

EURASIAN UNION: OVERCOMING INSTITUTIONAL VACUUM

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Abstract

The relations among the states of the Post-Soviet region had characterized predominantly by bilateral regulations rather than multilateralism. Russia appeared to be at the center of relations while the other nations had little economic, political, or military ties with post soviet states. The institutions created in the Post-Soviet space turned fragile from regional integrity, conflict management, and further development. When it came to the institutional preferences of the Post-Soviet countries, they were very diverse, given the willingness of extra-regional organizations such as the EU, NATO, and others to penetrate the region. Thus, the regional states had little to do together, let alone create a high-level regional organization, except for their close ties with Russia. Moreover, in its turn, Russia relied on regulating its relations with regional states on a bilateral basis. Then, the central puzzle is how to explain the emerging multilateralism in the form of the Eurasian Economic Union, considering the bilateralism between the states of the Post-Soviet region? We argue that the Eurasian Union is designed to overcome the institutional vacuum in the Post-Soviet region to reduce the regional countries' institutional manoeuvrability and maintain the region's geopolitical integrity by managing high interdependence between regional states.

Keywords: Russia, Post-Soviet region, Eurasian Union, Institutional vacuum

Introduction

After the collapse of the Soviet Union, the region was characterized by the emergence of multilateral institutions from one side. Secondly,

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institutional orientations of regional states have been diverse from the perspective of available institutional options such as the North Atlantic Treaty Organization (NATO) and the European Union (EU). Under the condition of the former significant interdependence and high level of relations within a single state, new institutional frameworks were required to provide relations regulations under new regional and international political reality and power configurations considering the relative decline of Russia and deepening conflicts between regional states. However, new intra-regional institutions were the spontaneous result of the collapse of the Soviet Union and the diverse foreign policy orientations of newly independent states. It created a power vacuum and ineffectiveness of new institutions under conditions of a large variety of ethnic, political and economic conflicts between regional states and also the desire to be involved in the international system and the need for guidance on that way from authoritative international actors provided the willingness of Western powers to move into the sphere of former-Soviet influence led these states to establish close relations with institutions formed in Euro-Atlantic¹ region during and after the Cold War. Moreover, these institutions adjusted their policy considering new political reality and membership policy in the relations with Eastern European and Post-Soviet states.

The EU and NATO tried to engage the states of the Post-Soviet region in institutional processes. The NATO response was the elaboration of the concept of partnership. In 1994 the “Partnership for Peace” program was initiated with the idea of integrating the Central and Eastern European (CEE) states with post-Soviet states which might be able to cooperate with Euro-Atlantic institutions primarily in the field of security. It can be argued since the very beginning, some of the post-Soviet states showed great interest to be a member of the NATO alliance such as Moldova, Azerbaijan, and Uzbekistan (before 2005) declared themselves NATO's allies – while some (Georgia, Ukraine) set their medium or long-term goals to join the alliance in the future. Most of the other States, including Russia, weren't interested in integration into NATO due to the ideological differences, however, they realized the necessity of cooperation and signed an agreement for Peace (PFP) Program.²

The EU initiated the European Neighborhood Policy (ENP), the main goal of EU was to enhance Political and economic integrations with its Southern and Eastern neighbors. One part of this policy was the Eastern

¹ Euro-Atlantic region refers to the countries in North America, Europe, and Asian countries on the European periphery.

² Lazarević Dušica, “NATO Enlargement to Ukraine and Georgia: Old Wine in New Bottles?” *Connections* 9, no. 1, (2009): 29–66. Available at <http://www.jstor.org/stable/26326193>

Partnership designed within ENP frameworks to cooperate with six Eastern neighbors, post-Soviet countries. In 2013 two states of the Post-Soviet region (Armenia and Ukraine) were preparing to sign Association Agreement with the EU deepening their relations with this organization.³

On the other hand, the institutions created in the Post-Soviet space turned fragile from regional integrity, conflict-management, and further development. The mere presence of diverse regional institutions, which have different foreign-policy orientations, witnesses the ineffectiveness of institutions we define as an institutional vacuum. The term institutional vacuum is metaphoric, and it is used to describe the absence or the weakness of regulatory institutions in a wide range of areas. Here is, as mentioned above, refers to the fault of the international institutions in the post-Soviet region and their inability to achieve the tasks they were meant to achieve, such as political, economic, and military cooperation, conflict management, and regional integrity.

The relations in the Post-Soviet region were based on bilateral regulations rather than multilateralism due to factors such as institutional ineffectiveness and power distribution in the region in favor of Russia. And also geographical (Russia as geographically center) and historical factors. Economically and politically, the members of nowadays Eurasian Union do not have close ties with each other, except with Russia. Also, from the perspective of Russia, bilateral regulation has turned to be more productive and less costly, considering the price of creation and maintenance of institutions and domestic resistance of regional countries to the formation of any institution in the region with robust institutional frameworks and strictly binding regulations. Moreover, significantly Russia could not expand the model of quasi-alliance on the regional states considering the low rate of security concerns in most regional countries and the availability of foreign-policy options.

After the collapse of the Soviet Union, the relations between the states of the Post-Soviet region had characterized by bilateral regulations rather than multilateralism. Then, the central puzzle is how to explain the emerging multilateralism in economic cooperation considering bilateralism of relations between the states of the Post-Soviet region? Is it designed to provide regional states with a more significant role on the international stage, creating a standard economic zone or a response to institutional pressure from outside, or a historically path-dependent process considering the past relations between member states of this organization?

The recent events in the region proved that bilateral regulations are not effective anymore. First, in some cases, bilateral regulations reached the direct use of force and the emergence of a political and diplomatic crisis in the region (Russian-Georgian war of 2008 and the Ukrainian crisis). One

³ Laurence Peter, *Armenia rift over trade deal fuels EU-Russia tension*, (2013). Available at <https://www.bbc.com/news/world-europe-23975951> [Accessed January 17, 2019].

might argue that bilateral relations and regulations sometimes are dominated by Russia to sphere of influence in bordering countries. After the 2008 Georgian war, Then President of Russia Dimitry Medvedev said that Russia's neighboring regions are Russia's spheres of "privileged interests" and it has the obligation to defend Russian citizens residing abroad.⁴ Second, Extra-regional institutions (NATO, EU) have turned to be effective in their engagement in the region and involvement of the regional states in their institutionalization process.

These two factors cause instability in the region in the face of political, diplomatic, and economic stresses and tensions and undermine the geopolitical integrity of the region. The role of Regions' geo-political complexity cannot be ignored, on one side Euro-Atlantic community, and Russia on the other pursue to exert their influence and outline their sphere of interest.⁵

From this perspective, Eurasian Economic Union is designed to overcome institutional vacuum in the Post-Soviet Region, provide stability and durability of relations, reduce institutional manoeuvrability of the regional states, and maintain geopolitical integrity of the region. Institutional vacuum here refers not to the absence of significant institutions regulating the relations between regional states but rather to the perspective of their ineffectiveness to maintain the region's geopolitical integrity and prevent or devaluate any cause of conflict and instability resulting from the disruption of geopolitical integrity.

According to Alexander George and Andrew Bennett "the method of process-tracing, which tries to create the links among possible causes and expected outcomes. In the method of process-tracing, the researcher survey histories, archival documents, interview transcripts, and other sources to see whether the causal process a theory hypothesizes or implies in a case is in fact evident in the sequence and values of the intervening variables in that case."⁶

To understand the region's political reality and theoretical implications for its latest trends, we will first discuss the bilateralism of relations in the

⁴ Berls Robert E, Jr.. *Strengthening Russia's Influence in International Affairs, Part II: Russia and Its Neighbors: A Sphere of Influence or a Declining Relationship?* (2021 July 13). Available at <https://www.nti.org/analysis/articles/strengthening-russias-influence-in-international-affairs-part-ii-russia-and-its-neighbors-a-sphere-of-influence-or-a-declining-relationship> [Accessed on October 29, 2021].

⁵ Teodor Lucian Moga and Denis Alexeev, "Post-Soviet States Between Russia and the EU: Reviving Geopolitical Competition? A Dual Perspective." *Connections* (Partnership for Peace Consortium of Defense Academies and Security Studies Institutes, 13 (1) 2013), 41-52. Available at <https://www.jstor.org/stable/10.2307/26326349>

⁶ Alexander L. George. "Case Studies and Theory Development in the Social Sciences." P53.

region and its significance for the type of regulations (within institutional frameworks or not) in this region. Then, we will discuss the notion of institutional vacuum in the Post-Soviet region from the perspective of regional institutions' ability (or disability) to create robust institutional frameworks of cooperation and maintain the region's geopolitical integrity. Thus, specifying the factors under which the Eurasian Economic Union is created.

The authors will try to explain how and to what extent these factors precondition the nature of the new organization and its goals? The authors have adapted qualitative research method of process tracing.⁷ By using this method, attempt has been made to establish link between possible causes and perceived outcomes. The source of data to prove the main argument will come from primary and secondary sources. Primary sources include government official documents including articles from international security journals, and speeches. Secondary materials include already existing published work by academicians, news, and relevant electronic sources.

Bilateralism of Relations (Regulations)

The regulations of regional processes have been taken place bilaterally rather than on the multilateral base. Economically and politically, the members of nowadays Eurasian Union do not have close relationships or relations comparable with Russia's. *Bilateral relations combined with other factors* led to the *bilateralism of regulations* among regional states and weaknesses of regional institutions as frameworks for regional political discourse and decision-making centres. One might say that the Russia's strong bilateral relations could be understood in the context of its geographical connectivity with most of the post soviet states. Hence, bilateralism of relations is rooted in the geographical conditions in the region, historical path, and power-distribution bias in favor of one primary state (Russia). It would be better to look at the relations between member states of the newly created organization from this perspective and provide some data to make out some standard features and regularities of relations within the region and the specific features that would clarify our arguments about the regulative process in the region.

It can be argued that Russia and Belarus historically, culturally, and politically have enjoyed close relations. After the disintegration of the Soviet Union, Russia maintained close ties with Belarus keeping in view that Belarus could be a core unit in maintaining its influence in its "near abroad." In February 1995, President Yeltsin after signing the Treaty of Friendship, Good-Neighborliness, and Cooperation with Belarus, stressed that "the two

⁷ Alexander L. George, "Case Studies and Theory Development in the Social Sciences," P69.

nations [had] shared a common historical experience over many centuries"⁸ that, he declared, had "created the basis for signing the treaty and other documents on deeper integration of our two countries. Among all CIS countries, Belarus has greater rights to a relationship due to its geographical location, its contacts with Russia, our friendship, and the progress of its reforms."⁹

On April 2nd, 1996, a formal integration process was launched through the formation of the Commonwealth of Russia and Belarus. Later on, the Commonwealth became the Union of Belarus and Russia. On December 25th, 1998, after a long stagnation in the relations, the presidents of Belarus and Russia signed an agreement on the Further Unification of Russia and Belarus.¹⁰ The height of integration was an formation of a Union State between Russia and Belarus on December 8th, 1999. Russian aspirations to form a union – as Yeltsin described it, "*simply unite and there will be a Belo-Russ*".¹¹

Under the declaration, the Union of Belarus and Russia has allowed the latter to regain control over the western part of its former Soviet border to benefit economically and politically. However, it was an example of the failure of multilateral platforms in the region and an alternative to institutional cooperation on a large scale. A dysfunctional CIS as an integration platform encouraged Russia to look for other mechanisms that would enable it to prevent centrifugal tendencies in the post-Soviet space. Furthermore, such mechanisms expounded on the bilateral base of relations, which was typical for other states.

Belarus and Russia also have high-level economic relations. According to The Foreign Ministry of Belarus, a legal framework of bilateral cooperation between Belarus and Russia consist of more than 200 treaties, agreements, and protocols. Normally, the documents serve to the further expansion of multidirectional and mutual relations between the two countries. We can argue that ore than 80% of such contracts are economy-related: Belarusian supplies to the Russian regions expanded the distribution network of Belarusian businesses, stronger industrial partnership, and set-up of assembly facilities.¹²

⁸ Itar-Tass, "Yeltsin on Protecting CIS Border," in *Russia and the Commonwealth of Independent States: Documents, Data, and Analysis*, ed. Zbigniew Brzezinski and Paige Sullivan (New York: Armonk, 1997), 311.

⁹ Ibid.

¹⁰ Richard Sakwa and Mark Webber, "The Commonwealth of Independent States, 1991-1998: Stagnation and Survival." *Europe-Asia Studies* 51 (3) (Taylor & Francis, 1999), 379-415. Available at <https://www.jstor.org/stable/153688>

¹¹ Vesti newscast, "Yeltsin Looking Forward to „Belo-Rus," in *Russia and the Commonwealth of Independent States: Documents, Data, and Analysis*, ed. Zbigniew Brzezinski and Paige Sullivan (New York: Armonk, 1997), 314.

¹² MFA of Belarus, Belarus, and Russia's regions. Available at: http://mfa.gov.by/en/courtiers/russia_regions/c78d05de8240c03a.html [Accessed on January 7th, 2019].

Over the previous decade, mutual trade between the two countries has increased more than fourfold, reaching \$39.7 billion in 2013. In 2013 Russia accounted for 49.5% of the Belarusian foreign trade. Exports increased by 3.2% as compared with 2012 and reached \$16.8 bn. In 2014 the positive trend of development of trade and economic relations between Belarus and Russia was sustained. As of January-September 2014, the mutual trade amounted to \$ 28.3 billion, with exports to Russia reaching \$ 11.9 billion and imports from Russia — \$ 16.5 billion. Russia accounts for 48.7% of the Belarusian foreign trade. Belarus is one of Russia's six major trading partners.¹³

Hence, these two countries have close economic and political relations, cultural cohesion, which have a historical dimension. The relations between Kazakhstan and Russia also have a firm base. After the collapse of the Soviet Union, many treaties and agreements have been signed to elaborate bilateral cooperation, including the Treaty of Friendship, Cooperation and Mutual Assistance of May 25th, 1992, declaration of eternal friendship and alliance for the 21st century, from July 6th, 1998. According to Article 5 of the Treaty of Friendship, Cooperation, and Mutual Assistance, parties will provide each other necessary assistance, including military, in case of an act of aggression against one of the parties or both.¹⁴ These create a firm bilateral framework for cooperation, consistency, and joint pursuit of interests in bilateral and multilateral stages of political action.

Kazakhstan and Russia are founding members of the Shanghai Cooperation Organization (SCO) and the Collective Security Treaty Organization (CSTO). Kazakhstan is one of the critical states and a partner of Russian in institutionalization processes in the region. Russia accounts for 18.44% of Kazakhstan's commodity circulation (first trade partner). During the last 23 years the exports of Russia to Kazakhstan have increased at an annualized rate of 7.96%, from \$2.39B in 1996 to \$13.9B in 2019.¹⁵

The next member of the Eurasian Union, Armenia, also has close bilateral relations with Russia. These countries are strategic allies. According to the treaty of friendship, collaboration and mutual aid of August 29th 1997, both states will *jointly take all available measures to remove threats to the peace, break of the order or counter acts of aggression against them by any state or group of states will provide each other with assistance, including military, in the exercise of the right to collective self-defense*

¹³ *Russia and Union State*. Available at: <http://mfa.gov.by/en/courtiers/russia/> [Accessed on January 7th, 2019].

¹⁴ Dogovor o druzhbe, sotrudnichestve i vzaimnoj pomoshhi mezhdru Rossijskoj Federacije i Respublikoj Kazahstan. Available at: http://mid.ru/bdomp/spd_md.nsf/0/89DF9AD66A237FDDC3257DB900477936 [Accessed on January 9th, 2019].

¹⁵ *OECD World data*, <https://oec.world/en/profile/bilateral-country/rus/partner/kaz>

following Article 51 of the UN Charter"¹⁶. Russia accounts for 19.6% of Armenian export and 24.8% of Armenian imports (first trade partner). During the last 23 years the exports of Russia to Armenia have increased at an annualized rate of 14.7%, from \$61M in 1996 to \$1.44B in 2019.¹⁷

The establishment of bilateral relations between the members of the Eurasian Union before creating the organization has allowed solving some strategic issues. First of all, regulations on the bilateral base have created a complex net of relations without imposing them into a multilateral framework in which consistency of action would be much more complicated, considering divergent interests of possible participants. Because of this, the decision-making is more mobile, bypassing possible scenarios of complex regulations by bringing together different interests of potential players.

Second, it has prevented the formation of balance-groupings within multilateral frameworks of cooperation, trying to combine the efforts of other participants to balance the influence of Russia in the region. Third, the regulation on the bilateral base has turned to be more practical considering the domestic resistance of regional states to the creation of any institution with strict rules and containments on state sovereignty, as the Post-Soviet states are sensitive to the issues of sovereignty and state independence. Fourth, although there are many multilateral frameworks of cooperation, the cost of creation and maintenance of institutions has exceeded the benefits of doing so, considering the availability of bilateral options.

However, the existing bilateralism has been formed between Russia and other participants, with Russia connecting them. The absence of high-developed bilateral relations within states in the Post-Soviet region has preconditioned the success of multilateral institutions (failure). For example, as we mentioned above, Russia is the number one trade partner and core political and military partner in the regional and international stages for all three member-states. However, when looking at the economic relations between these three countries, it would clarify the issue of multilateralism in the region. For example, according to data of 2013¹⁸, Belarus is Kazakhstan's 24th trader partner only, and Kazakhstan is Belarus' 10th trade partner according to data of 2013.¹⁹

¹⁶ Dogovor o druzhbe, sotrudnichestve i vzaimnoj pomoshhi mezhdru Rossijskoj Federaciej i Respublikoj Armenija (podpisano v Moskve 29.08.97) Available at: http://www.lawrussia.ru/texts/legal_555/doc555a808x659.htm [Accessed on January 9th, 2019].

¹⁷ OEC World data, <https://oec.world/en/profile/bilateral-country/rus/partner/arm>

¹⁸ Kursiv, *Top 30 krupnejshih torgovyh partnerov Kazahstana*, (2015) Available at http://www.kursiv.kz/news/details/top_ratings/Top-30-krupnejshih-torgovyh-partnerov-Kazahstana/ [Accessed on January 11th, 2019].

¹⁹ Itogi vneshnej trgovli Respubliki Belarus' za janvar'-mart 2013 Available at: http://gtk.gov.by/ru/stats/itogi_vnesh_torgovli2013/mart13 [Accessed on January 11th, 2019].

The intention of Armenia to enter into the Eurasian Union met resistance by Kazakhstan and sharp disagreement. Even considering the existence of many multilateral institutional frameworks of cooperation and policy coordination, these states very often show each other disloyalty, trying to gain benefits and achieve goals alone, sometimes playing against the interests of each other. It stems from the weakness of institutional frameworks, and the weakness is strictly connected to the factor of cheating among regional states.

So, the data and political practice show the existence of bilateral relations between the regional states from one side, and between Russia, from another side. However, bilateral ties between regional countries, except that of Russia, are low considering the low level of economic relations, centrifugal tendencies and the problem of providing political alignment in regional and international affairs. The absence of high-level multilateral and even bilateral relations among regional states has preconditioned the faith of multilateral institutions in the region, leading to their weakness, which we would describe as an institutional vacuum.

Institutional Vacuum

The Post-Soviet region presents an exciting picture from the perspective of institutional developments. This region is a vital link between the East and the West. It can be argued that the development of powerful economic, military and political blocs here would be very beneficial. However, the integration processes are associated with several serious challenges caused by strategic interests of different states.

Bilateralism of relations, combined with regional conflicts of ethnic and political characters, has led regional states to bypass existing institutional frameworks of cooperation, pursuing their interests unilaterally or by aligning with extra-regional forces. Despite the presence of diverse regional institutions and mechanisms for joint policy coordination (CIS, CISFTA, CSTO), we argue that there is an institutional vacuum in the region due to present ineffectiveness from the perspective of their inefficiency provide regional integrity. So, institutional vacuum here refers not to the absence of regional institutional framework, rather than to their ineffectiveness. We would not observe extra-regional institutions that now are engaged in the region, and institutional vacuum merely refers to the institutional mechanisms of providing regional integrity.

The Commonwealth of Independent States (CIS) was the first major and almost all-inclusive organization that was established in 1991 after the collapse of the Soviet Union. In its foundation document,²⁰ the organization's main goals were to coordinate foreign policy and cooperation to form and develop a common economic space, common markets, and coordinate customs policy.

²⁰ Soglasheniya o sozdaniy Sodruzhestva Nezavisimyh Gosudarstv. Available at <http://cis.minsk.by/page.php?id=176> [Accessed on January 12th, 2019].

The CIS based on the continuation of former-Soviet interdependence between states and the adaptation of the mechanisms regulating their relations to the new situation emerged after the collapse of the Soviet Union. In terms of forming the organization, the role of leader states (Russia, Ukraine, and Belarus) as core actors in the organization and the region was enormous. However, after the collapse of the Union emerged many problems that conditioned the future of the organization.

First, after the collapse of the Soviet Union, many ethnic and political conflicts broke up (conflicts in Abkhazia, Georgia, Nagorno-Karabakh, Transnistria, North Ossetia, South Ossetia, Tajikistan, Kyrgyzstan, Chechnya, disagreements between Ukraine, Russia, Belarus, Kazakhstan), which, in some cases, led to open confrontations and instabilities in the region.

Second, after the collapse of the Soviet Union, the regional states adopted different vectors of foreign orientation, establishing partner relationships with the EU, NATO, the US, which also weakened the perceptions of the expected future.

Third, the creation of any organization intended to be all-inclusive was perceived emotionally by the newly independent states, viewing those kinds of attempts as a threat to their independence and sovereignty (the mere name of the organization had negative connotations-Commonwealth of *Independent States*).

The CIS is not a supranational organization. It was designed to regulate the relations between the regional states and coordinate their actions based on non-binding regulations. However, the CIS as a consultative organ did not work due to the passivity of the organization in the light of many regional conflicts and disagreements. This organization does not play any serious role in regional processes, and it seems that member-states are late to declare that the organization does not exist.

Another major organization, created in the Post-Soviet region, is the Collective Security Treaty Organization (CSTO), with Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russian and Tajikistan. Based on the Collective Security Treaty of 1992, the organization came into existence in 2002 as a military alliance of member states. According to Article 5 of the CSTO Charter, "the Member States shall take joint measures to achieve the purposes of the organization to form thereunder the efficient system of collective security providing collective protection in case of menace to safety, stability, territorial integrity and sovereignty and exercise of the right to mutual defense, including creation of coalition (collective) forces of the organization, regional (united) groups of armies (forces), peacekeeping forces, unified systems and the bodies governing them, military infrastructure"²¹.

²¹ Organizacija Dogovora o kolektivnoj bezopasnosti. Osnovopolagajushhie dokumenty. Available at: http://www.odkb-csto.org/documents/detail.php?ELEMENT_ID=1896 [Accessed on January 13th, 2019].

In 2009, an agreement on creating a joint contingent of military forces was signed between member states to protect them from aggressions, participate in efforts to combat international terrorism, strengthen troops covering the state border protection, and public and military installations of the parties and so on²². This step is characterized as the militarization of CSTO from a primarily political organization to a more cohesive militarized security alliance²³.

However, now, CSTO is a military organization in minimal terms. Despite many conflicts in the region, it never proved its effectiveness as a military alliance. Compared to other military alliance like NATO, the military capabilities are minimal and have much more symbolic significance than military power capable of solving real military issues and guaranteeing security and stability in the region. After its creation, it has turned to be a stage of political coordination rather than a full-right military organization capable of providing the security of its members. In recent years CSTO has faced several challenges and failed to demonstrate its constructive role, foreexample the organization essentially paid little to no attention the Norgrno Karabkh conflict that created serious resentments among the Armenian public which did not accepted CSTO's standing that war was taking place in a territory which is officially recognized as Azerbaijan's territory.²⁴ The argument proved unconvincing to Armenian public since they were of the view that the Azerbaijan's military offense was taking place in Armenian territory.

Despite its limited military capabilities, the CSTO was the first organization that helped to turn the formed bilateral relations into a comprehensive system of policy coordination and cooperation. All the member states of the organization have agreements with Russia in military fields of coopertion, and, in this sense, CSTO seemed to reestablish those relations, which may have been more effective and continue to be active than new ties within a single organization. The creation of the new

²² See Soglashenie o Kollektivnyh silah operativnogo reagirovaniija Organizacii Dogovora o kollektivnoj bezopasnosti Available at: http://www.conventions.ru/view_base.php?id=1376 [Accessed on January 13th, 2019].

²³ See "Russian-led CSTO Grouping Adds Military Dimension," *Radio Free Europe Radio Liberty*, (04 February 2009), Available at <http://www.rferl.org/Content/Rapid Reaction Force Adds Military Dimension To CSTO/1379324.html> [Accessed on January 13th, 2019]. Ilya Kramnik, "CSTO – Joining Forces in a Crisis," (RIA Novosti, 02 May 2009), Available at: <http://en.rian.ru/analysis/20090205/119991573> [Accessed on January 13th, 2019]. "Russia creates own version of NATO in Central Asia to be prepared for big war," *Pravda*, (29 May 2009). Available at: <http://dprogram.net/2009/05/29/msm-russia-creates-its-own-version-of-nato-in-central-asia-to-be-prepared-for-big-war/> [Accessed on January 13th, 2019].

²⁴ Kirill Krivosheev, *Carnegiei Moscow Center. Does the Collective Security Treaty Organization Have a Future?* (July 8, 2021). Available at: <https://carnegiemoscow.org/commentary/84923>

organization also influenced the process of further implementation of institutionalization in the region, creating more incentives for further cooperation in other fields. The President of Armenia Serj Sargsyan noted that "being in the same system of military security, it is impossible and ineffective to be isolated from adequate geo-economics space".²⁵ So, the creation of CSTO made more incentives for the states of the region to expand the process of institutionalization, but itself, it remains limited in terms of both military and institutional cooperation.

The desire of some regional states to form institutional structures without the participation of Russia and with more coherent interests brought regional countries to create some sub-regional organizations like GUAM and Baltic Assembly. GUAM Organization for Democracy and Economic Development was formed after 1997 by four post-Soviet states: Georgia, Ukraine, Azerbaijan, and Moldova.²⁶ One of the crucial goals of creating the organization was to form an organization alternative to the Russian led CIS and expressed centrifugal tendencies of the sub-regional states. Second, the member states declared their readiness to promote democratic values and procedures within their countries and in the region with the cooperation with international organizations and especially the European structures.²⁷ However, the fully authoritarian character of one of the states (Azerbaijan) makes the democratic goals of the organization very suspicious. After its creation, GUAM was passive until 2005 and connected to the new processes in the sub-region, especially the Orange revolution in Ukraine. The last events in the sub-region, including the member states of GUAM, especially the Georgian-Russian war of 2008 and instability in the recent years in Ukraine and the passivity of the organization in such kind of activities puts under suspicion the cohesion of the member states and the role of the organization as a mechanism of policy coordination and stage for further development.

Baltic Assembly (BA) is a framework of cooperation on the parliamentary level between the Baltic republics: Estonia, Latvia, and Lithuania to form a common position on international and domestic issues setting a platform of policy coordination. During its existence, the organization has helped to establish a collective identity of the Baltic republics, to form joint positions on many issues and to pursue shared interests, especially in their way to EU membership. After the acceptance of

²⁵ Joint Statement on the results of the visit of the President of the Republic of Armenia to the Russian Federation. (Moscow, September 3, 2013). Available at: <http://www.president.am/en/press-release/item/2013/09/03/President-Serzh-Sargsyan-and-President-Vladimir-Putin-joint-statement/> [Accessed on January 15th, 2019].

²⁶ Official website of GUAM organization, available at: <https://guam-organization.org/en/about-the-organization-for-democracy-and-economic-development-guam/>

²⁷ Ibid.

these countries into the European Union, the organization seems to have lost its significance as a mechanism of policy coordination and cooperation.

Bilateralism of relations combined with the presence of regional conflicts of ethnic and political characters have led regional states to bypass existing institutional frameworks of cooperation to pursue their interests unilaterally or by alignment with extra-regional forces. Newly established institutions turned to be fragile from the perspective of conflict management, policy coordination, and trust-building between states that were a common political unit within the Soviet Union. The ineffectiveness of new institutions has unleashed institutional uncertainty and expansion of extra-regional organizations in the region trying to involve regional states in their frameworks. The created institutional vacuum has heightened the transaction costs between the regional states, raised the problem of cheating between regional states and fostered conflicts in the region, causing regional instability.

Eurasian Union: Overcoming Institutional Vacuum

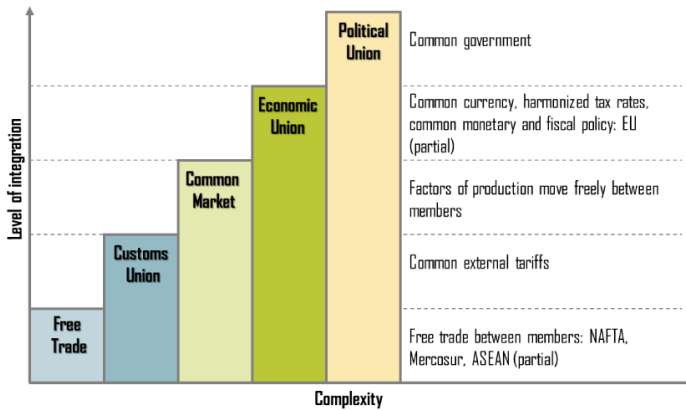
Eurasian integration started after the collapse of the Soviet Union as one vector of further cooperation and institution building in the region, considering high economic interdependence between regional states and the possibilities of new joint development. The President of Kazakhstan, Nursultan Nazarbayev, suggested creating a trading bloc between Post-Soviet countries in the early 1990s. However, in the 1990s and 2000s, the integration process was slow, and the idea of the Post-Soviet region as a common economic area remained merely more an idea than an actual project.

The first natural step in this direction was the creation of the Customs Union of Belarus, Kazakhstan, and Russia, which came into existence on January 1st, 2010. In the Joint Statement of the heads of member states, the formation of the Customs Union provides for the establishment of a single customs territory, within which are not applicable customs duties and economic restrictions, except for particular protective, countervailing anti-dumping measures. A customs union applies a unified customs tariff and other standard rules regulating trade with third countries²⁸. According to the General Agreement on Tariffs and Trade of 1994, a custom territory means "any territory concerning which separate tariffs or other regulations of commerce are maintained for a substantial part of the trade of such territory with other territories"²⁹.

²⁸ Tamozhenniy Soyuz: dogovor o sozdanii. Available at: <http://www.sovet-ts.ru/tamozhenniy-soyuz/dogovor-o-sozdanii/> [Accessed on January 15th, 2019].

²⁹ *General Agreement on Tariffs and Trade 1994*, ("GATT 1994"). http://www.wto.org/english/docs_e/legal_e/06-gatt_e.htm

TABLE 1. Levels of economic organization³⁰



It could be presumed that the member states of a customs union cannot have that kind of relations with other custom unions or that kind of organization. It means that those states in the Post-Soviet region that want to be a part of the Eurasian Customs Union cannot deepen their economic relations within institutional frameworks with other second and higher-level economic level organizations, including EU. So, this meant the emergence of the first organization in the Post-Soviet region with such kind of high-level binding regulations. In 2014 Belarus, Kazakhstan and Russia signed another treaty on creating the Eurasian Economic Union (EEU), which came into existence on January 1st, 2015. After January 1st, Armenia also joined the Eurasian Union, and Kirgizstan signed a treaty to join the Union. An economic union is a higher level of organization, implies more binding institutional regulations, and is the late stage of forming a political union (Table 1).

The creation of both the Customs Union and the emergence of EEU were the first organizations in the region with a high level of binding regulations. The strength of the customs union as a form of institutional integration is the imposition of standard external tariffs for the non-member states. It means that the member states cannot engage in any economic integration with non-member states, be it free trade organization, custom union, or common market. It seemed to direct against European integration of the post-Soviet states. With the creation of the EEU afterwards, which as an economic union implies standard economic policy and common external trade policy, the perspective of European integration was eventually doomed.

A vivid example is Armenia, which rejected to sign the European Association Agreement on the grounds of EU and EEU integration incompatibility. Thus, the creation of EEU solved the problems that the

³⁰ Levels of economic organization. Available at: <https://people.hofstra.edu/geotrans/eng/ch5en/conc5en/economicintegration.html> [Accessed on January 15th, 2019].

previous organizations in the post-Soviet region had not been able to answer. One such issue is the expansion of Western institutions into the post-Soviet region. Moreover, the other one is the regional integration which had failed previously due to the declarative nature of the previous institutions. The newly created EEU regulations are binding, and the regional states had to comply with these rules once becoming a member of the organization. These robust institutional frameworks give an opportunity to solve the problem of cheating between regional states, manage the existing interdependence between regional states, and provide stability in the region.

After the collapse of the Soviet Union, as we noted, the region was characterized by bilateral regulations and little significance of institutional frameworks. The last significant conflicts in the region and the rise of cost to govern without institutions brought regional states to create new institutional structures to overcome existing institutional vacuum and make regulations in the region more stable by maintaining the geopolitical integrity of the region.

Conclusion

The institutions created in the Post-Soviet space turned fragile from the perspective of regional integrity, conflict management, and further development. The mere presence of diverse regional institutions witnesses the inefficiency of those institutions referred to as an institutional vacuum. Considering the institutional incompetence and power distribution in the region in favor of Russia and geographical (Russia as geographically center) and historical relations between these states, the relationships in the Post-Soviet region have been characterized by bilateral regulations rather than multilateralism.

The recent events in the region proved that bilateral regulations are not sufficient anymore. First, in some cases, bilateral regulations reached the direct use of force and the emergence of a political and diplomatic crisis in the region (Russian-Georgian war of 2008 and the Ukrainian crisis). Second, extra-regional institutions (NATO, EU) have turned to be effective in their engagement in the region and involvement of the regional states in their institutionalization process. These two factors cause instability in the region in the face of political, diplomatic, and economic crises and tensions and undermine the geopolitical integrity of the region. From this perspective, Eurasian Economic Union is designed to overcome the institutional vacuum in the Post-Soviet Region to reduce the institutional manoeuvrability of the regional states and maintain the region's geopolitical integrity, providing peace and stability in the region.

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