Introduction to the Eurasian Economic Union

Evgeny Vinokurov
Introduction to the Eurasian Economic Union
Evgeny Vinokurov

Introduction to the Eurasian Economic Union
“Introduction to the Eurasian Economic Union by Evgeny Vinokurov is a must read for all experts and practitioners specializing in the Eurasian space. Introduction to the Eurasian Economic Union by Evgeny Vinokurov includes all what you need to know about its evolution, structure, policies and practices. Balanced, reliable and clearly written, this book is an essential companion to students and all interested in the region. Easy to follow but complex in content, this is an ultimate introduction to the Eurasian Economic Union showing its development, successes and failures. Perfect for students and general public.”

—Piotr Dutkiewicz, Professor of Political Science
Carleton University, Ottawa

“The Eurasian Economic Union has become an important instrument in Russia’s regional and global strategies. Its history and mechanisms are here described very thoroughly and readably. A valuable handbook for scholars and diplomats. Evgeny Vinokurov is for sure the best person as an insider to explain it all to the outsider. Any future prospects for EU-Russian relations have to take this new regional integration organisation into account”.

—Michael Emerson, Centre for European Policy Studies, Brussels

“Introduction to the Eurasian Economic Union closes an important gap in the research on post-Soviet regionalism and in comparative regionalism studies in general. It is a comprehensive survey of various aspects of the functioning of the EAEU – from the institutional aspects and the external economic relations to the history of the organization and its place among other regional alliances. The study manages to combine a deep and detailed analysis with being clear and open to a wide audience. Being based on a sober and non-ideological approach to the EAEU, it is a real encyclopaedia of the current state of the post-Soviet regionalism – a must read for the students of post-Soviet economy and politics!”

—Alexander Libman, University of Munich
Contents

1 The History of Eurasian Integration: 1991–2016 1

2 Economic and Social Ties 11

3 EAEU Institutions 33

4 Common Markets Within the Eurasian Economic Union: Movement of Goods, Services, Labour, and Capital 67

5 Eurasian Economic Union: Foreign Economic Relations 109

6 A “Normal” Regional Organization: Explaining Eurasian Integration 143

Appendix 1: Chronology of Eurasian Integration, 1991–2017 161

References 189

Index 201
## List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACF</td>
<td>Anti-Crisis Fund of the Eurasian Economic Community</td>
</tr>
<tr>
<td>APEC</td>
<td>Asia-Pacific Economic Cooperation</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of South-East Asia Nations</td>
</tr>
<tr>
<td>BRI</td>
<td>Belt and Road Initiative</td>
</tr>
<tr>
<td>BRICS</td>
<td>a group of five countries: Brazil, Russia, India, China, and South Africa</td>
</tr>
<tr>
<td>CAEC</td>
<td>Central Asian Economic Community</td>
</tr>
<tr>
<td>CCT</td>
<td>Common Customs Tariff</td>
</tr>
<tr>
<td>CEFIR</td>
<td>Centre for Economic and Financial Research</td>
</tr>
<tr>
<td>CFE</td>
<td>Treaty on Conventional Armed Forces in Europe</td>
</tr>
<tr>
<td>CIS</td>
<td>Commonwealth of Independent States</td>
</tr>
<tr>
<td>CJSC</td>
<td>closed joint-stock company</td>
</tr>
<tr>
<td>CSTO</td>
<td>Collective Security Treaty Organization</td>
</tr>
<tr>
<td>CU</td>
<td>Customs Union</td>
</tr>
<tr>
<td>EAEU</td>
<td>Eurasian Economic Union</td>
</tr>
<tr>
<td>EAPC</td>
<td>Euro-Atlantic Partnership Council</td>
</tr>
<tr>
<td>EAU</td>
<td>Eurasian Union (a term used in 1990s–2000s)</td>
</tr>
<tr>
<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>EDB</td>
<td>Eurasian Development Bank</td>
</tr>
<tr>
<td>EEC</td>
<td>Eurasian Economic Commission</td>
</tr>
<tr>
<td>EFSD</td>
<td>Eurasian Fund for Stabilization and Development</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>EurAsEC</td>
<td>Eurasian Economic Community</td>
</tr>
</tbody>
</table>
FDI foreign direct investment
FTA free trade area
GCC Cooperation Council for the Arab States of the Gulf
GDP gross domestic product
GUAM a regional organization consisting of four countries: Georgia, Ukraine, Azerbaijan, and Moldova
HS Code Harmonized System Code
IMEMO Primakov National Research Institute of World Economy and International Relations (Russian Academy of Sciences)
IMF International Monetary Fund
IT information technologies
MERCOSUR Southern Common Market
NAFTA North American Free Trade Agreement
NATO North Atlantic Treaty Organization
NTB non-tariff barrier
OJSC open joint-stock company
PJSC public joint-stock company
PPP purchasing power parity
PRC People’s Republic of China
RO regional organization
SACU Southern African Customs Union
SCO Shanghai Cooperation Organization
SEEC Supreme Eurasian Economic Council (Supreme Council)
SES Single Economic Space
TNC transnational company
UESCA United Energy System of Central Asia
UN United Nations
UNCTAD United Nations Conference on Trade and Development
USA United States of America
USRB Union State of Russia and Belarus
USSR Union of Soviet Socialist Republics
VAT value-added tax
WIIW Vienna Institute for International Economic Studies
WTO World Trade Organization
List of Figures

Fig. 2.1 Distribution of GDP in the EAEU in 2016. (Source: EDB Centre for Integration Studies 2017) 12

Fig. 2.2 Distribution of population in the EAEU in 2016. (Source: EDB Centre for Integration Studies 2017) 12

Fig. 2.3 Per-capita GDP of EAEU member states, $ thousands. (Source: IMF) 14

Fig. 2.4 Public opinion of the EAEU in member states in 2012–2016 (% of different answers). (Note: survey participants were asked the following question: “Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia joined the EAEU (essentially a single market for the five countries). What is your opinion of this decision?”. Source: EDB Integration Barometer 2016) 25

Fig. 2.5 Public opinion regarding support for a country’s membership in the EAEU, grouped by age (% of different answers). (Source: EDB Integration Barometer 2015) 30

Fig. 2.6 Public opinion of the EAEU in non-member states in 2012–2016 (% of different answers). (Note: The surveys asked the following question in countries that are not EAEU members: “Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia joined the Eurasian Economic Union (essentially a single market for five countries). Do you think it would be desirable for our country to join this Union?”. Source: EDB Integration Barometer 2016) 31
List of Figures

Fig. 3.1 Sections of the EAEU Treaty regulating the Single Economic Space. (Source: EDB Centre for Integration Studies) 34

Fig. 4.1 Geographic structure of exports and imports within the EAEU, %. (Source: EEC) 73

Fig. 4.2 Structure of EAEU exports: raw materials and manufactured goods, %. (Source: EDB Centre for Integration Studies 2017a) 75

Fig. 4.3 Structure of the EAEU’s foreign trade turnover with third parties in 2015 and 2016, %. (Source: EDB Centre for Integration Studies 2017a) 76

Fig. 4.4 Stages for “building out” the EAEU’s common markets. (Source: EDB Centre for Integration Studies) 77

Fig. 4.5 Mutual FDI stock of CIS countries and EAEU member states. (Source: EDB Centre for Integration Studies 2017b) 94

Fig. 4.6 Ratio of per-capita GDP (PPP) in the EAEU countries to per-capita GDP (PPP) in Russia, ratio. (Note: Per-capita GDP (PPP) in Russia is taken to be 1. Source: Authors’ calculations) 102

Fig. 5.1 Geographical structure of Chinese FDI in the EAEU, $ billion, as of end-2016. (Source: EDB Centre for Integration Studies) 132

Fig. 5.2 Map of potential BRI transport corridors. (Source: Eurasian Development Bank) 136

Fig. 6.1 GDP per capita at purchasing power parity, $. (Source: Calculations based on IMF data) 151

Fig. 6.2 Share of mutual trade in total trade turnover, %. (Note: ASEAN and NAFTA data for 2015, SACU data for 2010 and 2016. Source: Calculations based on Trade Map data) 151

Fig. 6.3 Structure of exports with a breakdown by broad economic categories, %. (Source: Calculations based on COMTRADE) 152

Fig. 6.4 MFN-applied average-weighted tariff. (Source: TRAINS) 153

Fig. 6.5 Share of migrants from within the RO in total population. Source: EDB Regional Integration Database, based on UN data (international migration trends) 154
List of Tables

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Indicators of socioeconomic development of EAEU member states, 2016</td>
<td>14</td>
</tr>
<tr>
<td>2.2</td>
<td>Public opinion in EAEU member states regarding membership in the Union (by population segments with different levels of income) (% of different answers)</td>
<td>29</td>
</tr>
<tr>
<td>3.1</td>
<td>Organizational structure of the EEC</td>
<td>46</td>
</tr>
<tr>
<td>4.1</td>
<td>Mutual trade volumes of EAEU member states, 2011–2016, $ million</td>
<td>71</td>
</tr>
<tr>
<td>4.2</td>
<td>Mutual trade exports as a percentage of the EAEU’s total exports, %</td>
<td>72</td>
</tr>
<tr>
<td>4.3</td>
<td>Mutual trade imports a percentage of the EAEU’s total imports, %</td>
<td>72</td>
</tr>
<tr>
<td>4.4</td>
<td>Amount of money transfers and remittances from individuals from Russia to Armenia and Kyrgyzstan in 2014–2016, $ million</td>
<td>89</td>
</tr>
<tr>
<td>4.5</td>
<td>Mutual direct investments by EAEU member states at the end of 2016</td>
<td>95</td>
</tr>
<tr>
<td>4.6</td>
<td>EAEU countries’ mutual FDI and the outside world’s FDI in the EAEU</td>
<td>98</td>
</tr>
<tr>
<td>4.7</td>
<td>Medium-term inflation targets in EAEU member states, %</td>
<td>101</td>
</tr>
<tr>
<td>Table</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>5.1</td>
<td>Areas of current work on EAEU trade and economic agreements as of 1 July 2017</td>
<td>114</td>
</tr>
<tr>
<td>5.2</td>
<td>GDP and population in the EU and EAEU in 2016</td>
<td>125</td>
</tr>
<tr>
<td>5.3</td>
<td>Trade turnover between China and EAEU countries (2008–2016), $ billion</td>
<td>131</td>
</tr>
</tbody>
</table>
List of Boxes

Box 1.1  List of Single Economic Space Agreements Enacted Since 1 January 2012 7
Box 2.1  Integration Barometer: A Note on the Methodology 24
Box 3.1  Chairpersons of the EEC Board 48
Box 3.2  EEC Interaction with the Business Community 49
Box 3.3  Where Can Eurasian Institutions Be Located? 50
Box 3.4  Regulatory Framework of the Court of the EurAsEC/EAEU 53
Box 3.5  The Unfulfilled Plan to Transform EDB into the Shanghai Cooperation Organization’s Development Bank 58
Box 3.6  Why Are Regional Development Banks Created? 60
Box 3.7  EFSD: A “Regional IMF”? 64
Box 4.1  Electric Power Industry of EAEU Member States 79
Box 4.2  Conflicts in the EAEU Common Market 83
Box 4.3  Technical Regulation 85
Box 4.4  Importance of Labour Migration and the Common Labour Market for Kyrgyzstan 88
Box 4.5  Why Do We Need to Use a “Bottom-Up” Approach to Monitor Cross-Border Investments? 94
Box 5.1  EAEU and WTO 110
Box 6.1  Two Eurasian Integrations 146
25 Years: Integration Requires Patience

This book is on the Eurasian Economic Union (EAEU)—its content; evolution; organization; economic integration issues; operation of common markets for goods, services, capital, and labour; and foreign economic relations. I strive to provide a balanced analysis using a variety of approaches. Not only do I provide rich data about the economics, politics, institutions, common markets, and foreign economic relations of the Union, but I also try to explain why Eurasian integration processes have developed the way they have and not otherwise. In the last chapter of the book, I indicate the potential objectives and likely problems of the next years.

The EAEU is a young regional organization. It began functioning as a customs union in 2011. It began operating as an aspiring economic union in 2015. Member states established the EAEU based on a certain understanding of their long-term political and economic objectives. In this context, its main purpose is to help member states realize the potential of regional economic ties, modernize national economies, and create the conditions necessary to enter global markets. Establishing a single market for goods, services, capital, and labour is the main aim of Eurasian integration. Additional infrastructure supporting Eurasian integration—Court of the EAEU, Eurasian Development Bank, Eurasian Fund for
Stabilization and Development—is already functioning within the EAEU. Initiatives to form political institutions (e.g., a parliament) are not on the agenda.

The EAEU represents a serious achievement for its members after several “integration false starts” in the 1990s–2000s. Member states must overcome a multitude of obstacles in the future, but the Union is already a reality today. This assertion engenders no particular objections if critics do not hold the EAEU to inflated standards, for example, do not compare it with the European Union—the “model” of regional integration. If readers place the EAEU beside other regional integration projects of varying depth and success—such as NAFTA, MERCOSUR, ASEAN, and the GCC—it is easier to analyse the evolution of the Eurasian integration.

The EAEU has significant successes, but there are also limitations on its further growth. In 2015, the phase of rapid initial progress came to an end (I will show this in the analysis below). In 2016, the integration bloc hit its first wave of conflict and difficulty. Will it be able to advance further? Will it retrogress? The purpose of this book is to discuss the EAEU in terms of facts and hard data.

Ideologically, President of Kazakhstan Nursultan Nazarbayev’s speech in March 1994 at Moscow State University may be called the starting point for the implementation of this large-scale interstate project (see Sect. 1.1; officially, the starting point is 2007—see Sect. 1.2). He proposed an integration paradigm that was fundamentally new at the time: more towards a Eurasian Union based on economics and common defence.

The mechanisms of the Commonwealth of Independent States (CIS) worked throughout the entire decade of the 1990s, actively suppressing various destructive disintegration processes. Industrial councils for transportation and electrical energy, which largely helped maintain the technological integrity of railway systems and power grids, played a special role. Yet the CIS failed to solve the problem of a “civilized divorce”.

In 1995, Belarus, Kazakhstan, and Russia signed the Customs Union Treaty. However, the Customs Union did not actually start working. This was the first false start.
In 2000, five states—Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan—established the Eurasian Economic Community (EurAsEC). Leaders have signed more than 100 agreements through the framework of the EurAsEC. Moreover, the EurAsEC served as the institutional springboard for the initiatives of 2006–2010. For example, the commission to create the Customs Union technically worked within the EurAsEC. The EurAsEC was officially abolished on 1 January 2015 in parallel with the establishment of the EAEU. In 2003, Belarus, Kazakhstan, Russia, and Ukraine signed a treaty to form the Single Economic Space. This initiative also failed to take off due to the Orange Revolution. This was the second false start.

In October 2007, Russia, Belarus, and Kazakhstan signed an agreement to create a common customs territory and form the Customs Union (CU). They expected the action plan adopted at that time, with respect to the creation of the CU, to take two years. There were understandable doubts about the prospects of the latest attempt. However, on 19 December 2009, the heads of these three states signed the Joint Declaration of the Formation of the Customs Union, and on 1 January 2010, the Common Customs Tariff took effect. As early as 2011, the CU of Belarus, Russia, and Kazakhstan began its normal operation, and on 1 January 2012, 17 agreements forming the basis of the Single Economic Space (SES) took effect. These agreements governed a number of key topics in the economic convergence of the “Eurasian troika”—from coordinating macroeconomic policy to labour migration.

Finally, on 1 January 2015, the Treaty on the Eurasian Economic Union took effect. The treaty codified and expanded all prior agreements regarding both the work of the Customs Union and the development of additional areas of integration. It enshrined the EAEU’s institutional structure (see Chap. 3) and detailed a road map for the elimination of exemptions from the common market (Chap. 4). The EurAsEC formally terminated at the same time. New institutions entirely swallowed up its mandate and jurisdiction. Armenia joined the integration union on 2 January 2015, and Kyrgyzstan joined on 8 May 2015 (the decision was ratified and enacted in August 2015).1
Introduction

Structure of the Book

The book has six chapters.

Chapter 1 is a brief excursion into the history of post-Soviet integration since the 1990s, including the disintegration processes of the 1990s and part of the 2000s. Everything started with the “civilized divorce” of the former Soviet republics and the responsible politicians’ and technocrats’ persistent attempts to save critical elements of trade, economic, and infrastructural relationships between countries. Several “integration false starts”—unsuccessful attempts to inaugurate economic integration—followed. In the end, this last attempt proved successful: the book outlines the path from the Customs Union Commission and enactment of the Common Customs Tariff to the signing of the agreements on the Single Economic Space and, finally, to the enactment of the Treaty on the Eurasian Economic Union.

Chapter 2 begins with a brief description of member states’ economies and their dependence on the largest economy of the region. Russia’s enormous influence in the Union, both in terms of economy and population, presents certain challenges to the integration project (but it also creates several opportunities that promote stability). Importantly, the raw material dependence of the Union’s economy, whether direct or indirect, has huge significance for common trade policy and the building of common markets. Next, I briefly characterize the high density of economic ties to justify the need for integration, separately considering indicators of economic convergence and trends in public opinion regarding questions of economic integration.

Chapter 3 presents a detailed description of EAEU institutions—mainly the Supreme and Intergovernmental Councils, Eurasian Economic Commission, as well as the EAEU Court, Eurasian Development Bank, and the Eurasian Fund for Stabilization and Development. The underlying document—the EAEU Treaty—is examined in detail.

Chapter 4 examines the common markets for goods, services, labour, and capital. The common market is the “heart” of the integration project. The book examines trends in mutual trade and mutual investments. It evaluates the progress of eliminating exemption from the common
markets (EAEU Treaty road map). Then, it considers the complex but singularly important question of unifying and minimizing trade barriers. I describe how the single labour market is set up, how it functions, and what its constituent parts are (a question that affects the lives of millions of migrant workers and their families every day). Finally, the text sets forth approaches for coordinating the currency, budgetary, and monetary policies of EAEU member states.

Chapter 5 addresses the EAEU’s foreign economic relationships: its expansion, the forming network of free trade zones, and relationships with the European Union, United States, and China.

Chapter 6, the concluding chapter of the book, provides an understanding of the theory and ideology of Eurasian integration, its objectives in the coming years, a set of international comparisons, and a brief discussion on the difficult challenges that the EAEU is likely to encounter.

I would also like to draw the reader’s attention to the Appendix. It is a chronology of Eurasian integration for 1991–2017 (with approximately one page per year), in which I highlight the most significant economic and political events.

In writing this book, I strived to be as concise as possible. The objective was to provide the market with a book for a wider audience—economists, political scientists, experts on international affairs, sociologists, students, and general audience with the interest in the EAEU and the diverse processes in and around it. Nevertheless, I warn you up front that certain parts of the book may still be... well, boring. This mainly applies to the sections in Chap. 3 on the EAEU institutions—the Commission, Court, and the Intergovernmental and Supreme Councils. Furthermore, reading a description of the EAEU Treaty may also be boring. You have been forewarned and thus forearmed: you can leaf through these sections when reading and then use them later as a reference. But I felt I could not exclude this information from the comprehensive treatment of the Eurasian Union.

The virtual absence of a published book that serves as a full-fledged introduction to the EAEU—a book that students and specialists from various fields (economists, political scientists, experts on international affairs, and social scientists) could use to acquaint themselves with the EAEU—motivated me to prepare and publish this work. This can be explained
not only by the EAEU’s young age but also by the widespread scepticism
towards Eurasian integration. I hope my monograph will help dispel
some of this scepticism: the EAEU is an entirely “normal” and active
regional organization with its own successes and failures.

Without claiming to make a complete survey of the literature, I will
mention four substantial monographs—Dragneva and Wolczuk (2013),
Vymyatnina and Antonova (2014), Dutkiewicz and Sakwa (2015), and
Lane (2017). The first of these books mainly addresses legal and institu-
tional matters. The second is an economic analysis with a horizon through
2012; the third analyses the economic, political, social, and security
developments in the region with the particular focus on the country level
with a horizon through 2013; the last one is about the EAEU’s potential
role in the global community and its foreign policy. Furthermore, a chap-
ter by Hancock and Libman (2016) in *The Oxford Handbook of
Comparative Regionalism* deserves special mention. It is excellent in its
content and balanced in its opinions.

**Acknowledgements**

This book is a child of research pursued by the Centre for Integration
Studies, an in-house think-tank of the Eurasian Development Bank. I
am thus in debt of all colleagues at the Centre. I am also grateful to
numerous colleagues around the world whose comments strengthened
the arguments and logic of this monograph. I would like to express deep
gratitude to Anna Isakova for meticulous technical assistance.

**Note**

1. Systematic surveys of the evolution of Eurasian integration are presented
   in Hancock and Libman (2016) and Libman and Vinokurov (2012).
**References**


1.1 “Civilized Divorce” and False Starts of the 1990s and 2000s

Comprehensive and far-reaching international projects often have difficulty getting off the ground. The establishment of the Eurasian Economic Union (EAEU) is a serious achievement for its members after the collapse of the USSR and the disruption of production chains formed over centuries even in the days of the Russian Empire. At the beginning of the 1990s, Soviet republics prioritized minimizing losses above all else. The bodies and industry councils of the Commonwealth of Independent States (CIS) pursued this critically important objective. The uninterrupted operation of the railways and power grids depended on its successful achievement. At that time, politicians and experts simultaneously tried to create a working plan for economic integration under the new conditions of independence and the transition to a market economy.

The starting point for discussing questions of post-Soviet regional integration was the need to come to an agreement regarding the future fate of the USSR in 1991. Amid the precipitous collapse, the state idea of creating a “weak” confederation—the Union of Sovereign States—did not find support among the Soviet republics. In December 1991, three heads
of state, representing Russia, Ukraine, and Belarus, signed an agreement to terminate the existence of the Soviet Union and to simultaneously set up the CIS. Soon afterwards, Central Asian states joined the CIS.

From the very beginning, the CIS did not harbour any ambitions to become a federated state one day. The organization’s membership formed quickly: 12 of 15 Soviet republics (all except the Baltic States) joined the CIS by 1993. However, the list of agreements that had to be signed by all CIS member states was modest at that time and did not even include the CIS Charter. Legislatively, the CIS distinguishes between a Commonwealth “member” and “associate” depending on whether the state has ratified the CIS Charter. Member states had the right to refuse virtually every agreement, which they in fact did systematically; many countries signed certain agreements with specific provisions and limitations. However, in 1992–1993, post-Soviet integration was explicitly linked to the CIS; most of the agreements signed in this period related directly to this organization. However, this was also the most contradictory period in the integration process. In these years, more than integration, the countries of the former USSR worried about finding a peaceful resolution to potential differences and conflicts associated with disintegration through a process frequently referred to in the literature as a “civilized divorce”.

The idea of a Eurasian Union (EAU) first appeared at a high level in a speech by Nursultan Nazarbayev at Moscow State University on 29 March 1994. The previous week, while speaking at the Chatham House in London, the president of Kazakhstan noted that two trends defined the development of the post-Soviet space: on the one hand, the nation-building and—on the other hand—the need for integration, so it was “reasonable to create a real working union of states on the basis of a ‘nucleus of countries’”.¹ In his Moscow speech, Nazarbayev directly mentioned two components of a future Eurasian Union: deep economic integration (precisely what EAEU institutions are working on) and a defence union (implemented as the Collective Security Treaty Organization [CSTO]).

The time has come to take our countries’ relationships to a qualitatively new level through new interstate associations and based on the principles of voluntary action and equality. This association could have been the
Eurasian Union (EAU), which was to be built on principles other than those of the CIS, since the new association’s foundation was to be built by supranational bodies called on to handle two critical tasks: form the Single Economic Space and support a policy of joint defence. However, it is important to emphasize that all other matters pertaining to sovereignty, domestic state and political structure, and each member’s foreign policy activities, remain inviolable and assumes non-interference in each other’s internal affairs.\(^2\)

In 1995, the “troika” (Belarus, Kazakhstan, and Russia), which today remain the core of Eurasian integration,\(^3\) signed the *Customs Union Treaty*. The document called for the elimination of barriers to free economic interaction between the parties’ commercial entities and support for free exchange of goods and honest competition. However, the agreements were not actually implemented: the centrifugal forces of the 1990s were too powerful. In 1995, the Customs Union (CU) became the first integration false start.

2 April 1997 saw the birth of another integration association that stands alone in the history of Eurasian integration—the *Union State of Russia and Belarus (USRB)*. On 26 January 2000, these countries enacted the Union State Treaty, which had been separately signed in 1999. We will not go into detail about the USRB: its activities are tangential to the main track of Eurasian integration following the CIS-EurAsEC-CU/SES-EAEU line, chiefly due to the bilateral nature of the association. Still, we will briefly enumerate a few of the achievements of the Union State. The most important of them is the abolishment of border control. Travellers were the first to notice: trains cross the Russo-Belarusian border “unheeded”, just like the borders of countries in the Schengen area. This does not happen anywhere else in the post-Soviet space, even between Russia and Kazakhstan. There are also several less substantial results—in terms of the labour market and close interaction between parliaments in the Parliamentary Assembly.

On 26 February 1999 in Moscow, the presidents of Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan signed the Treaty on the Customs Union and the Single Economic Space (SES).