

№ 4, 2015

Editor's Note

Eurasian integration has entered an all new phase – the Eurasian Economic Union (EEU) – at a very hard time for the economies of the member states. The Russian economy has stepped into a recession phase, the main reasons for which are the reduction in oil prices globally and western sanctions as a result of the developments in Donbass. The economic situation in Armenia, Belarus, and Kazakhstan, which are closely associated with the Russian market for goods and services, has also deteriorated quite badly following the depreciation of the Russian ruble.

The **Main** Feature of this new issue of Eurasian Review focuses on the future development of Eurasian integration amid the unfolding economic crisis. Editor-in-chief of the magazine “Foreign Exchange Regulation and Foreign Economic Activities” Uladzimir Arciuhin describes the essence of the economic challenges that emerged in the EEU during the last six months in the wake of the drop in the demand for domestically-produced goods in the Russian market and contemplates possible development scenarios for the EEU in the context of the crisis.

The **Highlights** section reviews the stances of the most significant political forces in the EEU member states on Eurasian integration, as well as the specific way the NGOs in these countries promote the Eurasian project. The composition of the legislative authorities and type of the political systems of the EEU countries preconditioned the absence of any serious discussions of the Eurasian integration process at the level of both the parliaments and society. Because of weak civil society and tight control of the media by the executive branch, anti-Eurasian initiatives fail to enjoy broad public support, whereas the GONGOs that are closely associated with government agencies become the implementers of pro-Eurasian ideas from top down.

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MAIN FEATURE

Future development of Eurasian integration amid the unfolding economic crisis

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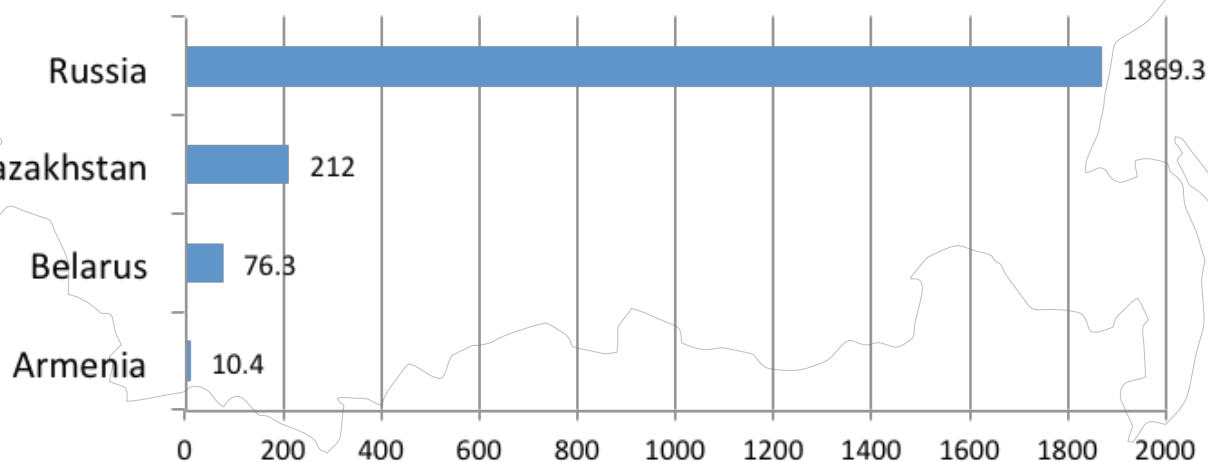
The high oil prices and resulting accumulation of substantial financial reserves over the past decade have enabled Russia to effectively promote the Eurasian integration project. For Russia, the launch of the Eurasian Economic Union (EEU) is first and foremost a claim to the status of a global player, whereas Russia's partner economies thought that the primary benefits that the Eurasian project held in store were an easier access to the Russian market and cheaper energy. All of Russia's EEU partners have been faced with similar economic challenges: the dominance of the raw materials and processing industries, dependence of their economies on the Russian market for goods and services, and balance of payments deficit.

However, in the wake of the drop in oil prices and weakening of the Russian ruble, the economic situation in the EEU has become markedly harder. The demand for domestically-made products in the Russian market has shrunk, and the national currencies have found themselves under a lot of pressure. Economic contraction has brought about a reduction in investment flows. This article dwells on the essence of the economic challenges in the EEU during the last six months and puts forward a few development scenarios amid the ongoing economic recession.

EEU's key trade and economic indicators

A specific characteristic of the EEU is Russia's dominance over the rest of the members in the integration bloc. The proportions of the economic power of the EEU countries are clearly visible in the difference between the distributed customs duties: Armenia – 1.13%, Belarus – 4.65%, Kazakhstan – 7.25%, and Russia – 86.97%.¹ In 2014, GDPs of Armenia, Belarus, Kazakhstan, and Russia amounted to USD10.4 billion, USD76.2 billion, USD212 billion, and USD1,896.3 billion, respectively.

Chart 1. GDPs of the EEU economies in 2014, in billions of U.S. dollars



¹ According to the Protocol on the Procedure for the Transfer and Distribution of Import Customs Duties.

Table 1. Two-way trade between the Customs Union member states in 2010–2014, in millions of U.S. dollars

		Belarus	Russia	Kazakhstan
Belarus	2010		28 205,3	872,7
	2011		39 991,6	806,9
	2012		43 825,9	924,8
	2013		39 744,3	952,8
	2014 (Jan-Nov)		34 588,6 (96,1%)	1 056,7 (120,4%)
Russia	2010	26 803,5		18 187,5
	2011	37 947,8		22 330,6
	2012	43 825,9		23 860,1
	2013	39 744,3		23 847,0
	2014 (Jan-Nov)	34 588,6 (96,1%)		17 432,8 (80,6%)
Kazakhstan	2010	858,5	18 036,8	
	2011	698,5	22 330,6	
	2012	766,2	23 860,1	
	2013	756,6	23 847,0	
	2014 (Jan-Nov)	652,1 (95,6%)	17 432,8 (80,6%)	

Sources: hereinafter the official website of the Eurasian Economic Commission, Central Banks and official statistics agencies of the EEU member states. Note: two-way trade statistics of the national statistics agencies for some of the EEU countries for some years tend to differ.

Trade within the Customs Union shrank in 2013 year-on-year, and the trend continued throughout 2014. In the Customs Union trade pattern, there is apparent sag towards the two-way trade between Russia and Belarus, which is twice as big as that between Russia and Kazakhstan, despite the fact that Kazakhstan's economy is markedly larger than that of Belarus. The reasons include not only the close cooperation ties between Russian and Belarusian enterprises, but also Belarus's active involvement in the export of oil products refined from Russian crude oil. This slant can be dealt with by either diversifying raw materials and sales markets for Belarus, or boosting the trade turnover between Russia and Kazakhstan or between Kazakhstan and Belarus.

The dependence of the EEU economies on oil prices can be identified by the share of energy in foreign trade: Russia – more than 70% of total export supplies, Kazakhstan – 75% of its export, Belarus – more than 30% of its export and import, and Armenia – more than 20% of its import. The dependence of the EEU economies on Russia becomes clear once we look at Russia's share in their respective trade patterns: 49.5%, 18.5%, and 24.3% for Belarus, Kazakhstan, and Armenia, respectively.

Table 3. Foreign trade of the Customs Union member states

	2009	2010	2011	2012	2013	2014 (Jan-Nov)
Customs Union – total						
Trade turnover, mln USD	516 564,8	686 278,6	910 646,7	939 335,2	932 960,8	801 235,4
Per cent of last year		132,9	132,7	103,2	99,8	94,7
Belarus						
Trade turnover, mln USD	25 674,3	30 813,0	46 380,6	47 679,5	39 531,5	35 116,2
Per cent of last year		120,0	150,5	102,8	82,9	97,3
Kazakhstan						
Trade turnover, mln USD	58 739,1	73 248,9	98 212,6	108 919,3	108 902,3	92 503,7
Per cent of last year		124,7	134,1	110,9	100,0	92,2
Russia						
Trade turnover, mln USD	432 151,4	582 252,3	762 638,7	777 987,2	784 526,9	673 615,4
Per cent of last year		134,7	131,0	102,0	100,8	94,9

Belarus's, Kazakhstan's, and Russia's trade with economies beyond the EEU also slowed. Despite the announced (or anticipated) negotiations over the creation of free trade zones between the EEU and some countries of the world (New Zealand, Vietnam, India, Egypt, Israel, etc.), not a single agreement of this kind has been adopted so far.

China and the European Union, the two largest global economies, have different stances on the EEU. China deems it important to understand the new rules of the game and ensure the effective transit to the European Union as part of the Silk Road Economic Belt project. The European Union, for its part, acts as a normative power², seeking to have international norms and standards formed on its own model. Therefore, the EU perceives the alternative integration project in Europe as a challenge and will not recognize the legal existence of the EEU and its predecessors (the Customs Union and the Single Economic Space) and continues building its relationships with the EEU member states on a bilateral basis.

Changes in the economic situation in the EEU countries in the second half of 2014

The combination of Russia's strong executive branch and the liberal model in the financial sector was more or less effective as long as global oil prices remained high and the country had access to foreign borrowing. However, since the summer of 2014, the Russian economy has found itself under the increasing pressure of the falling oil prices and the economic sanctions imposed by the West in the wake of the conflict in Ukraine. The attempt of the Russian economic authorities to maintain the old rules of the game in the new complicated conditions had a logical result: Russia's gold and foreign exchange reserves dropped by 23%, the ruble lost half of its value vis-à-vis the U.S. dollar, and the Russian economy entered a recession phase. The peg of the ruble's exchange rate to oil prices and high cost of ruble-denominated resources, along with limitations on the refinancing of foreign loans, produced a devastating impact on Russian producers. Unless dramatic changes are introduced in 2015, the situation will remain vague not only for investors, but also for operating enterprises.

² The term "normative power" as applied to the foreign policy of the European Union implies the promotion by the EU of recognized universal standards and values, such as human rights, democracy, sustainable development, etc. The dissemination of European values is taking place through attractiveness and imitation, not through military efforts.

In Kazakhstan, the availability of domestically-produced energy and the devaluation of the tenge by 19% at the start of 2014 helped the economy finish the year with less significant losses. However, by the end of the year, that cushion had been used up, and the depreciation of the Russian ruble alongside unrestrained import across the state border aggravated the challenge of a drop in energy export revenues. Kazakhstan is now planning to revise its state budget plans for 2015 – the economy is now projected to grow by only 1.5%, whereas the original target for growth was at 4.3%. In order to protect its economic entities, Kazakhstan will need to make a new move to devalue the national currency by at least 25%–30% or restore the customs border with Russia.

Belarus was faced with enormous challenges throughout the year 2014. The heavy dependence of the Belarusian economy on oil prices and the Russian market together with the wish to make no shocking changes before the oncoming presidential election resulted in a 24% fall in gold and foreign exchange reserves and depreciation of the Belarusian ruble by 30% at the end of the year and another 10% at the start of 2015. Because of the exchange rate restraints in 2014, Belarusian export supplies to Russia in January–November dropped by approximately USD1 billion year-on-year. An additional challenge that produced a negative impact on the balance of payments was the hike in import from Russia, as massive shop tours were organized for Belarusians to go to Russia and acquire various categories of goods. According to Belarusian officials, in October, November, and December, Belarusian citizens imported approximately 70,000 vehicles from Russia worth a total of at least USD1 billion. The attempts of the Belarusian authorities to mitigate the negative effect on the population by curbing ruble depreciation brings about new problems for both foreign trade (the inflated exchange rate of the ruble leads to export cuts) and domestic sales (the contraction in both wholesale and retail turnover). Being aware that the populist measures will result in hyperinflation and further reduction in gold and foreign exchange reserves, the Belarusian authorities opted for the belt-tightening strategy, which will eventually lead to a narrowing of the real economy and lowering in living standards.

Armenia – the new EEU member states – stands out against its partners in terms of both political order (more mature democratic institutions) and structure of its economy. In Armenia, import volumes are several times higher than the amount of export supplies, and labor migrants' remittances from Russia are one of the main revenue items of the national budget. In 2013, remittances from Armenian emigrants accounted for up to 18% of the country's GDP, and most of them were from Russia. The contraction of the Russian economy and depreciation of the Russian ruble produced a dramatic impact on the Armenian economy, and the situation will further aggravate in 2015. At the end of 2014, the national currency lost 10% of its value. Although the Central Bank managed to curb the depreciation of the dram using currency interventions, the U.S. dollar kept growing stronger at the start of January. The absence of common borders with the rest of the EEU member states and complicated relationships with its neighbors pose additional challenges to the Armenian economy. The refusal to pursue collaboration with the European Union in favor of the EEU resulted in a curtailment of the EU's assistance and split the Armenian population in two. When the Russian economy was growing, the Armenian population did not mind the efforts of the central authorities to deepen the country's ties with Russia, but now that Russia is suffering from economic complications, the influence of pro-EU groups will increase.

EEU development scenarios

In the context of the ongoing crisis, EEU development scenarios depend almost entirely on global oil prices. It appears that if the Russian ruling elite were planning to make changes to the economic model, then some actions would have been taken back in 2014. They could have included, among other things, the abolition of the currency board model (where the liabilities of the central bank are fully covered with foreign exchange reserves), efforts to make long-term, cheap resources available to the real sector and impose limitations on cross-border capital flows, as well as real combat against corruption, and legislative moves to offer equal terms to large business and the private sector.

Worst-case scenario: oil prices drop to USD40 per barrel or lower.

Federal budget revenues will further shrink, the Russian ruble will depreciate to 80 rubles to the U.S. dollar and less, gold and foreign exchange reserves will drop, and investment outflows will continue. As a result, Russia will see an increase in the export supplies of cheap domestically-made goods and "export" of economic challenges to the economies that crucially depend on Russia. According to this scenario, Russia will

take a few more years to address the current challenges. The rest of the EEU member states may impose safeguard measures all the way to the restoration of the customs borders for at least until the situation in the Russian economy has stabilized.

Baseline scenario: oil prices fluctuate around USD50 per barrel.

In this case, the Russian economy will gradually stabilize at the current level. Russia will take about 12 months to reach a balance, where domestic prices get back to the pre-crisis foreign exchange equivalent. This scenario implies that the EEU economies will have to choose between the bad and very bad: economic losses caused by the growing export of cheap Russian-made goods or losses caused by the customs limitations imposed in order to protect the domestic markets.

Best-case scenario: oil prices go up to USD60 per barrel and higher.

The Russian ruble will strengthen, budget revenues will grow, and Russian export supplies will be going down on their own. In this case, the use of safeguard mechanisms by the EEU economies will be irrelevant. On the contrary, the Russian domestic market will be growing more attractive again.

It is not clear which strategy the Russian ruling elite will choose – to take a pause hoping that oil prices will grow in six or 12 months, or introduce changes to the economic model, which will call for reshuffles in the government and the administration of the central bank.

The ruling elites of Armenia, Belarus, and Kazakhstan will stand against closer integration ties with Russia to the bitter end. On the one hand, the integration project is losing its appeal in the context of the unfolding economic crisis in Russia – there is a major difference between flocking around a rich leader and integrating with a country that suffers from serious economic troubles and is in conflict with the leading global powers.

On the other hand, whatever politicians are saying about the chances of “getting off the train,” it seems it will be extremely hard to withdraw from the EEU. Although the possibility of such a withdrawal is stipulated in the EEU Treaty, the settlement of financial issues will take quite a lot of time and may prove very expensive (for instance, as far as the current trade benefits are concerned). However, the main problem is that very substantial resources are required in order to change the foreign policy and economic strategy, whereas the alternative centers of power do not seem to have sufficient uncommitted funds to support the weak national economies of the EEU member states.

It appears that during the next two years, the ultimate international balance of forces will be found as a result of the confrontation between Russia and the West. If Russia suffers a defeat, it will have to introduce systemic changes to its life and shift the focus towards a close cooperation with the United States and the European Union. If Russia manages to maintain or strengthen its positions, it will inevitably seek to move on to a whole new level of Eurasian integration with a priority of supranational institutions. In this context, the point of no return is the adoption of a single currency policy with the introduction of a common currency or a firm peg of the national currencies to the Russian ruble. In the meantime, the EEU economies will likely adopt a wait-and-see attitude for a few vague years to come, in order to comprehend how to work with Russia in the contemporary context while diversifying their economies.

HIGHLIGHTS

Promotion of Eurasian integration by political parties and NGOs

Andrei Yeliseyeu

The significance of the choice in favor of the integration project for the foreign policy strategy and internal political evolution of the post-Soviet states is hard to overestimate. In established democracies Eurasian integration would naturally be at the top of the agenda for political forces and a crucial topic for broad public discussions. But what about the promotion of Eurasian integration in the Eurasian Economic Union (EEU), where civil society and democratic institutions are obviously immature?³ According to public opinion polls, the level of support for Eurasian integration in the EEU member states is rather high (from 64% in Armenia to 84% in Kazakhstan)⁴. Is this sentiment a result of more plausible reasoning by pro-Eurasian political forces compared with the arguments deployed by their opponents? Below is a brief review of the positions of the most significant EEU political forces on Eurasian integration and specific aspects of the way NGOs⁵ in these countries promote the Eurasian project.

Stance of the main political forces in the EEU member states on Eurasian integration

Belarus and Kazakhstan are two perfect examples of electoral authoritarianism. The political opposition has no representation in the Belarusian parliament, whereas in Kazakhstan's Majilis (the lower house of parliament) two parties are only conditionally in opposition to the ruling party NurOtan⁶, and both support the Eurasian integration project. The parliaments of Russia and Armenia play a more prominent role in the political systems of their countries than those in Belarus and Kazakhstan. However, in both Russia and Armenia the pro-presidential parties gained a majority at the latest parliamentary elections and are capable of ensuring the stability of the governments single-handedly. Furthermore, the ruling United Russia and three more parties represented in the State Duma of the Russian Federation support a closer integration of Russia with the post-Soviet countries. In the Armenian parliament, which has a more active and diverse life compared with the three other EEU countries, only one of the five opposition parties (with the least mandates) is a vigorous opponent of further approximation to Russia and Eurasian integration. As a result, neither in Russia nor in Armenia the integration process has become a key point, on which the leading political forces differ.

Armenia. The pro-presidential Republican Party of Armenia has 69 seats in the 131-member parliament. The other political parties have the following number of seats as a result of the 2011 parliamentary election: Prosperous Armenia – 37, the Armenian National Congress – seven, Rule of Law – six, the Armenian Revolutionary Federation Dashnaksutyun – five, Heritage – five⁷.

3 According to international rankings, none of the four EEU member states can be designated as electoral democracies, and the level of protection of political and civil freedoms in Armenia, Belarus, Kazakhstan, and Russia remains quite low. In the Freedom House's Freedom in the World 2015 country rankings, the overall free status of Belarus, Russia, and Kazakhstan (the arithmetic average of political and civil rights) stands at 6.5, 6, and 5.5, respectively. According to Freedom House's methodology, scores are measured on a scale from 1 (most free) to 7 (least free). The three EEU states are Not Free, while Armenia, with a score of 4.5, is Partly Free.

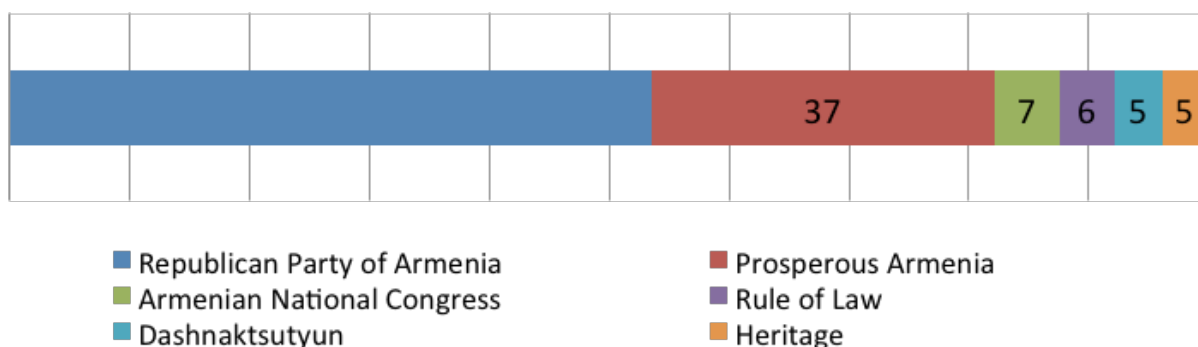
4 See more details in "Public support for Eurasian integration in the Eurasian Economic Union member states, Kyrgyzstan, and Ukraine" in the previous issue of Eurasian Review, http://belinstitute.eu/sites/biss.newmediahost.info/files/attached-files/BISS_ER_03_2014ru.pdf

5 Focus is placed on the most important political movements/organizations, including based on their membership, or the level of participants represented at respective public events. Quite often such organizations are only formally considered to be NGOs and are de facto under the control of the incumbent executive authorities, or are directly associated with them.

6 In the previous Majilis, NurOtan members won all of the seats, and in 2012, two more parties were introduced to the parliament, apparently with a view to weakening the administrative leverage and adding a democratic look to the political system.

7 A brief review of Armenia's political parties: Armenia 2012: An introduction to the political party landscape. European Friends of Armenia, <http://www.eufoa.org/uploads/ArmeniaPoliticalPartyGuide.pdf>

Chart 1. Composition of the National Assembly of Armenia



Although the party Rule of Law in April 2014 withdrew from the ruling coalition, the Republican Party commands a majority on its own. Moreover, despite serious differences between the ruling party and the opposition parties on domestic issues, only one party – Heritage – is fundamentally opposed to Eurasian integration. Only seven members of parliament voted against the ratification of the Treaty on Armenia’s membership in the EEU on 4 December 2014, including the Heritage members.

Nevertheless, the political discussion of the country’s policy on Eurasian integration was a lot livelier in Armenia than in the other EEU member states. Even the opposition parties that agreed to Armenia’s pro-Eurasian course (Prosperous Armenia, the Armenian National Congress) used some aspects associated with the Eurasian integration of the country (especially the vague status of Nagorno-Karabakh) to criticize the ruling elite. Further, the opposition Armenian parties staged massive rallies on both the day President Sargsyan announced the plans to join the EEU (3 September 2013) and the day the Treaty on the accession to the EEU was signed (10 September 2014)⁸.

Belarus. Formally, 105 members of the 110-seat parliament are non-partisan, and the remaining five are members of the less popular (based on their rating) pro-Lukashenka political parties – the Communist Party of Belarus, the Agrarian Party, and the Republican Party of Labor and Justice. The unilateral ratification of the EEU Treaty by both chambers of the Belarusian parliament and the adoption of a special declaration similar to the one that Aliaksandr Lukashenka made when signing the EEU Treaty attest to the fact that members of parliament fully support the policy of the executive branch. At the same time, the pro-Lukashenka political parties were never keen on arranging any public activities – social events, awareness campaigns – when it came to Eurasian integration.

The opposition parties and movements that oppose Eurasian integration also appear to be quite passive when articulating and promoting their ideas, and only made occasional statements and passed sporadic resolutions (see, for example, a resolution by the BPF Party)⁹. There were neither massive anti-Eurasian protests, like the ones Armenia staged, nor attempts to hold a large-scale anti-EEU PR campaign, like the one in Kazakhstan (see below) by the Belarusian opposition forces.

Kazakhstan. The pro-presidential political party **NurOtan**, which won 80.99% of seats at the 2012 parliamentary election, dominates the parliament, whereas the **Democratic Party of Kazakhstan Ak Zhol**, with 7.47% of seats and eight MPs, and the **Communist People’s Party of Kazakhstan**, with 7.19% of seats and seven MPs, cannot shape the legislative process. It is only natural that in its election platform, the pro-presidential NurOtan endorsed a “deeper integration within the framework of the Customs Union and the Single Economic Space.”

⁸ See more details of Armenia’s Eurasian integration, its main challenges, benefits and costs for the country in the article “Armenia in the EEU: the thorny path is behind, but problems still remain” in the previous issue of Eurasian Review, http://belinstitute.eu/sites/biss.newmediahost.info/files/attached-files/BISS_ER_03_2014ru.pdf

⁹ The Eurasian Union runs counter to Belarus’s national interests. The resolution of the XVI Congress of BPF Party, 12.10.2014, <http://narodny.org/?p=6840?mobile=on>

Incidentally, even the conditionally opposition parties Ak Zhol and the CPPK fully support the official state policy on Eurasian integration. CPPK Chairman Vladislav Kosarev's statement is in phase with the rhetoric of Nursultan Nazarbayev: *"The integration processes taking place between Russia, Kazakhstan, and Belarus are indispensable... However, we need to understand that the integration processes that we observe today are not a step back into our past, not a revival of the Soviet Union."*¹⁰ The two parties considered the Eurasian integration issue a done deal; therefore, neither Ak Zhol, nor the CPPK outlined their Eurasian integration positions in their election programs. It is also indicative that the lower chamber of Kazakhstan's parliament ratified the EEU Treaty unanimously, whereas in the upper chamber, only one voter abstained.

The main opposition party of Kazakhstan, which had a chance of winning seats in the parliament and had a critical stance on Eurasian integration, was the **Nationwide Social Democratic Party (NSDP)**. The party believes that further integration with Russia threatens the national sovereignty of Kazakhstan. In 2012–2013, Kazakhstan's opposition sought to initiate a nationwide referendum on a series of internal policy issues, including the withdrawal of Kazakhstan from the Customs Union and the Single Economic Space. NSDP Leader Bulat Abilov had announced plans to collect up to a million signatures instead of the 200,000 signatures that need to be collected in order to hold a nationwide referendum. However, because of the resistance of the authorities and weak public support, the opposition failed to have a quorum (the required number of representatives from various regions of the country) at the meeting of the initiative group.

Ahead of the signing of the EEU **Treaty** in April 2014, some of Kazakhstan's NGOs, primarily the youth movement Rukh Pen Til, organized the Anti-Eurasian Forum, attended by approximately 500 people. Following the event, where the participants referred, among other things, to Russia's actions that infringe on the sovereignty and territorial integrity of Ukraine, a resolution was passed, in which Kazakhstan's authorities were recommended to postpone the signing of the EEU Treaty for ten years. However, the massive protest rallies that activists promised in case the authorities failed to comply and signed the document, never took place in Kazakhstan. One of the key reasons is the very high level of support for Eurasian integration in Kazakhstan's society. According to the Integration Barometer of the Eurasian Development Bank, in May 2014, 84% of the citizens of Kazakhstan had a favorable view of the Customs Union and the Single Economic Space, which was even higher than in Russia as of that time (79%).

Russia. Four parties are represented in the State Duma of the Russian Federation, the lower house of parliament, based on the final results of the 2011 election, where MPs were elected by party lists¹¹ – **United Russia**, with 52.9% of seats, the **Communist Party of the Russian Federation**, with 20.44% of seats, A **Just Russia**, with 14.22% of seats, and the **Liberal Democratic Party of Russia**, with 12.44% of seats. During the election campaign of 2011, Eurasian integration was neither a very popular, nor a very debatable issue on the agenda. On the contrary, there is a consensus among the leading political forces in the Russian Federation about the need for a closer integration in the former Soviet Union. There are certain ideological and practical differences in the parties' vision of the format of this process; however, they never became an important topic for discussion during the parliamentary campaign. Only one MP abstained during the vote on the ratification of the EEU Treaty, whereas the rest of them – 441 MPs present at that time – supported the bill.

The pro-presidential United Russia fully supports President Putin and the government's policy on Eurasian integration and pledges in its election program that the integration project will open up *"new opportunities for development, for citizens, and for business."*¹² There are no specific provisions on the principles of Eurasian integration, though. The CPRF traditionally supports a close integration in the former Soviet Union and considers the Belavezha Accords, which put an end to the Soviet Union, *"another move in the implantation of capitalism and destruction of the country."*¹³ In its election program, the party promises to promote accelerated integration in the former Soviet Union and remove *"all barriers to the creation of a strong Union State of Belarus and Russia. The claims of Russian oligarchy to Belarusian enterprises will be put an end to."*¹⁴

¹⁰ Kazakhstan's communist leader Vladislav Kosarev supports integration and preservation of the Russian language status. Today.kz, 17.12.2011, <http://today.kz/news/news/2011-12-17/56278/>

¹¹ Starting 2016, a mixed parliamentary elections system will be used, with the election threshold for parties lowered from 7% currently to 5%.

¹² <http://er.ru/party/program/>

¹³ <http://kprf.ru/party/program>

¹⁴ <http://kprf.ru/crisis/offer/97653.html>

The election program of A Just Russia lacks provisions on Eurasian integration and the objectives of the country's foreign policy as a whole. However, the main party program reads: *"We must ensure a prevailing social, political, and economic influence of Russia in the CIS, but will not allow the integration process to encourage a welfare mentality towards Russia. A key to expanding integration processes in the former Soviet Union is, in our opinion, the continued development of the single state with Belarus."*¹⁵ Finally, the LDPR's program for the 4 December 2011 election lacked any provisions on Eurasian integration as well; however, the party traditionally supports a deeper integration and stronger influence of Russia in the former Soviet Union.

Activities of pro-Eurasian NGOs

Civil society is quite immature in all of the EEU member states, and the media are tightly controlled by the executive authorities. In this context, government-organized non-governmental organizations, or GONGOs, predictably became the most active champions of Eurasian integration. Most of the landmark public events concerning Eurasian integration that took place over the last few years and received a lot of media coverage were either organized or held under the auspices of the state institutions of the EEU member states or pro-government civil society organizations and foundations.

One of the main organizations of this kind is Russia's PIT-foundation¹⁶. Founded in the city of Perm back in 1996, it has operated, starting 2012, **"Eurasian Dialogue" (ED)**, an institution with the Russian parliamentary European Club. The declared ED's mission is to consolidate efforts of prominent politicians, experts, public figures, and journalists around the Eurasian integration process. ED works in partnership with the two chambers of the Russian parliament and the Foreign Ministry of Russia and is coordinated by Andrey Klimov, deputy chairman of the Committee on International Affairs at the Council of Federation, the upper house of the Russian parliament. A number of public forums have been held under the aegis of Eurasian Dialogue focusing on Eurasian integration¹⁷.

Another key advisory agency founded in 2012 at the upper house of the Russian parliament is the **Integration Club**. Pursuant to an instruction by Chairwoman of the Council of Federation Valentina Matviyenko, the Club was established in order to *"prepare proposals on the improvement of the regulatory framework for cooperation and deepening of integration processes within the Commonwealth of Independent States."*¹⁸ The board of directors of the Integration Club comprises more than 20 members, including well-known Russian politicians and MPs, researchers and experts in international relations (presidential adviser Sergey Glazyev, director of the Institute of Economics of the Russian Academy of Sciences Ruslan Grinberg, chairman of the Committee on International Affairs at the Council of Federation Konstantin Kosachev, etc.).

One of the key issues on the agenda for most of the pro-Eurasian institutions is an increase in media collaboration. The most recent session of the Integration Club on 13 November 2014 centered on this problem, and its members admitted that the media coverage of Eurasian integration processes was insufficient, and awareness-building efforts must be stepped up in order to effectively promote the Eurasian movement among the population. Proposals were made to support foreign Russian-language media, recognize the degree certificates of the affiliated network of higher educational institutions in the Eurasian space, and pursue a concerted media policy of EEU and execution of an agreement to elaborate a strategy for joint media activities¹⁹. Previously, during a session of the Integration Club in June, Valentina Matviyenko set the Club a task to request the Russian leadership to explore possibilities for the creation of a common television channel of the EEU member states.

Some other NGOs came out with a similar initiative in June 2014 – they organized a conference entitled *"The Eurasian Economic Union: New Possibilities and Prospects."* The conference was originally initiated by the **Center for the Analysis of Terrorist Threats (CATU)**, headed by Ramil Latypov, formerly the *deputy head of the working group for the assessment of terrorist threats and low-intensity conflicts at the Committee on International Affairs with the Council of Federation of the Federal Assembly of the Russian Federation*. At the end of the event, an address was issued to the media and expert communities, as well as authorized agencies of

¹⁵ http://www.spravedlivo.ru/5_47918.html

¹⁶ <http://pitfond.ru/about/>

¹⁷ <http://pitfond.ru/dialog/sobytiya-ed/>

¹⁸ <http://council.gov.ru/structure/docs/51034/>

¹⁹ <http://council.gov.ru/structure/docs/25496/>

the Eurasian Economic Union and leadership of the Eurasian Economic Commission, with an appeal to create a Eurasian Media Union²⁰. It was declared that the media holding EEP-Media (Single Economic Space-Media) would promote the idea of Eurasian integration among the citizens of the former Soviet Union.

The media holding was formally established at the start of 2014 as part of the CATU-founded information and analysis center Institute of Eurasian Politics and the **Eurasian Cooperation Development Fund (FRES)**, another NGO focusing on the promotion of Eurasian integration. The Fund is the winner of the grant competition that was organized in 2013 in pursuance of the decree of the President of the Russian Federation "Concerning the provision of state support for non-profit non-governmental organizations implementing socially significant projects and involved in the development of civil society institutions in 2013." The FRES has already (co)organized a series of Eurasian integration-related public events involving top-ranking officials and prominent public figures, including the so-called Eurasian Youth Forums.

It was at the First Eurasian Youth Forum entitled Young Eurasia (held in Armenia's Tsaghkadzor in August 2012), which brought together more than 600 participants from 14 countries, that the declaration "**On the Creation of the Eurasian Media League**"²¹ was issued. The Belarusian participants in the forum that joined the declaration included head of the Labor Affairs Staff at the Belarusian Republican Youth Union (BRYU) Arciom Masejčuk and observer at Bielaruskaja dumka magazine Siarhiej Halaŭko. The declared objective of the joint public project the Eurasian Media League was to organize a horizontal information network to form the public opinion about the creation of the Eurasian Union. The forum was supported by top-ranking officials – Chairman of the State Duma of the Russian Federation Sergey Naryshkin sent a welcome address to the participants in the forum.

Despite the focus of NGOs on the creation of popular Eurasian media, little progress has been made so far. The web portal of the Eurasian Media League only posts content from its partner websites and has very few visits, whereas the website of the Institute of Eurasian Politics, which served as the foundation for EEP-Media, remained underdeveloped and contains outdated information²². It appears that further, more active development of the pro-Eurasian media is hampered by difficulties in the lobbying of the financing of such projects from the budget amid the economic meltdown.

The major youth organizations of the EEU member states are also actively involved in the promotion of the Eurasian idea in line with the official policy. These include the **Belarusian Republican Youth Union**, which accounts more than 90% of state expenditures on youth policy, the **Young Guard of United Russia** (United Russia) and Kazakhstan's **ZhasOtan** (NurOtan). Another important youth umbrella organization of Russia – the **Russian Youth Union** – acts as the operator of the open competition for the provision of presidential grants for non-profit non-governmental organizations. In Armenia, the **Youth Foundation of Armenia**, established in 2010, is the country's chief implementer of youth policy.

The concern of pro-Eurasian organizations over the situation in the media sector is not surprising, given the fact that the leading pro-Eurasian initiatives are associated with the Russian government agencies. The thing is that many representatives of the Russian ruling elite consider the EEU to be not only an economic integration project, but also a cultural and historical partnership with a crucial role of the Russian language as a traditional instrument of international communication. Anatoly Torkunov, the rector of the Moscow State Institute of International Relations (MGIMO) and member of the Integration Club, said at a session of the Club: *"The political struggle for Eurasia looks increasingly like a cultural, axiological, and civilizational antagonism, and the defeat in this struggle would mean a loss of not only sovereignty and control of a territory, natural resources, but also, and most importantly, a loss of national identity, a disintegration of the system of national values."*²³

20 <http://catu.su/analytics/691-o-sozdanii-evrazijskogo-media-sojuza>

21 <http://fondres.ru/index.php/analitika/169-deklaratsiya-o-sozdanii-evrazijskoj-informatsionnoj-ligi>

22 "Pulse of Eurasian", pulsea.ru

23 A. Torkunov's speech at a meeting of the Integration Club, Moscow, 18 November 2013. Annual Report of the Integration Club under the Chair of the Council of Federation for the Year 2013, page 43, <http://council.gov.ru/media/files/41d4c37c0a18ab040e11.pdf>

Conclusion

The weak civil society and peculiar patterns for the representation of political parties in the parliaments of Armenia, Belarus, Kazakhstan, and Russia are the main reasons why the public discussion of Eurasian integration in the EEU member states was so shallow and why the integration project is perceived exclusively as a project implemented from top down. Debate over the 500-page EEU Treaty in the parliaments of the four countries turned out to be restrained and lukewarm. In Belarus and Kazakhstan, the lower houses of the local parliaments supported the ratification of the Treaty unanimously, in the Russian State Duma, only one MP abstained, and only seven Armenian MPs voted against the ratification of the Treaty. De jure non-governmental organizations that are de facto under the direct control of the executive branch are the main implementers of the Eurasian integration idea in the EEU member states. By allocating funds to a number of pro-government foundations and youth unions, the ruling elites of the Eurasian nations seek to legitimize what is in reality the top-down Eurasian project. Many pro-Eurasian institutions and NGOs have recently been increasingly centered on pursuing a more active and concerted media policy in the EEU countries in order to popularize the Eurasian concept.

