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Policies towards the Post-Soviet Space: The Eurasian Economic Union as an Attempt to Develop Russia's Structural Power?

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The post-Soviet space has been both a crucial ground for Russia's foreign policy and a good thermometer of its main orientations. Moscow's much-commented-on 'new assertiveness' in international affairs from the second half of the 2000s was, for instance, both prompted by developments within the region (e.g., colour revolutions in Georgia and Ukraine) and translated into actions towards it (e.g., Russo-Georgian conflict of 2008). More recently, the post-Soviet space has been the area where Russia is deploying its most ambitious diplomatic initiative of the last two decades, the Eurasian Economic Union. Finally, the crisis in Ukraine in 2014 stands out as the most acute stand-off between Moscow and the West since the end of the Cold War and as an event likely to mark a crucial juncture in Russia's foreign policy.

Rather than dwelling on the details of this crisis, this chapter purports to shed light on the context that led to it by analysing the main drivers and key components of Russia's policies in the post-Soviet space. Two narratives are generally put forward in accounting for Russia's actions in the region. The first posits that Russia's history, geography and, most importantly, authoritarian political culture irremediably pushes it to seek to expand its borders and impose its institutions on other nations. The second narrative sums up Russia's actions in the region as simply a reaction to Western strategic expansionism in its neighbourhood. While they might look at relevant factors (namely, domestic politics and security perceptions), these two narratives are insufficient – if

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not misleading – to make sense of Russia's post-Soviet policies or, more specifically, of the context that led to the recent crisis in Ukraine.

The 'authoritarian expansionism' thesis fails, for instance, to account for the root causes of the Russo-Georgian conflict of 2008 or to explain why Moscow did not attempt to install a friendly government in Tbilisi even though it had defeated the Georgian army (Tsygankov 2012). Similarly, this narrative is partly invalidated by Russia's refusal to intervene in Kyrgyzstan during the revolts of 2010 (when the Kyrgyz government explicitly called on Moscow to do so) and by Russia's acceptance of leaving political components out of the current architecture of the Eurasian Economic Union. The 'Western encirclement' thesis, on the other hand, ignores the fact that Russia's interference in Ukraine's political transition in 2004 *preceded* the Orange Revolution and the diplomatic support it received from the West. More generally, this narrative overlooks the true nature of EU policies in the region (European Neighbourhood Policy, ENP) and of the Association Agreement offered to Ukraine in this context: this policy is driven by internal EU factors far more than by considerations linked to Russia. In fact, if Brussels truly intended to expand and absorb the states on its eastern periphery, it would offer them a membership perspective. In many ways, analysing Russia's policies in the post-Soviet space over the last two decades requires addressing the puzzle of how and why Moscow came to perceive the EU as regional threat: while it was viewed rather positively in the first half of the 2000s and with mixed feelings in the second half of that same decade (Gomart 2008), it is now openly characterized as a threat to Russian interests.

Going against the two aforementioned narratives, this contribution posits that understanding Russia's foreign policy towards the region requires integrating not only the behaviour of outside and regional actors but also, perhaps most importantly, Russia's domestic situation and the perceptions of Russian policymakers. More concretely, it is argued that Moscow's policies partly proceed from a reaction to EU structural power in the region and that the interpretation of EU policies and the choice of instruments in response are mediated by domestic political factors and by collective beliefs about the nature of international relations and about Russia's security. After a brief review of the evolution of Russia's post-Soviet policies, this analytical lens is presented in greater detail. It is then applied to two specific policy choices: the reaction to the EU's Eastern Partnership programme and the setting up of the Eurasian Economic Union.

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Historical evolution of Russian policies in the post-Soviet space

While complex and extensive, Russia's interests in the post-Soviet space have been neither immanent nor immutable, and the policies deployed to pursue them have varied. In the first part of the 1990s, the post-Soviet space ranked lower among Moscow's foreign policy priorities compared to subsequent periods. Russia was absorbed by its own transition and by the redefinition of its relations with the West. In this context, countries of the post-Soviet space were seen by many in Moscow as burdensome imperial residues that were hampering Russia's development and integration with the West (Mankoff 2011, 221). In 1992, President Boris Yeltsin declared that 'the imperial period in Russian history was over' (cited in Tinguy 2008, 57), and in fact, the structures established to handle the demise of the USSR were used by Russia to secure some assets for itself (e.g., nuclear weapons, a UN Security Council seat) but not to gain permanent and overarching control over its former vassals. Rather than a vector for reintegration, the Commonwealth of Independent States (CIS) ended up being a 'psychologically comfortable transition mechanism from empire to separate statehoods' (Trenin 2009, 7). Using the CIS to simulate a sustained political dialogue and to launch punctual peacekeeping missions allowed Moscow domestically to maintain the image of a continued regional aura.

Towards the end of the 1990s, in particular the period when Yevgeny Primakov was foreign minister, the reference to the post-Soviet space as Russia's sphere of 'privileged' interests became more frequent in foreign policy documents and speeches (Light 2001). This renewed declarative attention should be linked to a broader context where Russia not only had abandoned the prospect of security integration with the West (Tsygankov 2006a, 91–94) but was, in addition, increasingly worried about NATO enlargement. In 1999, the alliance welcomed three new member states from central Europe and thereby acquired a new border with the post-Soviet space. That same year, NATO conducted an air campaign against Serbia, an operation which, because it was launched without obtaining a mandate from the UN Security Council and regardless of Moscow's firm opposition, is often said to have acted as a reality check for Russian policymakers about their lack of influence on European strategic matters. In this context, specifying the post-Soviet area as Russia's sphere of influence was a way of acknowledging this new regional dynamic while, at the same time, attempting to draw a red line about its spatial limits. This renewed emphasis on the neighbourhood

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was largely confined to the rhetorical level, however, as Russia, affected by the economic crisis of 1998 and entangled in the second Chechen war, did not have the resources to act upon it.

The 2000s marked a decisive turn in Russia's strategy towards the post-Soviet space. Vladimir Putin came into office with a different approach towards the region, characterized by instrumental pragmatism, which materialized in both a deeper and a more targeted engagement in the neighbourhood. Under his leadership and thanks to the considerable boost in national resources generated by the rise in the price of hydrocarbons, Russia sought to consolidate existing – or establish new – strategic footholds in post-Soviet countries by acquiring valuable shares in key sectors of their economies (e.g., energy infrastructures and companies, transport and communication industries) and by reinforcing its military presence in the area (e.g., military bases, joint exercises, contingents in the frozen conflicts). In this context, the Kremlin sometimes applied 'economic sanctions and political pressure' in pushing for 'greater geopolitical abidance and the facilitation of Russian investments and assets takeovers' (Tolstrup 2013, 188).

This renewed and selective engagement was perceived as serving the dual purpose of pursuing Russia's political and economic interests in the post-Soviet space and of preserving its national security. On the one hand, several countries of the region were attempting to develop their economic and political ties away from Moscow. Countries of the Caucasus, for example, worked to diversify their exports routes and attract Western investments for their energy infrastructure so as to reduce their dependency on Russia in this sector. Partly in relation to these energy projects, four countries (Georgia, Ukraine, Azerbaijan and Moldova) created a regional grouping (GUAM) in 2001 with the declared aim of developing their ties with the West and of laying the foundations for European integration. Moscow largely interpreted this initiative as a coordinated attempt to balance Russian influence in the region and, more broadly, viewed the prospect of a reorientation of post-Soviet countries' economies as a threat to its interests.

On the other hand, the situation in the near abroad was also seen through the prism of Russia's national security. The Concept of the Foreign Policy of the Russian Federation (2000), for instance, identifies the need of 'ensuring conformity of multilateral and bilateral cooperation with the member states of the CIS to national security tasks of the country' as a key priority. More specifically, the Military Doctrine (2000) adopted that same year defines the 'build-up of forces […] close to the Russian Federation's state border', 'the introduction of foreign troops

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[…] on the territory of friendly states adjoining the Russian Federation', and 'the expansion of military alliances to the detriment of the Russian Federation's military security' as major external threats. All these considerations refer implicitly to the prospect of NATO expansion into the post-Soviet space, a prospect hence denounced in these official documents even before the question of Georgia's or Ukraine's accession was on the agenda.

Throughout the decade, these two sets of objectives have remained, but they were made more or less acute depending on regional developments. Most importantly, Russia's capacity to pursue them was mediated by its own internal situation. Interestingly, in spite of the prescriptions forcefully stated in the Military Doctrine adopted one year earlier, Moscow initially tolerated in 2001 the opening of US military bases in Uzbekistan and Kyrgyzstan in support of the Afghan campaign.[1] The US military presence was seen as a lesser evil than the threat of Muslim fundamentalism, and the post-9/11 context was, more broadly, one where relations between Russia and the West considerably improved around cooperation against international terrorism.[2] Strategic considerations linked to the neighbourhood were, in fact, not totally absent from this broader international trend, however, as it is at this juncture that Putin is said to have offered to George W. Bush a deal whereby Moscow would fully accept central European and Baltic states membership in NATO, withdraw itself from the Balkans and tolerate a light US military presence in central Asia in exchange for Washington's acknowledgement that the rest of the CIS (Belarus, Ukraine and Moldova, in particular) was Moscow's *chasse gardée* (Trenin 2006).

The colour revolutions in Georgia in 2003 and in Ukraine in 2004 marked a critical juncture in Russia's post-Soviet policies, however. They led to similar outcomes – namely, the instalment of a pro-Western government – and were interpreted by Moscow along the same lines – that is, as a Western-fomented coup. The Orange Revolution in Ukraine had by far the greatest effect on Russia's foreign policy: to emphasize the magnitude of its impact Ivan Krastev characterized it as 'Russia's 09/11' (cited in Rupnik 2007, 33). Ukraine is undeniably the most important country in the region for Moscow, whether strategically (Sevastopol naval base), economically (biggest market), societally (Russian population in Crimea) or symbolically (Kyiv-Rus as the cradle of Russian civilization). In 2004, Moscow interfered in the succession of President Kuchma, directly backing its chosen successor, Viktor Yanukovych, and attempting to prevent the coming to power of Viktor Yushchenko (Kuzio 2005). As prime minister between 1999 and 2001, Yushchenko

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had implemented economic reforms detrimental to Russian oligarchs. Furthermore, he had declared during the 2004 campaign his intention to seek NATO membership for Ukraine. Despite widespread allegations of fraud during the ballot, Moscow pushed for the official results proclaiming the victory of Yanukovych to be accepted by the international community. These suspicions of frauds and, more generally, the numerous and blatant manipulations attempted by Kuchma and Russian allies to bring Yanukovych to power – which included two assassination attempts on Yushchenko – prompted protests to break out in Kyiv and other cities of western Ukraine. The Western countries rejected the results and vocally supported the protest movement. The Ukrainian Supreme Court eventually stepped in to order a new ballot, which was won by the Western-leaning Yushchenko.

As emphasized by Mankoff (2011, 225), the contested succession and the Orange Revolution 'revealed deep underlying tensions within the Ukrainian political elite and exposed Ukraine to the competing geopolitical ambitions of Russia and the Western powers'. These events prompted a redefinition of Russia's regional strategy precisely because Ukraine was the most crucial battleground in this emerging competition. Also, in light of his direct involvement in support of Kuchma and Yanukovych, Putin somehow lived the outcome of the Ukraine events as a personal defeat. More profoundly, the Kremlin regarded the involvement of American NGOs during the Ukrainian elections (e.g., USAID, Open-Society Foundation, National Endowment for Democracy) as covert government action and interpreted the backing of the Orange Revolution by the West as an attempt to undermine Russian positions in the country (Wilson 2010).

In the face of the risk that post-Soviet countries would join Western military, political and economic structures, Russia shifted gear in its regional policies. The strategic footholds established in neighbouring countries were not simply used as a platform to pursue Russia's interests but increasingly turned into levers activated to punctually foster political and economic destabilization and thus prevent states from turning towards Western structures. Tensions mounted, in particular, with the two countries of the neighbourhood openly pursuing NATO membership, Ukraine and Georgia. The interactions with Kyiv were conflictual throughout the time of the Orange government and were marked, in particular, by two gas crises, in 2006 and 2009. The relations with Tbilisi escalated around the issue of the breakaway regions of Abkhazia and South Ossetia, first leading to diplomatic crisis (e.g., arrest of Russian

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officers in Georgia in 2006, the missile incident of 2007) and eventually culminating in a military conflict in August 2008.[3]

By the second half of the 2000s, the post-Soviet neighbourhood had been fully reinstalled at the top of Russia's foreign policy agenda, and since then it has constituted a key determinant of the state of antagonism between Russia and the West. The 2005–2009 period is generally acknowledged as one of strong antagonism, and the points of contentions were numerous: Ukraine's and Georgia's NATO membership; US ballistic missile defence (BMD) shield in central Europe; Kosovo independence; the launch of the EU's Eastern Partnership (EaP). By contrast, the 2010–2012 period saw a significant amelioration in these relations ('reset' with the US; 'partnership for modernization' with the EU, etc.). In essence, developments linked to the neighbourhood facilitated – if not allowed – this rapprochement. Of the several apples of discord of the previous period, only the question of NATO membership for Ukraine and Georgia had been taken off the table, which confirms their centrality in determining the state of relations between Russia and the West.[4] Most crucially, the situation in Ukraine had evolved in the direction of Moscow's interests: Yanukovych, who was elected in 2010, renewed the lease of the Russian naval base in Sevastopol and abandoned the bid for NATO membership pursued by his predecessor. While giving strategic reassurances to Russia and discarding politico-military integration with the West, however, Yanukovych sought at the same time to develop economic relations with the EU, making his first trip as president to Brussels and engaging in negotiations towards the signing of a free trade agreement with the bloc. In a context where Russia was eyeing Ukraine for its own economic integration plans (the EEU), this fuelled the geo-economic rivalry between Moscow and Brussels, which culminated in the Ukraine crisis of winter 2013/14.

It is the basic contention of this chapter, however, that while Russia's actions in Ukraine were shaped by the traditional drivers of Russian policies in the post-Soviet space and evolved in the continuity of the long-term developments described, Moscow's actions and the strategy pursued through the EEU more broadly mark a rethinking in its approach to the region. First, contrary to the previous decade, in Ukraine it was the prospect not of NATO's military presence but of the EU's influence that constituted the perceived regional threat prompting Russia's actions. Second, Moscow is not relying simply on a strategy of 'footholds' or 'levers' aimed at preventing the integration of post-Soviet countries with the West, but it has now set up its own trade integration regime. The nature and root causes of these changes call for scrutiny.

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Shaping factors: regional developments, Russia's internal situation and collective beliefs

Studying variations in Russia's policies towards the post-Soviet space is useful in identifying what determines those policies. The two narratives traditionally put forward to explain Russia's actions are insufficient. Rather, Russia's post-Soviet policies appear to be driven by a complex set of interwoven factors. The first is, unsurprisingly, the evolution of the regional context, which presents Russia with incentives, constraints and opportunities in the pursuit of its interests and in the maximization of its influence. The key constitutive variables in this regard have been the existing distribution of relative power in the region and the behaviour of outside and local actors. The NATO enlargement dynamic, the colour revolutions and the choices made by Georgia and Ukraine in this context have been decisive factors in Russia's increased engagement in the post-Soviet space after the mid-2000s. Similarly, in the early 2010s, the US 'reset policy', the discarding of the regime-change policy by Barack Obama and the outcome of the presidential elections in Ukraine corresponded to the 'liberal' period in Russia's foreign policy under President Dmitry Medvedev and to a somewhat less coercive approach towards the neighbourhood.

While the regional context provides constraints and opportunities for action, the choice of instruments is determined by Russian policymakers' interpretation of these external dynamics and by the resources made available to them by state structures. Stated differently, the incentives emerging from the regional context are mediated by Russia's domestic situation and by decision makers' perceptions. These two mediating factors allow us to account for the variations in Russia's policies towards the post-Soviet space and ought to be integrated into the analysis, in particular, when exploring the recent crisis in Ukraine or the drivers behind the EEU.

Russia's internal situation, whether economic or political, has been a key factor in the choice of instruments deployed in the neighbourhood. There has been a clear correlation between the level of Russia's regional activism and the state of its overall economic performance: the limited engagement of the 1990s corresponded to a period when the country was struggling economically, while the strategic reinvestment of the 2000s was made possible by the sustained GDP growth fuelled by the boom in hydrocarbons prices. More profoundly, domestic political dynamics directly shape Russia's foreign policy choices, and this is particularly true for the post-Soviet space. On the one hand, the nature of Russia's

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political system makes it both exposed and particularly averse to regime-change policies. The direct association in Russian policymakers' minds between the colour revolutions in CIS countries and regime stability at home is often invoked but not always documented. It remains a fact that the Kremlin has worked to delegitimize these movements beyond simply supporting Moscow's autocratic allies and that it has pursued, after their outbreak, domestic policies aimed at 'erecting barriers to the penetration of external influences that could undermine the authority of the state' (Wilson 2010, 26). On the other hand, Russia's actions in the post-Soviet space play an important role in the domestic legitimacy of Russian political elites. The Putin regime has relied on economic growth and, increasingly, on nationalism to generate support from different segment of the Russian population; the neighbourhood represents both economic opportunities and nationalist symbolic resources (e.g., Russian-speaking minorities, great power status) in this regard (Freire and Kanet 2012).

The other important factor mediating regional dynamics and shaping Russian policy choices in the post-Soviet space is collective ideas. Even more than the actions of NATO or the EU in the region, it is the meaning that Russian decision makers give to these actions that is crucial to the policy process. These interpretations or perceptions of external events and the definition of national interests more broadly are influenced by the collective beliefs underpinning Russian foreign policy thinking. While always difficult to square with precision, three main types of shared ideas can be identified: ideas about the nature of international (or regional) relations, ideas about the state and its security, ideas about strategy and the best way to achieve goals.

Applying this matrix to the last 20 years, Christian Thorun (2009) distinguishes between three 'modes' in Russia's foreign policy thinking on the nature of international relations: geopolitical realism (competition between territorialized sphere of influence), geo-economic realism (struggle for markets) and geocultural realism (competition between value systems). Analysing Russian policymakers' interpretations of regional dynamics in the post-Soviet space requires taking these three prisms into account (see also Nygren 2007). The focus is often placed on geopolitical realism but, as is emphasized below, the other two modes are as crucial to understanding Russia's reaction to EU regional policies.

Another set of collective ideas in Russia's foreign policy thinking pertains to the state and its security. It is best captured by the concept of strategic culture, which refers to the 'socially transmitted ideas,

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attitudes, traditions […] specific to a particular geographically based security community that has a necessarily unique historical experience' (Gray 1999, 51). These shared beliefs influence the categorization of threats and the hierarchization of objectives in the field of defence and security. When it comes to Russia's neighbourhood, a key component of Russia's strategic culture relates to the concern for strategic depth and the perceived need to maintain a cordon sanitaire (buffer zone) at the borders to ensure the country's security. This concern has been shaped by geography as well as history: in previous centuries great invasion attempts (whether Swedish, French or German) have been defeated thanks to the ability to drag foreign armies deep into Russian territory (Tsypkin 2009, 791). In this sense, strategic culture sheds crucial light on why Russian military strategists regard a NATO presence in Ukraine or Georgia as a red line. Finally, the last set of collective ideas to be taken into account in understanding Russia's foreign policy behaviour largely builds on the two previous categories and concerns strategy (i.e., the choice of instruments in attaining predefined goals).

Russia's reaction to EU structural power

In May 2009, the EU launched a new programme – the Eastern Partnership (EaP) – addressed to six post-Soviet countries (Belarus, Ukraine, Moldova, Georgia, Armenia and Azerbaijan). This initiative regionalized the instruments of the existing European Neighbourhood Policy (ENP), which seeks to foster the 'political association and economic integration' of the neighbouring countries 'around a body of shared values' (rule of law, democracy, human rights and social cohesion) (European Commission 2004). More concretely, the ENP aims at fostering domestic reforms in the political, economic and administrative realms by offering privileged access to the internal market, financial aid and visa facilities in exchange (the so-called three Ms: market, money and mobility). In this framework, the most advanced stage a partner country can reach in terms of contractual association with the EU is the signing of an association agreement, which generally includes a Deep and Comprehensive Free Trade Agreement (DCFTA).

When it was launched, Russia condemned the EaP with a vehemence that was unprecedented for EU policies, resorting to a level of rhetoric it had until then reserved for NATO. Moscow denounced the EaP as a rollback policy aimed at undermining Russia's positions and influence in the region and as a divisive initiative that was forcing countries of the post-Soviet space to choose between the EU and Russia (see 'Europe's

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bear problem' 2010; 'Russia's Lavrov lashes EU' 2009). Later on, in the summer of 2013, Moscow imposed economic sanctions on Ukraine and Moldova in an attempt to deter these countries from signing an association agreement with the EU (Cenusa et al. 2014). Finally, during the trilateral meetings (Russia-EU-Ukraine) held in Minsk in the fall of 2014, according to EU sources, Russia implicitly conditioned its support for a political settlement of the conflict in the east of Ukraine to a suspension and alteration of the DCFTA concluded between Brussels and Kyiv (Emmott 2014). Russia's reaction to EU policies in the post-Soviet space and, more specifically, the fact that it came to see the EaP programme as a threat shed light on its own objectives in and perceptions about the region.

Russia's condemnation of the EaP at the time of its inception in 2009 is, at first sight, surprising. First, the EaP is a rather modest and eminently bureaucratic initiative: it was initially endowed with a meagre budget of 600 million euros for the period 2010–2013, and the bulk of its activity consists mainly in providing technical assistance on administrative reforms (European Commission 2009). In other words, this policy seemed miles away from Moscow's traditional source of concern in the region; namely, the prospect of NATO's military expansion. Second, the EaP was in fact regionalizing instruments that already existed, on a bilateral basis, in the framework of the ENP, launched in 2004. Third, Russia had rarely until then explicitly characterized the EU as a threat in itself, even when it got involved in the post-Soviet space. Moscow viewed rather positively, for instance, the development of the European Security and Defence Policy and tolerated, in particular, the deployment of three EU missions in the region, one in Moldova (EUBAM) and two in Georgia (EUJUST *Themis* and EUMM; see Fischer 2008; Lynch 2006). Russia had regarded the development of the ENP with mixed feelings: on the one hand it was viewed as a 'rather shrewd strategy', and there was 'a certain appreciation of its rationale' in Moscow; on the other its applicability to Russia was firmly rejected because of the normative convergence it implied (Haukkala 2010, 165). In other words, until the advent of the EaP, the ENP was read more in relation to Russia's own status vis-à-vis the EU than in the light of its interests in the post-Soviet space. More generally, as late as 2010, Putin still described the EU as a 'process that is positive for the world as a whole, for the global economy, for global security' ('Putin: Russia "Trusts and Believes"' 2010) – perhaps no more than a diplomatic statement but in any case one that would appear unlikely in 2014. Accounting for Moscow's reaction to the EaP and for how it increasingly came to characterize the EU as a threatening

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competitor requires taking into account the three prisms through which Russian policymakers perceive regional politics.

Does Russia perceive the EaP as a *geopolitical* threat? By a stretch of the mind, the context of its inception and the anticipation of its potential consequences might tentatively be advanced as feeding such a perception. However, the actual scope of its instruments and resources largely invalidates it. True, the EU member states that pushed for this initiative – Poland first and foremost, with the support of other central European countries, such as the Czech Republic, but also Sweden – are generally among those states that are most critical of Russia. Some of their policymakers might, in fact, have seen in the EaP an occasion to counter Russia's influence at their borders and probably presented it as such in domestic debates (Cadier 2012; Tulmets 2014). In any case, the actual EaP policy output hardly corresponds to a rollback policy against Russia: to be accepted at the EU level and by all member states, it had to be designed in administrative rather than political terms, and it had to be infused with constructive ambiguity (Copsey and Pomorska 2010).

Ambiguity had, in fact, been the trademark of the ENP since its beginnings; it was conceived in such a way that it could be interpreted as an antechamber to EU membership by member states favourable to enlargement and as a *voie de garage* by the member states opposed to it (Cadier 2013). In this context, it might be argued that Moscow saw in the EaP a programme preparing post-Soviet countries for EU membership. It is doubtful, however, that Russian policymakers were unaware that, already at the time of the launch of the EaP, support for enlargement not only was very low in old member states but also had significantly dropped in the new member states (see Bilcík 2010). Overall, the Western geopolitical expansion thesis does not hold in attempting to account for Russia's reaction to the EaP. As emphasized earlier, if the EU truly wanted to absorb and take control of these countries, it would have provided them with a membership perspective. More generally, the ENP in itself hardly constitutes a robotic arm that can be activated for territorial conquest: it is a slow process encouraging, monitoring and rewarding the approximation of EU benchmarks, but it is left to the partner countries in the end to accept the EU's offer or not (Cadier 2014a).

Rather, Russia's interpretation of EU policies in the post-Soviet space ought to be read with reference to the prisms of *geo-economic* and *geocultural* competition. Moscow's reaction to the launch of the EaP is the mark of its concern about the potential impact of EU structural power.[5] The

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EaP draws on the enlargement policy in that it relies on conditionality incentives and aims at transforming the EU's periphery by exporting its internal model (norms, standards and values). Its potential to transform the economic structures and political institutions of post-Soviet countries is not as great as in the context of enlargement (since the prize of EU membership is missing), but it has apparently been sufficient to inflame Russia's fears about the prospect of such transformation.

Through the EaP, the EU offers to partner countries privileged access to the EU internal market (by removing customs and tariffs barriers) in exchange for a legislative and technical harmonization with EU norms and standards (so that the country's product can be sold on the EU market). Both processes have, in essence, the potential to transform the trade structures of the partner country – Putin has openly characterized the EU's normative and regulative power as a threat to Russia's interests in the common neighbourhood (Putin 2014d). In the case of Ukraine, the Kremlin has more specifically voiced the fear that locally produced Ukrainian goods will be pushed to the Russian market by more competitive EU goods and even that the latter will penetrate the Russian market though existing CIS agreements (ibid.). More prosaically, Moscow is probably reluctant to have to face the competition of EU goods on the Ukrainian market, which was Russia's third biggest trading partner in 2013 (if EU member states are lumped as one single market).[6] Russia thus sees the EU as a *geo-economic* competitor in the struggle for post-Soviet markets and the EaP as its instrument in this competition. Thus far, however, the participation of post-Soviet states in the EaP has not led to a massive redirection of their trade flows. The DCFTAs signed by Ukraine, Moldova and Georgia in June 2014 may have a greater potential in this regard, but many unknowns remain, and an impact study from a respected, independent international organization is crucially lacking (De Waal 2014). In any case, it was to deter Kyiv from signing the DCFTA that Moscow imposed economic sanctions on Ukraine in the summer of 2013. These pressures led Yanukovych to withdraw from the DCFTA process, the decision that initially prompted the Maidan public protests.

In the political realm, the second half of the 2000s saw a growing clash of normative ambitions between the EU and Russia (Averre 2009; Medvedev 2008). Moscow had drawn several conclusions from the nature of the colour revolutions, first and foremost, about the need to 'master the Western tools of legitimizing the political processes in the post-Soviet space' (Frolov 2005, 176). In this context, Russia worked to present itself as a distinct value system and as an alternative political,

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economic and cultural model for the region (see Lavrov 2007b). This strategy materialized in an investment in soft power instruments and in a rhetorical posture of contestation and reappropriation of prevailing Western norms (Saari 2014).[7] The overarching objective of this geocultural posture has been to counter Western and European normative influence in the region, of which the EaP is perceived as a platform and instrument.

The Eurasian Economic Union: between geo-economics and geopolitics?

On 26 May 2014, Russia, Kazakhstan and Belarus signed a treaty establishing the Eurasian Economic Union (EEU). This economic integration regime, which entered into force on 1 January 2015, builds on and extends the provisions of the Eurasian Customs Union set up between the three countries in 2010. The geopolitical context has often led the actual technical and institutional content of the project to be overlooked or misrepresented: Putin has lauded the EEU as a new, better version of the EU, while US Secretary of State Hillary Clinton castigated it as an attempt to re-form the USSR. In reality, the EEU is neither. It is an ambitious attempt to build a 'modern, rule-based institutional framework in bringing economic benefits' (Dragneva and Wolczuk 2013, 2), although one in which results and prospects are undermined by systemic fault lines and internal contradictions. In conceiving and promoting the project, Moscow has put the emphasis not on ideological or historical considerations but on economic pragmatism and sectoral integration (Meister 2013, 8). In that sense, the EEU clearly distinguishes itself from previous CIS structures, and its advent marks a new evolution in Russia's policies towards the post-Soviet space – analysing its content allows us to shed light on Moscow's objectives in investing in this new instrument.

The EEU is built on two main pillars, the Eurasian Customs Union (ECU) and the Single Economic Space (SES). The ECU is by far the most developed and most advanced component to date: launched in 2010, it aims both at facilitating and stimulating trade among the three member states and at regulating external trade relations with non-member states. More concretely, the ECU has led to the removal of non-tariff barriers between the three countries, to the setting up of a common external tariff and to the adoption of a body of customs regulations. The last is brought together in a customs code, which takes precedence over national legislation and which integrates the most recent international standards and conventions in the field.

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Less developed so far but more ambitious, the SES aims at the creation of a single market and at guaranteeing the free movement of goods, services, capital and labour in the EEU. In the long run, it is also expected to foster the adoption of coordinated policy in the industry, agriculture and transport sectors. Thus far, the advent of a unified market for goods is well underway (although energy products remain excluded). By contrast, little or no progress has been achieved as regards the free movement of capital, services and labour. Hence, the regionalization dynamic of the EEU is, to this day, better described as advanced coordination and progressive harmonization rather than fully fledged economic integration (Wolczuk and Dragneva 2014).

Coordination and harmonization are ensured through a complex institutional system built around two main institutions, the Supreme Eurasian Economic Council (an intergovernmental forum) and the Eurasian Economic Commission (a regulatory body). Departing from previous regional formats, the latter has been endowed with some supranational powers, while a body providing judicial control over its actions and decision has been set up (the Court of the Eurasian Economic Community). In essence, there is no major transfer of sovereignty to the EEU, however, as every decision of the commission can be contested in the Supreme Eurasian Economic Council, where decisions are adopted by consensus and where Russia can simply rely on its bilateral bargaining power (Popescu 2014b.).

The EEU is built around the founding members of the ECU, but Russia hopes that other countries will join. Armenia and Kyrgyzstan have opened accession negotiations, while Tajikistan has also expressed an interest in joining. Yet a smooth enlargement appears unlikely in the short run: Armenia seems in no rush to fully integrate into the organization as testified by its 'feet dragging' in the negotiation process and the considerable number of exemptions it has requested in this context (Delcour 2014); Kyrgyzstan might constitute more a liability than an asset due to its porous borders and underdeveloped institutional capacities (which lead many to question its ability to apply ECU regulations at all). Tajikistan's bid to join will be linked to that of Kyrgyzstan because a condition of joining the EEU is that the applicant is required to share a border with an existing member. In addition, it should be mentioned that existing EEU members Belarus and Kazakhstan remain rather opposed to these enlargement prospects.

Although it seems to be the incarnation of a new strategy, the drivers behind Russia's investment in the EEU can be illuminated by examining the determining factors identified earlier. It is, in part, a response to

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regional dynamics, and it constitutes, in particular, a reaction to EU structural power. The project has largely, in fact, been connected in time to the development of EU programmes towards the post-Soviet space, and more profoundly, the EEU's design and activities seem to have been partly modelled on the EU. Its institutional architecture – where an intergovernmental council is in charge of decision making and of setting long-term goals, where a commission acts as regulatory body and gatekeeper of trade integration and where a court is tasked with judicial control of the commission's activities – clearly resembles that of the EU system. Putin has, in fact, openly acknowledged this legacy by presenting the EEU as 'drawing on the experience of the EU' and the SES as aiming to 'adapt the experience of the Schengen Agreement' (Putin 2011a). More generally, the EEU's emphasis on market integration through the harmonization of standards, norms and regulations tends to testify to the influence of the EU model on Russia's attempt to develop its own structural power.

Russia's domestic situation has also crucially contributed to prompting and shaping Moscow's EEU strategy. The EEU is clearly conceived as tool to gain new markets for Russian goods and to reinvigorate Russian economic activity more broadly. The economic crisis of 2008/9 played a key role in bringing about the birth of the ECU: not only did it contribute to convincing crisis-hit Belarus and Kazakhstan of its necessity, but it also led Russia to accept these countries' demands that the organization be confined to economic matters (Moscow had originally sought to endow the project with a political dimension). Beyond actual economic results in themselves, economic growth, as has been emphasized, serves a key function in legitimizing the political regime, and Russia's investment also appears to be driven by these concerns. Legitimacy considerations do not relate just to economic aspects, in fact; the regional integration project is also meant to resonate with – and feed – Russia's self-image as a great power (Meister 2013).

Finally, reference to collective beliefs in Russia's foreign policy thinking also appears useful in accounting for Moscow's EEU strategy. The emphasis on economic integration and market norms clearly testifies, for instance, to Russia's growing perception of international relations as a geo-economic competition. The EEU proceeds from the conviction that great powers need to be able to rely on regional blocks built around their own norms and standards. In Putin's words (2011a), global politics in the 21st century calls for enhanced economic integration, and in this context the EEU aims to establish itself as a 'powerful supranational association capable of becoming one of the poles in the modern world'.[8] At

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the same time, the EEU appears anchored to collective beliefs pertaining to Russia's security and to a concern for strategic depth in particular. It is perceived as a way to create a *glacis* around Russia and this explains why Moscow has been pushing for the accession of countries of the post-Soviet space, regardless of their actual economic value for the organization, while at the same time attempting to prevent others from joining the EU's regime.

The advent of the EEU feeds Russia's self-image of a great power and thereby serves domestic legitimacy purposes; however, this political symbolism is often pursued at the expense of economic rationalization. The EEU's policymaking process is overly top-down and proceeds at too rapid a pace: insufficient attention is paid to the ability of domestic institutions to implement decisions, and grass roots economic agents are not sufficiently consulted (~~Wolczuk and Dragneva~~ 2014). The overly centralized nature of the EEU also means that it is dependent on the perpetuation and legitimacy of the national political regimes currently in power (ibid.). Overall, the ECU has produced mixed economic results since its creation: it has led to a substantial increase in trade volumes between the three countries in the first two years after its creation (80% rise between 2010 and 2012), but this trend has not continued and might in fact be explained as much by the context of the global recovery after the crisis as by the removal of non-tariff trade barriers between the three countries (EBRD 2012, 63–78; Tarr 2012).

Conclusion: the Eurasian Union after the Ukraine crisis

The post-Soviet space stands out today more than ever as the most crucial area for Russia's foreign policy. Moscow's strategy towards the region has been influenced by the development of EU structural power, by Russia's own economic situation, by domestic political imperatives and by the growing perception of international relations as a geopolitical, geo-economic and geocultural competition. The investment in the EEU – the latest component in this strategy – has been influenced by the very same factors: it aims at reinvigorating Russia's economy, constituting a trade bloc on which Moscow can rely to be internationally competitive, boosting the legitimacy of the Putin regime at home and creating around Russia a buffer zone against Western influence. However, these various drivers produce contradictory objectives, and the resulting tensions might be revealed as detrimental, if not to the EEU's viability, at least to its ability to meet its economic integration

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objectives. These contradictions have been particularly salient in the context of the Ukraine crisis.

Russia has attempted to turn what had been designed as a geo-economic platform into a geopolitical instrument (Cadier 2014b). This necessarily puts strains on the EEU project as a whole. First, this geopolitical instrumentalization of the EEU is often done at the expense of economic optimization. Armenia, for instance, was convinced to join not by the perspective of economic benefits but by the promise of security guarantees offered bilaterally and secretively to the Armenian president by Putin. Secondly, Moscow's shift from persuasion to coercion in its region-building competition with the EU has increased the sensitivities of the existing EEU members in guarding their sovereignty. Kazakhstan and Belarus vetoed, for instance, Moscow's attempt to use the ECU to impose sanctions on Ukraine.

Most importantly, following the recent crisis and Russia's actions in this context, Ukraine is now less likely than ever to be joining the EEU. Regardless of the results of future elections, it is hard to think of a political executive in Kyiv who would consider this option. Even in the southern and eastern regions of Ukraine, where before the crisis a majority of the population was in fact favourable to joining the EEU (Stewart 2014), the support has now significantly dropped. Whether in terms of economic potential, population size, strategic situation or historical symbolism, Ukraine is undoubtedly the most important post-Soviet country for Moscow, and thus the fact that it is unlikely ever to be a potential EEU member is significant. Ukraine's economy is in disarray at present, but its trade links with the EU seem to be deepening: in the first half of 2014, Ukrainian exports to the EU increased by 25%, while exports to Russia decreased by 24.5%.[9] Furthermore, the authorities in Kyiv are now openly calling for NATO to arm Ukraine and to increase its involvement in the country. The Atlantic Alliance declined to do so at the Newport Summit of 4–5 September 2014 but decided to beef up its activities in Poland and the Baltic States.

In summary, Ukraine seems now to be shifting westwards in political and economic terms, while NATO is increasing its presence at the margins of the post-Soviet space. These are precisely the outcomes that Russia had been attempting to prevent and that had, in many ways, motivated its actions. In other words, in the context of the Ukraine crisis, Russia has deployed very effective tactics (e.g., securing its naval base in Sevastopol and exploiting the weaknesses of Ukraine and the EU to obtain a suspension of the DCFTA), but its strategy is not bearing fruit

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in meeting its long-term goals. Domestic political incentives and collective beliefs about regional dynamics are increasingly diverting Russia's foreign policy from its geopolitical and geo-economic objectives.

Notes

1. Later Russia (and also China and the CSTO) denounced this presence. The base in Uzbekistan was closed in 2005 on request of the Uzbek government; the USA withdrew from Kyrgyzstan in 2014.
2. See Chapter 7.
3. On the origins and outbreak of the Russo-Georgian conflict in South Ossetia, see Independent International Fact-Finding Mission (2009).
4. The USA is pursuing BMD plans in Europe (although under a different format), Kosovo has remained independent, and the EaP initiative has not been scrapped.
5. Structural power designates the 'power to shape and determine the structures of the [regional] political economy within which other states, their political institutions and their economic enterprises' have to operate (Strange 1994, 24–25).
6. In 2013, Russia's top trading partners were the EU (48.5%), China (10.7%), Ukraine (4.7%), Belarus (4.4%) and Japan (3.9%; see European Commission 2014).
7. See also Chapters 6 and 8 in this volume.
8. On Putin's vision for the EEU, see also Chapters 1 and 3.
9. This is most probably the effect not of the DCFTA (which was signed only at the end of June 2014 and suspended in September 2014) but of the so-called autonomous trade measures that the EU has adopted in support of Ukraine (see European Union Delegation to Ukraine 2014).