based on interdependence and complementary interests. The Central Asian states are capable of demonstrating independent policies. The sale of the Kazakh flagship company PetroKazakhstan to China over intense Russian lobbying is one case in point. The eviction of Americans from a Karshi-Khanabad air base in Uzbekistan in 2005 and the Kyrgyz government's posturing over the Manas airbase provide yet further examples.

More recently, the SCO has started acquiring a new profile as a development aid vehicle. The SCO Business Council and the Interbank Consortium have been created to facilitate economic cooperation. In 2008, the member states adopted an action plan on implementation of the Programme of Multilateral Trade and Economic Cooperation. In 2009, through the medium of the SCO structures China offered to lend US\$10 billion to countries hit by the global economic crisis (CNPC ships oil, 2009). In June 2011, Chinese President Hu Jintao used the SCO summit to announce \$12 billion in new concessional loans to the SCO Central Asian partners. In parallel to that, China's annual trade with the SCO member states grew from 12.1 billion U.S. dollars in 2001 to around 90 billion dollars in 2011 (Wu 2012). Not to be outdone, Russia proposed that the SCO should establish a joint venture fund, a United Business Cooperation Center and a special joint account for funding project feasibility studies. All of this, according to Nazarbayev (2011), witnesses to the development of a new “smart power” of the organization and its potential global clout.

There have been two prevailing opinions about the nature of the SCO in the West. Some analysts regard it as an intrinsically anti-western alliance, a "dictators' club," or a new “geopolitical axis.” It is true that resolute opposition to the idea of socio-economic or socio-political engineering imposed from afar is one feature that these semi-authoritarian regimes hold in common. Moreover, some indications of a potential expansion in the neighboring regions and the refusal to admit the USA as an observer do not go well with policy makers in Washington.

However, others argue that the SCO will not become an anti-western alliance because it will be contrary to the economic interests of its member states. Although all of them seek to "correct" neoliberal globalization, they are equally interested in mutually beneficial cooperation with the leading industrialized nations of the world. The SCO has not been conceived as an anti-western alliance. As Vladimir Putin said, "We did not plan the SCO to be so prominent – it was established to address trivial matters such as border demarcation. But then it started to develop, and there is now a real demand . . ., which is why others want to join. There is an objective need for centers of power and influence in the world, so we responded, but we had not planned it that way" (Remarks to the Valdai club, Sep. 2006, as cit. by. Antonenko 2007).

The main goals of the Shanghai Cooperation Organization include developmental and security elements. In its apparent resistance to the western-led globalization, it may appear backward-looking, but it is not. In fact, it paves the way to a new type of international relations in Eurasia, to a community that combines traditional respect to the Westphalian conception of sovereignty with an understanding of increased economic and social interconnectedness of the world and regional interdependence in particular.

From the perspective of Russian policymakers, the SCO is, at once, a pet project and a source of concern, given China's growing role in the organization. My recent interviews with Russian international relations specialists produced a rather dark picture of China's "taking over" the SCO by buying out the Central Asian vote. I find this picture unjustifiably pessimistic. While Russia is, indeed, no match to China's economic power, it still wields instruments of considerable influence – from advanced weaponry to natural resources to membership in the world's elite clubs of developed nations to intangible ties of personal connections and soft power inherited from the Soviet past. Because of that, Eurasian regionalisms are still very much a product of a multilateral strategic interaction between the Russian federation, the PRC and the Central Asian states. The latter tend to balance between the known evil (Russia) and the yet unknown consequences of the all-too-heavy dependence on a state whose imperial and tribal predecessors left rather chequered memories in the region.

Eurasian regionalism will remain dependent on the states' ability to overcome mistrust and put their common developmental interests above the narrowly construed national priorities. Should this happen, a new hub will emerge in the region, and the SCO in particular, to quote Nazarbayev (2011) once again, may well develop enough of a smart power to become "a potent and responsible global player and, most importantly, convert its substantial potential into the real influence on world processes."

### **Eurasian regionalism as an instrument of development and security**

Russia's policy writers justified the country's regional integration strategy by the need to advance its geopolitical and geo-economic goals. However, a closer look may show that Russia was rather pulled into this game by its partners, Kazakhstan first and foremost. For the Central Asian states, regionalism opened a space to balance against China's already heavy presence in the region and a platform to jumpstart development. The Central Asian governments had soon discovered real economic and political benefits that regionalization offered: expanded economic

aid, improved security and enhanced international status. As far as China goes, its foreign policy in the region is that of maintaining stability first, ensuring economic benefits second. This policy may genuinely help the region's overall development.

While the European-style pooling of sovereignty may be a far cry and will not be soon attempted here, the Eurasian region-based trade and policy coordination, good-neighbourly preferences, special rules and exceptions, and the creation of multilateral institutions characterize the generally successful processes of regionalization. The collapse of the Soviet Union opened space for genuine international cooperation. Creation of the Commonwealth of Independent States together with its Interstate Economic Committee (from 1994-99), Inter-Parliamentary Assembly and a set of preferential trade agreements from the very beginning carried a promise of moving way beyond the initial stage of a civilized break-up and distribution of assets between the constituent republics of the former USSR. The EurAsEC went further, and the Eurasian Union, announced by Putin (2011) shortly before his re-election, may go still further if it actually materializes as planned, as an "effective link between Europe and the dynamic Asia-Pacific region."

Eurasian regionalisms, be it Russia-centred or Russia-averse, are part of the phenomenon of "new regionalism" around the globe. Integration in the developing world has been animated by the idea of using regionalist ties to adapt to the imperatives of globalization. Regionalism in Eurasia, as exemplified by the SCO model in particular, is called upon to provide a cushion against potentially devastating effects of the current crisis of global capitalism. An idea to create a financial system alternative to that dominated by western powers, which was voiced at the 2012 SCO summit in Beijing, is indicative of that orientation.

Eurasian states are vulnerable economically. With the exception of China, they cannot risk the laissez-faire type of a plunge in the uncharted waters of global trade and finance. Some version of a developmental state and neoprotectionist policies are called forth to address systemic disadvantages that emerging economies carry vis-à-vis mature capitalist economies of the West and fast-growing markets in East Asia. Regional cooperation often enables some form of a privileged access to the credit, labor, and trade markets of the participant states, thus helping to resolve complex questions of economic development.

One more crucially important function of regionalism in Eurasia needs to be mentioned. It helps self-preservation of the otherwise vulnerable and potentially unstable regimes. It creates an international environment conducive to these regimes' survival. It establishes a symbolic community of belonging, thus bolstering legitimacy of the postcommunist governments that frequently lack democratic justification of rule. When seen from all these angles, regionalism in Eurasia represents a multifaceted, multilayered reaction to economic challenges and security dilemmas of the global age. While Russia is certainly interested in its development, representing Russia's efforts in this area as purely self-serving or undermining national interests of its partners is simply not correct.

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