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The European Union & the Eurasian Economic Union: competing regionalisms towards the neighbourhood?

Ukraine being sandwiched between two blocs.

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1. INTRODUCTION

In the past decades the sovereign state became less and less important in the light of global trade, investments, and labour markets. Regionalism has become a dominant economic and political way of uniting countries in trading blocs and other forms of integration. This evolution has been marked by an increase in regional integration projects which altered the way individual states tackle economic and political issues, now dealing with them on supranational levels in a harmonised way. The WTO registers more regional trade agreements than ever before. This has led to a sharp rise in free-trade zones. Today, more than 200 free trade agreements are globally operative, covering more than 35% of global trade (Van den Bossche & Prévost, 2016).

In this dissertation, we will be analysing the quite recent economic integration project of the Eurasian Economic Union and its attempt to absorb the post-Soviet countries falling at the same time under the EU's Eastern Partnership.

The ambition of Putin to reintegrate the post-Soviet space into a Eurasian Union, based on the model of the European Union, has already raised some dust. Former Secretary of State and ex presidential candidate Hillary Clinton described the Eurasian integration project as a "re-Sovietisation of the region" (Radio Free Europe-Radio Liberty, 2012). Although the initial attempts of Russia to bring back together the parts of the former Soviet Union, with the weak and powerless Commonwealth of Independent States (CIS), wasn't bringing the desirable result, the pragmatic approach in building the common market between Russia, Belarus and Kazakhstan promises to have more potential. With the Eurasian Economic Union as the current outcome, the regional integration project seems to deliver an ambitious, though difficult, program in the post-Soviet region.

The Eurasian Economic Union is a very recent economic collaboration between the Russian Federation, the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, and the Kyrgyz Republic (Eurasian Economic Commission, 2015). On January 1, 2015, the short history of Eurasian integration has been deepened. Since the collapse of the USSR in 1991, Russia has been urgently seeking for collaboration projects in order to reintegrate the newly independent republics (Dragneva & Wolczuk, 2012). As the integration of former Soviet republics in Western bodies like NATO or the EU poses a serious threat to Russia's sovereignty, pursuing a reintegration policy is of great significance to Russia (Blank, 2014). The integration attempts before the EAEU weren't sufficiently tangible to constitute a credible alternative for the EU in the region. But, the formation and completion – at least partially - of this Eurasian integration process, can potentially counter the EU's commitments in the post-Soviet space. The EU is active in this area in the context of the European Neighbourhood Policy (ENP) and the Eastern Partnership (EaP).

With the establishment of the Eurasian Customs Union in 2010 – besides Russia this formation has been including Belarus and Kazakhstan – the EU-Russian relations became more tense, as they now competed both for a "shared neighbourhood". The shared neighbourhood consists of the former Soviet states that are included in the Eastern Partnership, i.e. Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Most of them work closely together with one or the other bloc, which reflects political and economic preferences. However, those countries have generally the same level of trade with both blocs.

When analysing the Eurasian integration process, it is indispensable to have a look at Russia, as it is the director of this alliance. Regarding this, in this dissertation there is often a reference to Russia when we are talking about the integration in the region. Reason for that is mainly Russia that desires to incorporate Ukraine in the EAEU. Russia pushes its periphery to support the project of the Eurasian Union, more than other integration projects in this region. Russia's strategic political goal has always been the creation of an "empire", in line with its imperialist tendencies. It is primarily Russia that influences and leads the political agenda towards this integration. With the arrival of Putin as president in the late 1990s, these integration efforts have been pushed a lot. As Russia has the largest weight in this formation, historically as well as economically, politically and geographically, it is not surprising that this country is the main force behind the integration process. The Russian leaders' dream of "Eurasianism", i.e. the creation of a Eurasian civilization, besides European and Asian civilizations, was also being developed as a reaction against the "Western moral decadence" (Weitz, 2014). Russia is increasingly seeking for a "sphere of privileged influence" in the former USSR space. As the former Soviet Union republics are geographically in the neighbourhood of Russia, Moscow considers itself as the obvious leader exercising its control over this region. The question here is whether the Eurasian integration project is only a pretext for Russia to extend its power in the neighbourhood or rather a real integration process with positive political and economic consequences for each of its members. Like that the question rises whether trade is in this context rather used by Russia to impose its will and to maintain its relation of power with its neighbourhood.

Russia has always been a 'power-maximizing' country, aiming at political, economic and military dominance in the Eurasian region (Shkaratan, 2015). In the Eurasian Economic Union, Russia is able to take up this dominant role.

On the other side of the "Near Abroad" of Russia, there is the EU, which has also developed a foreign policy towards the countries of the post-Soviet space. Which remained for years a blind spot in the EU's policy, became increasingly important after the enlargement to the East in 2004 (Keukeleire & Delreux, 2014). As a consequence, the EU had to deal with 'new neighbours', being the countries that are falling under Russia's foreign policy at the same time. The direct geopolitical competition between the two has led to an area of tension between them. Their relationship, already deteriorating since Russia's growing assertiveness since the 2000s, has been characterized by an increasingly confrontational approach since then.

Although a lot of academics and policy-makers share their scepticism towards the EAEU, the organisation has now a more powerful institutional structure than its precursors and it is an international legal body, consistent with the World Trade Organisation (WTO) regime. Even if the EAEU doesn't pose a reliable alternative to the EU, the EU is required to change its approach towards the east, if only because of Vladimir Putin's crude power agenda (Dragneva & Wolczuk, 2012).

In order to provide an answer on the research question of this thesis, which will be presented further, the dissertation is organized in the following way. First, the problem statement will give an explanation of the background of the analysed problem and the two regional integration options for Ukraine. Then, the central research question, including the hypotheses, will be carried out regarding this problem statement. The formulation of this will be followed by an explanation of our research design. Here, we present the method used to conduct our research. The body of the dissertation starts with the state of play of the two Eurasian integration process and describes the relations between the EU and the

EAEU, or more specifically, Russia. This section will provide us with a crucial historical background of our topic, as the developments in the last two decades and even earlier are essential for understanding and analysing today's situation. Here, our case-study of Ukraine is also described from a historical and a contemporary point of view. Further on, the own research is realized with a qualitative and quantitative analysis of the institutional, political and economic features of both integration options offered to Ukraine. This research will result in a conclusion, comparing the integration options for Ukraine on these three axes (institutional, political, and economic). This comparative analysis should allow us to draw conclusions about the research question, thereby confirming or falsifying the hypotheses. Finally, the conclusion consists of a brief summary of the research carried out in the dissertation and reaches possibilities for future research.

2. PROBLEM STATEMENT: THE CASE OF UKRAINE

Ukraine has already been navigating for many years between the EU and Russia. As a consequence, the country is often the ball in a game of power politics between these two blocs, with the characteristics of a "proxy conflict" (Haukkala, 2015). Russia and the EU became direct competitors in this country, with Russia perceiving Ukraine as its 'Near Abroad', and at the same time the belonging of Ukraine to the Eastern Neighbourhood of the EU. This "clash of integration processes" developed because Russia regards the former Soviet-countries as part of its exclusive sphere of influence and on the contrary the influence of the EU in the country of Ukraine (Keukeleire & Delreux, 2014). Russia wants Ukraine, besides other neighbouring countries as Belarus and Kazakhstan, to take part in its Eurasian Economic Union. This Eurasian integration scheme has to counterbalance the approximation of Ukraine towards the EU, particularly in the economic field. It is clear that the tensions in EU-Russia relations are mounting due to the on-going crisis in Ukraine, whereby the Crimean peninsula is incorporated into the Russian Federation.

Ukraine, lying in between those two regional blocs and thus serving as "shared neighbourhood" between the EU and the EAEU, is seen as a normative battleground between the two (Dragneva & Wolczuk, 2012). Russia has been trying, with mixed successes, to discourage Ukraine to choose for the Association Agreement with the EU, including a Deep and Comprehensive Free Trade Area (DCFTA). While the two normative powers want to obtain influence in Ukraine, for Russia it is more than just neighbourhood policy, as it is for the EU, but it goes a lot further: succeeding in involving Ukraine is for Russia the essential step in proving its Great Power ambitions.

Not only in normative terms, but also economically and politically, the two trading blocs want to integrate Ukraine. Both Russia and the EU tried and keep on trying to strengthen the economic ties by reducing barriers to trade (tariff as well non-tariff barriers) between them and involving the country in their common labour markets (Bordachev, Kazakova & Skriba, 2016).

As both integration blocs made clear that Ukraine can't participate in other integration organisations but its own, there is a real competition between the two (Bordachev, Kazakova & Skriba, 2016). Nevertheless, the two blocs aren't offering the same association formula to Ukraine. The integration

with Russia supposes a full integration as a member within the Eurasian Economic Union, whereas the EU doesn't intend membership in the EU for Ukraine, but only for advantages in the economic area.

Will the EU be able to maintain its claim of normative, economic and political hegemony towards Ukraine? Indeed, Russia uses all its power to influence Ukraine and to try to incorporate the country in its own project of economic integration. Russia presents the Eurasian Economic Union as a viable alternative to the EU, offering a Eurasian-led economic integration. But is Russia's economic power sufficient in order to counter the economic influence of the European Union? Is the economic interdependence between the members of the EAEU strong enough to attract new members in this integration process?

The EU has concluded negotiations over an Association Agreement with countries in the post-Soviet space, being Moldova, Georgia, and Ukraine. The case of Ukraine was chosen because of the important role the country is playing in the neighbourhood policy of both the EU and the EAEU. Ukraine is highly instructive for this case-study. For the EU, Ukraine has been the first country to set up the negotiations about an association agreement in 2008 (Delcour & Wolczuk, 2013). Regarding the size and weight of Ukraine, it is the largest and economically most important country of the shared neighbourhood. Moreover, it is the only country in the Eastern neighbourhood that would benefit considerably from EU market access.

Initially, the EU had a monopoly on normative power over Ukraine, promoting economic integration with the EU (Delcour & Wolczuk, 2013). Before the 2000s, the EU exerted its influence in the post-Soviet space through soft law, with non-binding legal obligations, without constituting a risk for the relations of the Commonwealth of Independent States (CIS) and Russia. Anyhow, the situation in the neighbourhood started to change with the Association Agreements the EU proposed to its Eastern neighbours. These Association Agreements, with DCFTA, functioned as a legally binding framework to promote domestic reforms in the area. The EU's shift to a hard law-approach posed a challenge to Russia's relations with their 'shared neighbourhood', especially with the launch of the Eastern Partnership in 2009. As a reaction to this, Russia intended to take up the role as the only normative power in the region. Through rule-based economic integration, with a focus on institutionalisation and legalisation, Russia and the EAEU are competing in a region where the EU was initially the only actor. The legal shift from a soft-law framework to a policy with a hard-law basis has changed the context of economic integration in Ukraine dramatically.

3. RESEARCH QUESTION & HYPOTHESIS

A lot of studies (Burakovsky, 2010; Cottier & Wermelinger, 2015; De Micco, 2015; Dragneva & Wolczuk, 2015; Lane & Samokhvalov, 2015; Movchan & Giucci, 2011; Tarr, 2015) have already proven that Ukraine would gain far more in economic terms from the DCFTA's with the EU than from the Eurasian Economic Union. This question doesn't have to be raised anymore. However, a lot of other questions still remain. Why, for example, would Ukraine benefit more from the EU than the Russian integration scheme? And could the same be said about political advantages as about economic advantages? Is Ukraine losing some important assets from its relationship with Russia by integrating with the European Union? We should also have a look if there is support for either the EU or the EEU in Ukraine, both in political as economic circles, but also within the civil society.

All these remaining questions lead to one central research question, along which we will compose the research:

Can the European Union and the Eurasian Economic Union be interpreted as competing regionalisms towards Ukraine?

In this dissertation, we will, therefore, investigate whether the Eurasian Economic Union could act as a counterweight for the European Union in the struggle to involve Ukraine in its sphere of influence. Even if Ukraine is heading forward on its path towards the EU, it is worth analysing the potential of the EAEU in the country. Establishing a clear answer to this research question means looking at the current developments of regional integration with Ukraine. As the Eurasian Economic Union has been the most ambitious and enhanced integration project in the Eurasian region since the collapse of the Soviet Union, it is important to analyse its capacity in the political and economic area regarding Ukraine.

In order to deepen our analysis and to have a complete insight in the complex mechanisms of regional integration in the shared neighbourhood, we established the following subquestions:

- *Does the upgrade of the Eurasian integration, with the establishment of the EAEU, constitute a real challenge to the EU's integration efforts in Ukraine?*
- *Is the perception of the EAEU as an 'instrument of Moscow's foreign policy' valid in this case?*
- *Could the EAEU function as a new multilateral platform for Ukraine, able to shape its political and economic relations?*

Furthermore,

- *To what extent is the EU able to counter the use of military power of Russia in Ukraine?*
- *What are the strengths and the weaknesses of both integration programs towards Ukraine?*

Taking into consideration the research question and the subquestions, the following hypotheses are formulated:

H1: *The European Union and the Eurasian Economic Union can be interpreted as competing regionalisms towards Ukraine.*

However, this hypothesis needs to be put in perspective, which leads us to the second hypothesis;

H2: *The EU is more attractive towards Ukraine than the EAEU.*

At first sight, these two hypotheses seem to be contradictory. However, the second hypotheses tries to clarify to what extent the first hypothesis, i.e. the two integration blocs as competing regionalisms, applies. Research has to sort out if the attractiveness of the EU is valid on different axes, such as in the political as in the economic field. The combination of these hypotheses brings the expectations of our research to the actual context, being the pro-EU direction Ukraine has been heading. Nevertheless, the fact that Ukraine currently has chosen for an integration with the European Union, might at the same time mean that it is giving up important benefits the Eurasian integration could have provided. Moreover, out of our research should be clear whether the political and economic elites, as well as the Ukrainians themselves, are fully supporting one or another integration structure. It is thus not necessary to be more attractive towards Ukraine in order to pose a challenge in various domains to the country, which explains the choice of these two hypotheses.

With this set of research questions and hypotheses, we can construct our research along this framework, in order to provide an answer and to confirm, either falsify, the hypotheses.

4. RESEARCH DESIGN

In order to provide an answer to the research question, we will carry out a qualitative analysis. The qualitative research will present an overview of the policies and strategies used both by the European Union as Russia, in the framework of the Eurasian Economic Union, towards Ukraine. In doing this, we will make use of previous analysis as well as up-to-date information from primary resources. Primary resources consist mainly of a Eurasian Economic Commission report about the EAEU (2015), and a study conducted by the European Parliament (De Micco, 2015). Further on, our analysis is also based on the recent research of Vinokurov, director and researcher of the Eurasian Development Bank. In March 2017, Vinokurov conducted research to the current state and the preliminary results of the EAEU in various domains, such as in the economic field. This is the most recent literature we can find about the EAEU. We will also make use of the founding Treaty on the Eurasian Economic Union in order to analyse its institutional genesis and design. These resources will provide us with crucial facts about the institutionalisation, the politics, and the economics of both integration options. To be clear, it will be the EU's Association Agreement, including the DCFTA, with Ukraine, that will be analysed. The understanding of the institutional, political, and economic interdependences with Ukraine is a necessary step for the study of our problem statement.

Our qualitative analysis will be complemented with some important quantitative data to investigate the economic state of play of both integration projects. The quantitative method will allow us to draw precise conclusions about the economic attractiveness of both the EU and the EAEU to Ukraine. The data will be extracted from both secondary and primary sources, being databases from organisations such as Eurostat, and the institutions of the EU and the EAEU. The economic indicators will allow us to compare easily the economic integration of both blocs, which leads us to the final step of the dissertation, being the comparative analysis.

The method used in this thesis builds upon the qualitative and quantitative data collected in the research. In order to provide a complete answer to the research question, we will conduct a comparative analysis based on the institutional, political and economic data we collected throughout the research. The comparative analysis will enable us to draw conclusions about the integration options for Ukraine, not just economically, but also in the political domain as well institutionally.

To summarise, in order to compare the attractiveness of both the European Union and the Eurasian Economic Union towards Ukraine, we will compare and analyse the two regional organisations on a 3-axis-scale:

- *The institutional framework;*
- *The political integration;*
- *The economic integration.*

This 3-axis scale should make it possible to measure the impact in these three domains on Ukraine.

We have made this methodological choice because this is in line with previous researches in this area. However, there is a lacuna in the available literature because the establishment of the Eurasian Economic Union is only a recent development. As a consequence, it is needed to provide an update about the recent developments in EU-EAEU relations towards Ukraine. With this research, we intend to fill up this gap in the existing academic literature.

5. LITERATURE REVIEW/STATE OF PLAY

In what follows we will describe the two regional blocs which pose a strategic choice for Ukraine. It is clear that these two have other origins, other contents and another historical development. These regional integration projects are both stemming from a certain historical background and this already explains the strengths of these organisations to quite some extent.

In general, as seen from examples of other regional integration processes, constructing a new integration project is not an easy task to do (Defraigne, 2016). A lot of other associations don't produce a remarkable added value for its member states, such as the Central American Common Market (CACM), the South Asian Association for Regional Cooperation (SAARC), the Andean Community or the Asia-Pacific Economic Cooperation (APEC). National protectionist lobbies are always a problematic and slowing factor when dealing with regional integration processes. Other important obstructions to integration keep on being technical barriers to trade, exclusion of FDI, subsidies disturbing competition and other protectionist measures. These preventive rules distort regional agreements and limit economies of scale, although they are in general more efficient than national monopolies or oligopolies. However, it isn't guaranteed that every member taking part in the integration takes the same advantage as other members. This is also possible for the EAEU and has to be examined, as Russia is the main player and is seen as the "leader" in this integration project. Furthermore, some member states of the EAEU are using such protective measures and it is of the utmost importance to have a look if this protectionism is sufficient to constitute an obstacle for the economic integration.

Some problems of regional integration processes mentioned above are also applicable to the EAEU, but besides these, there are some additional important specificities. We will describe them in the following paragraph about the Eurasian integration process.

5.1. EURASIAN INTEGRATION

The process of Eurasian integration is a complex and multifaceted phenomenon, due to the various interests at stake, the historical roots and the geopolitical context. It is difficult to define the last step of this integration, the Eurasian Economic Union, as a purely economic project, as there are important political and geopolitical issues driving the ambitions for integration.

As the EU was created as a project of peace after World War I and II, so should the EAEU be understood as an indirect consequence of the Soviet period. Therefore, it is important to go back to the origins of Russia and its periphery and analyse the EAEU not only from a contemporary point of view, but also from a historical perspective. The hegemonic ambition of Russia is not a recent notion, but already finds its roots in the Tsarist and Soviet heritage (Blank, 2014). Both historically and contemporarily, Russia has the dream of being a great power and wants to build an empire under its leadership, integrating all the countries of the former USSR. This aspiration has always been the central *leitmotif* in Russia's policy. Moreover, through the different integration arrangements in the post-Soviet space, leadership has always been central in the processes of integration (Dragneva & Wolczuk, 2012). The personalities of the leaders of the different member states have continuously played an important role in the ambitions of the Eurasian integration project. The integration process can be developed fast due

to ambitious leaders, but, it can also cause uncertainty about the future of the union, as this is dependent on the leadership.

One continuity characterising the period after the break-up of the Soviet Union, is the fact that the relations between the countries of the post-Soviet space always experienced distrust (Sakwa, 2016). The establishment of a Eurasian-wide new community, comprising all post-Soviet states, failed due to a lack of sovereign equality and the absence of shared security institutions.

5.1.1. HISTORY OF EURASIAN INTEGRATION

I. 'EURASIANISM'

'Eurasianism' is a concept that not only refers to the recent economic unifying efforts, but to a large extent also to historical experiences and to the discourse of creating a civilizational identity (Lane & Samokhvalov, 2015). It is not a new phenomenon in the region, as it was elaborated almost a 100 years ago. From a historical point of view, the Eurasian world consisted of Russia, Belarus, Kazakhstan, Ukraine (partly) and Kyrgyzstan (Shkaratan, 2015). The Eurasian Economic Union is thus not merely an artificially constructed gathering of states in this region, but they are also historically connected for socio-economic and sociocultural reasons.

The Eurasian economic integration project is thus based on the broader concept of 'Eurasianism', a historical discourse shaped by natural and historical experiences. It demonstrates that the current member states of the Economic Union, and to some extent also Ukraine, were already incorporated in the Eurasian world, due to their homogenic societal and economic organisation. As a consequence, it was not a coincidence that these states formed the Soviet Union. After the collapse of the Soviet Union, these countries shared some important factors, such as a disordered social structure, the absence of private property, the failure to install a liberal democracy and capitalist-based institutions etc. Eurasianism provides a civilizational alternative to the neoliberal regimes installed in the USA and the EU. Contrary to liberal democracy, it emphasizes state sovereignty and the role of the state in the economy.

Historically, Russia has always functioned as the core of the Eurasian region since the Mongol invasion. Moreover, Russia's urge for power has been a constant feature throughout its history. The power of the state has always been a main concern for Russian policy makers, which has created a specific type of social order in the country. In academic terms, this is called "*etacratism*", "*statism*" or "*etatism*" (Lane & Samokhvalov, 2015). The goal of this strategy is to maximize power in order to dictate the rule towards other actors by intensifying the military and ideological dimension of the political system. Here, economic objectives are secondary, because the political elites of a powerful state will however benefit economically from its status in the world.

The theory of Eurasianism, elaborated in the 1920s, indicates the historical belonging of the current members of the EAEU to a certain domain (Shkaratan, 2015). The countries in the Eurasian region are not linked in a purely geographical sense, but they share some particular ethnic, cultural and historical characteristics that distinguish them from Europe and Asia. This interconnectedness even goes back to the Mongol period.

II. BACKGROUND BEFORE AND AFTER THE COLLAPSE OF THE USSR

Although it was the president of Kazakhstan, Nazarbayev, who introduced the concept of a Eurasian Union for the first time in 1994, it has always been under Russian control and leadership because of its huge historical, economic and political weight in the region. In order to have a complete insight into the integration process of the Eurasian Economic Union, we should have a look at the events occurring in Russia before the collapse of the USSR in 1991. The roots of the EAEU in the Soviet Union and even the timespan before the SU are important in order to understand today's economic characteristics and the relations between its members and potential members.

The Russian Tsar empire developed a strong state machinery until the revolution of 1917. This state-controlled economy emerged as a reaction to the threat of military invasions by the more advanced economic powers of that time, being France, Great Britain, Prussia and Sweden. The civil war brought a severe disintegration and disorganisation to its economy and the state (Gregory & Stuart, 1990). In the meantime, the Soviet power stabilised after 1922 and installed a bureaucratic regime while realizing a brutal collectivisation to become an industrial power. This strategy of industrialisation and bureaucratization of the Stalinist regime intended to enlarge the degree of interdependence between the different nations of the USSR. In order to minimize the differences between the centre and the outskirts of the Soviet space, a central planned economy was installed to underpin the political ideology. This planned economy made it possible for the peripheral republics to benefit from the developments in the centre, while this wouldn't have been possible in a decentralised capitalist economy (Nagels, 1993).

Subsequently, with the breakup of the USSR in 1991, Yeltsin was elected as president and made an end to the planned economy (Radvanyi, 2007). The clan Yeltsin, surrounded by oligarchs, shifted the country to neoliberal politics and carried out a privatisation of the centralised economy of the SU. At the same time he proclaimed the independence of the Soviet republics, but transport and energy infrastructure, built up by the soviet regime, continued to play a role in the economic interdependence between Russia and the new independent countries. As a result, today's technological and economic interconnectivity of this formation of countries stems from this Soviet period. In the light of this heritage, the EAEU can thus be interpreted as an attempt to reintegrate these parts of the ex-Soviet Union despite the removal of the centralized economy. The political and economic objectives of the EAEU are still linked to these historical events.

The '90s brought a lot of instability to Russia. Regarding its position in the world economy and also geopolitically, the country experienced an important decline (Defraigne, 2016). Economically speaking, there was a severe economic and social decline, with decreasing employment rates, industrial production, lower birth rates and life expectations. Geopolitically, the former centre of the USSR wasn't able to impede the NATO and the US to incorporate the East in its security association, including the former Warsaw Pact countries. The country reached rock-bottom with a financial crisis of government bonds (called the "GKO crisis") and a devaluation of the rouble by 50%. However, under the presidency of Putin in 1999 this devaluation generated the competitivity needed for the country's economic growth. An industrial policy, adopted by the couple Putin – Medvedev, had to support the Russian progress by rationalising production capacities. Although there had been an improvement of the Russian economy during this decade, the combination of some weak characteristics of the country, such as its demography, with a rapid ageing of the population and its dependence on the exchange rate of export of raw materials, led the country to a new financial crisis in 2008. Russia's weak economy

and hopeless perspective on growth made Russia urge for a bigger internal market and a larger economy of scale, which made the Eurasian Economic Union an attractive idea. The economic development of Russia since the collapse of the USSR can thus be considered as one of the reasons for the elaboration of a Eurasian Union. Russia also sees in the Eurasian Union an opportunity to reintegrate the former Soviet-states in a political way, even those that are included in the regional integration policy of the European Union in the eastern neighbourhood.

III. PRECURSORS OF THE EURASIAN ECONOMIC UNION

The concept of a Eurasian Union has been introduced for the first time in 1994 by the Kazakh president Nazarbayev in reference to the European integration process of the European Union (Defraigne, 2016). Nevertheless, it wasn't before 2011 that an agreement for the realisation of such a Union was made between the Russian, Kazak and Belorussian presidents. The first supranational institutions, based on those of the EU, made their entrance in 2012. Much faster than other regional integration processes, such as ASEAN or Mercosur, the countries of the EAEU have been engaged in an ambitious regional integration project with important supranational institutions, parallel with the EU.

The Eurasian Economic Union that was put into place only in January 2015 is not the first form of economic integration between these countries. There have been precursors of this economic integration as well as similar alliances, complementary to this integration project. We are going to discuss both here in order to be able to distinguish all these collaboration projects in the Eurasian space.

The Eurasian Economic Union has not been built up out of nothing. Its foundations can be located in the mid-90's (Eurasian Economic Commission, 2015; Dragneva & Wolczuk, 2012; Blank, 2014; Weitz, 2014; Tarr, 2015; Lane & Samokhvalov, 2015). Through these previous integration attempts, we can detect a continuity but at the same time important changes, regarding the scope and the geographic coverage of the projects. The constancy over this period has always been Russia's desire to be the head of a multinational framework, including a legal and institutional implementation, integrating the former Soviet states. It is remarkable that the integration organisations were mainly organised in order to create an economic union with customs, while the motive behind it was not economic, but most of all political. The integration project that is now mainly steered by Russian president Vladimir Putin was put into place by its predecessor Boris Yeltsin, with the first initiative being called the Commonwealth of Independent States (CIS).

Although the CIS was only established after the collapse of the Soviet Union in 1991, it had already been prepared before this event (Samokhvalov, 2015). In 1990 a treaty was being prepared to change the centralized Soviet model to a federalised system of the Union of Sovereign States. The treaty, called the 'Novo-Ogarevo process', has ultimately been cancelled because of the August Coup in Moscow. Nevertheless, soon after the collapse in 1991, a new agreement was reached, known as the 'Belovezha Accords', between three Soviet Republics being Russia, Ukraine and Belarus. The commitment though of all the other post-Soviet countries to establish the CIS soon casted a shadow over this project and replaced it as the main substitute for the Soviet Union.

FIRST POST-SOVIET INITIATIVE: CIS

The multilateral framework of the Commonwealth of Independent States (CIS) was the first initiative set up after the disintegration of the Soviet Union (Dragneva & Wolczuk, 2012). Being established in December 1991, the 12 newly independent states, except for the Baltic countries, made an effort to unite themselves around a new economic project. In this period, the CIS was seen as the most important integration project in the Eurasian space after the break-up of the Soviet Union in 1991 (Weitz, 2014). Initially, the organisation mainly functioned as a facilitator for a "civilized divorce" between its members. Although the CIS was provided with an institutional set-up and a common legal framework, it was lacking in political will to engage in a powerful economic project. The Economic Court of the CIS and its permanent judicial structure, established to judge over inter-state disputes, didn't have an influential role as it only managed to deliver recommendations. The absence of a binding mechanism to follow up compliance with the obligations of the agreements stresses the weak nature of this alliance. Despite the ambitious rhetoric and the various agreements in the economic, political and security domain that the organisation and its members signed, the CIS did not have a significant impact on its participants. The lack of any supranational power to enforce the implementation of the arrangements made the organisation a powerless body. Even Russia was only a lukewarm supporter of the CIS multilateral framework and thus concentrated its economic cooperation strategy more on bilateral deals, using its strong bargaining power.

The CIS was already marked by a Russian supremacy over the other CIS countries (Blank, 2014). Russia didn't only pursue economic or military goals with this organisation, but it was mainly driven by geopolitical motivations, demonstrated by its strong desire to bring its sphere of influence to the Eurasian space. The fundamental strategic ambition was reintegrating the former Soviet Republics into an organisation in which these neighbouring states were subordinated to Russia on the economic and military plan. As Yeltsin's official documents and declarations show, internal political considerations also played a significant role in the set-up of the CIS since centrifugal tendencies in Russia risked a disintegration of the Russian state itself.

FROM THE CIS TOWARDS A WEAK EURASEC

Russia's focus on bilateral deals gave rise to a number of smaller, sub-regional cooperation initiatives (Dragneva & Wolczuk, 2012; Weitz, 2014). In general, the integrational attempts after the CIS are all marked by a more narrow geographical coverage and deepened integration. This led in the mid-1990s to an initiative with Belarus and Kazakhstan (and later Kyrgyzstan and Tajikistan) which was made official by signing a treaty on the formation of a customs union between them in January 1995. Russia had already launched the idea of an Economic Union, similar to the EU model in 1993 and the customs union was seen as a first stage in this process. Initially, the initiative remained mostly declarative and was thus not a big difference with the ineffective CIS. However, with the accession of Putin to the Russian presidency, the ambitions were soon repaired and by October 2000, the initially ineffective cooperation formula had been transformed into a more powerful, well-developed international organisation, known as the Eurasian Economic Community (EEC or EurAsEc). It was the first official integration project which contained the name "Eurasian" in it (Duncan, 2015). In 2000, the EurAsEC united Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan (Weitz, 2014). In 2006 Uzbekistan joined (but suspended its membership again in 2008), while Armenia, Moldova, and Ukraine obtained observer status. The organisation tried to reduce custom tariffs, taxes, duties, and other financial barriers to trade among them, in order to coordinate the economic and trade policies of its members.

This new cooperation project differed in important ways from the powerless CIS framework (Dragneva & Wolczuk, 2012). A stronger institutional structure, with, for example, a permanent executive, a special court for improved dispute resolution, and more support of the participating members made from this project the first credible cooperation in the post-Soviet space.

However, some limitations inherent to this kind of cooperation processes remained, and made some crucial changes indispensable (Dragneva & Wolczuk, 2012). The long-lasting ratification processes of the multiple international agreements, the supremacy of Russia and a slow progress in economic and trade integration were some of its main problems which kept bilateral relations still more attractive. Russian, Belorussian and Kazakh officials took the lead and began to change this situation in order to install a fully-fledged customs union. A number of adaptations, following the decisions of the Minsk summit of the EEC in June 2006, were introduced, such as the establishment of a Customs Union Commission and a common customs tariff. The ambitions of these three member states were far-reaching: with the Eurasian Customs Union they aimed at a single economic space and subsequently an economic union.

Another cooperation project among the former Soviet Union countries was military in nature (Weitz, 2014). It concerned the alliance of Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan that Russia joined in May 2002 to transform the CST into a Collective Security Treaty Organisation (CSTO). The organisation still exists and has been provided with a comprehensive legal body and has several institutions. Compared to the CSTO, the EurAsEC had never been as effective as this security organisation.

THE AMBITIOUS CUSTOMS UNION AND COMMON ECONOMIC SPACE (CES)

Over time, the idea of a Eurasian Economic Union began to raise, and, obviously, since Putin prioritised this ambition for Russia, it soon turned up on the political agenda. The plans for a Customs Union began to take shape on January 1, 2010, when its first phase came into force with a trilateral membership: Belarus, Kazakhstan, and Russia (Weitz, 2014). It is remarkable that the other members of the EurAsEC weren't included in the Customs Union (CU). Kyrgyzstan, Tajikistan, and Uzbekistan's levels of economic development were too low to join the alliance, although the first two countries shared ambitions to participate.

The development of the Customs Union took several stages. The Customs Union started by introducing one external tariff based on the then current tariff rates in Russia. The members set up a more or less completed free movement of goods amongst them which was based on a common legal framework (Eurasian Economic Commission, 2015). By July 2011, the control on customs and clearance had been organised at the external Customs Union border, and no longer at the internal borders between Belarus, Russia and Kazakhstan. The common market contained 170 million customers. In order to eliminate the technical barriers, harmonisation of national legislations took place and was being organised on the supranational level. The member states took action in the field of technical regulations and requirements on the safety of goods, in order to implement the same standards.

An important moment there was the WTO accession of Russia in 2012. Following this, the members of the Customs Union signed a treaty that confirmed the application of the WTO rules within the CU. As a consequence, the existing and future legal framework of the Customs Union had to correspond with the WTO rules (Dragneva & Wolczuk, 2012). Even the member states of the CU, which aren't a member

of the WTO (i.e. Belarus and Kazakhstan), had to apply the WTO regime. The connection with the WTO distinguishes this integration initiative from the former arrangements in the post-Soviet space, as Russia's trade regime had to be modernised and the WTO provisions became standard references in agreements.

It was especially Russia that benefited from this Customs Union, more than the other members (Weitz, 2014). A report of the World Bank stated in 2013 that the Customs Union "creates an opportunity for Russia to expand its exports and its presence in Central Asia at the expense of exports from other countries, such as the European Union and China." (World Bank, 2013).

Subsequently, the Common Economic Space (CES) and the Eurasian Economic Commission were launched in 2012 and this made them the forerunners of the Eurasian Economic Union, that yet was to be launched on January 1, 2015 (Dragneva & Wolczuk, 2012). The CES united a population of 170 million people (Weitz, 2014). The organisation delivered the legal framework for the free movement of goods, services, capital, and labour in the region (Eurasian Economic Commission, 2015). Here, the economic integration had to go further than the Customs Union, which only ensured free movement of goods. The role of the CES was to create the provisions needed to install the other three freedoms (services, capital and labour) and to eliminate the remaining barriers to the free movement of goods. Multiple agreements (18, to be exact) were being negotiated in several domains of the economy, in order to create a fully-fledged free trade regime. The member states coordinated their economic policies in the following sectors: macro-economics, transport, power engineering, agriculture, monetary policy, migration policies, financial markets, and protection and enforcement of intellectual property rights. The industrial policies of the member states were also transferred to the supranational level. Even the least integrated areas in the Eurasian space were being coordinated, such as the deregulation of the investment sphere and the common services.

The establishment of the Eurasian Economic Commission was a historic step for the Eurasian integration: it was the first supranational institution with effective executive powers in various economic domains. These last steps, namely the CU, the CES and the Eurasian Economic Commission, before the EAEU was installed, were effective integrative efforts, in contrast with the preceding integration projects in the post-soviet space. Crucial elements for this successful integration were an increase in political will, which made the political agenda moving fast, a robust and effective institutional body and a more profound impact on the behaviour of the member states and economic actors. In order to succeed where the previous integration projects had failed, it was necessary that membership would produce clear benefits for all the members of the Union (Tarr, 2015). Russia has been a key actor in this process to carry out its aspirations stemming from the break-up of the Soviet Union (Blank, 2014). However, it was not clear how far the future members of the EAEU wanted to go in terms of functional integration and geographical extent (Weitz, 2014). Although Putin targeted a fully-fledged integration organisation, based on that of the EU, Belarus and Kazakhstan had differing views on the scope of the project. The president of Kazakhstan, Nazarbayev, stressed the importance of the sovereignty of the members, while focusing primarily on economic cooperation.

5.1.2. THE EURASIAN ECONOMIC UNION

The Eurasian Economic Union, launched on January 1, 2015, is an international organisation for regional economic integration (Eurasian Economic Union, 2017). The organisation functions as an international body with a legal personality. It was established by the Treaty on the Eurasian Economic Union. The EAEU provides for free movement of goods, services, capital and labour, and aims at a coordinated, harmonized and single policy in various areas of the economy. The Member States of the Eurasian Economic Union are the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation. Together, it combines a population of 182,7 million people.

The Eurasian Economic Union can be seen as a completion of the prior formations in the Eurasian space, as it is now provided with a robust institutional structure and an ambitious set-up (Dragneva & Wolczuk, 2012). It is constructed on the foundations of the former Eurasian organisations, such as the CIS, which already removed the important economic barriers in the region (Bordachev, Kazakova & Skriba, 2016). Russia itself stresses the economic benefits this Union can and will bring to its members. As former co-operations often focused on shared values and history between the Soviet successor states, economic pragmatism has been primarily put forward as the goal of the EAEU. This economic integrative association has been created in order to "protect the economic interests of the association in general and all its participants in particular" (Eurasian Economic Commission, 2015). In contrary to the Customs Union, which is largely intergovernmental, the institutions of the Eurasian Economic Union are of a supranational nature (Weitz, 2014). By building on the economic influence of the Customs Union, the EAEU wants to go further and envisions a broader integration by adding "soft power", such as cultural integration and diplomatic coordination between its members. The goal of the EAEU is to deepen Eurasian integration by completing the common market of goods, services, capital and labour. Unlike the EurAsEC, the EAEU aims to carry out "deep integration", suggesting a more profound single market without non-tariff barriers and improved trade facilitation (Tarr, 2015).

The Eurasian Economic Union has been developed in order to counter the economic integration of China at its east-side and the European Union at its west-side (Delcour & Wolczuk, 2013). Putin argued that Eurasian integration is a "chance for the entire post-Soviet space to become an independent centre for global development, rather than remaining on the outskirts of Europe and Asia" (Kremlin, 2013). It is clear that Moscow wants to prevent the former Soviet republics from aligning with the West, but Russia also wants to weaken the growing economic influence of China in the region. Due to increasing Chinese commercial exchanges, investments and development projects both in Eastern Europe and Central-Asia, the EAEU is used as a tool to limit the economic influence of China in its neighbourhood. The European Union expanded to the East in 2004, and developed, within the framework of its neighbourhood policy, an Eastern Partnership in 2009, which introduced association agreements with Moldova, Ukraine, and Georgia between 2013 and 2016. The EAEU can be interpreted as a means to limit the commercial and political integration of the EU in the ex-Soviet space. Therefore, the EAEU can be seen as an alternative to economic integration in Eastern Europe.

The creation of the Eurasian Economic Union can't be disconnected from the historic events of the collapse of the USSR (Blank, 2014). With this project, Russia made the integration processes, evolving from the beginning of the '90s until 2015, more complete and sees an important part of its aspirations towards the former soviet republics being carried out. Russia functions primarily as the engine behind

this reintegration process and has the biggest interest in this alliance. With the entrance of Putin in presidency in 1999, it became "*Putin's flagship policy*" to develop the Eurasian Economic Union in general, and its Customs Union in particular. It was in the direct occasion of the 2011-2012 electoral cycle that Putin evoked its plan for a Eurasian Union (Duncan, 2015). Russia wants to strengthen its economic and political position in the world, by uniting the power resources of the region, such as land, natural resources, people, industry, etc. However, a lot of scholars see in Putin's programme not the economic objectives, but largely (geo)political motives as its main motive. Besides the subordinated goal of saving the union from the global financial crisis in 2008 and thus empower the economic position of the region, the other goals appear to be political: preventing the EU from engaging in the former Soviet states with its Eastern Partnership, countering China's successful economic policy in Central Asia and provide an answer to the NATO security scheme. Moscow wants to prevent other powers to exercise their influence in the region by acting as the principal actor in its backyard, an intention that has obviously political undertones. This geopolitical logic has been backed by the economic impact the Customs Union has: with the internal market with free movement and the barriers to trade at the outside, the EAEU limits the opportunities of China to integrate the Central Asian states in an economic way. Nevertheless, the idea of a Eurasian Union wasn't welcomed as much as Putin had hoped by the Russian population (Duncan, 2015). They were afraid for a massive immigration to the main cities of Russia to occupy jobs. Racial tensions and riots had already occurred.

However, the Eurasian Economic Union is described by a lot of analysts as a reliable trading and political project next to the European Union (Lane & Samokhvalov, 2015). In compliance with the WTO regime and building on some parts of the EU *acquis,* the EAEU is constructed in parallel to the EU (Dragneva & Wolczuk, 2012). The Eurasian bloc is able to generate important geopolitical and geo-economic developments in the region. An important asset here is the compliance with the rules in the EAEU (Dragneva & Wolczuk, 2015). For international regimes, there are often problems with implementation of the rules and this leads often to an ineffective organisation. But due to the direct applicability and bindingness of its legal framework, the Eurasian organisation is able to function in an effective way. The delegation of important competences, mainly regarding the customs regulations, to the supranational level of the Eurasian Economic Commission, has been an important step in order to achieve compliance of the member states.

Kalra and Saxena (2015) point to Europe's one-sided point of view on the Eurasian Union, perceiving it as Russia's use of economic power to enlarge its "sphere of influence". They criticise the Western bias on this integration attempt, being focused too strongly on Russia's political intentions. The economic benefits of the Customs Union are demonstrated by the facts and figures of the economic indicators. The initial three members of the Customs Union, Belarus, Kazakhstan and Russia, occupy a dominant position in the markets of oil and grain due to the CU. So, economic motives have played a significant role in the creation of the Eurasian Economic Union, according to these, and other scholars.

I. FOUNDATION

On January 1, 2015, an important step was taken in the Eurasian integration process. With the launching of the Eurasian Economic Union, the economic integration in the Eurasian space came to a new, ambitious stage. By establishing closer economic ties, the leaders behind the EAEU wanted to face global challenges (Eurasian Economic Commission, 2015). The foundation of this new step in Eurasian integration lay in the Treaty on the Eurasian Economic Union, signed by the Heads of States

on May 29, 2014 in Astana, Kazakhstan. The Treaty unites the previous modalities of the Customs Union and the Common Economic Space and even build on the norms and rules of the EurAsEC, updated to be in line with the WTO rules and norms. In the Treaty, the legal base of the Customs Union and Common Economic Space are mentioned as follows: "International treaties of the Member States concluded in the establishment of the legal framework of the Customs Union and the Common Economic Space and effective on the date of entry into force of this Treaty shall form part of the Union law as international treaties within the Union and shall be applied to the extent not inconsistent with this Treaty." (Treaty on the Eurasian Economic Union, 2014, 118). These international treaties of the Customs Union and the CES consist of 68 treaties and are thus the basis of the Treaty on the EAEU, together with new subjects the EAEU introduces to construct the integration (Eurasian Economic Commission, 2015, 30-33).

II. EAEU MEMBERS

Economic Union were Russia, Belarus and Kazakhstan. Vinokurov (2009) called these three countries the "Troika" of Eurasian integration, as they have always formed and still form the core of the various integration arrangements. However, the "triad" transformed to a "quintet" of countries in 2015, with the enlargement to the Republic of Armenia and the Kyrgyz Republic. As these countries joined the legal framework of the EAEU, they also deliver representatives for its institutions.

As previous Eurasian integration projects, with as main example the EurAsEC, failed in providing gains for each member, a main challenge for the EAEU to succeed is changing this (Tarr, 2015). It is clear that it is Russia that has the largest share in the EAEU and that the other countries are guided by this power. However, if the perception remains that Russia receives all the gains, it is likely that the EAEU won't be an effective organisation. The fact that the Russian tariff functions as the common external tariff is not a good sign. The accession of Russia to the World Trade Organisation is in this regard a positive evolution: by competing on the global stage, the common external tariff of the EAEU had to be cut down, which results in an advantage for the other member states.

First, we'll discuss the role of Russia in this Union, as this country has always been the leader in the various integration efforts in the Eurasian space.

RUSSIA

The Eurasian Economic Union is centred around Russia. Not only in political and normative terms, but also the weight and the size of the country is an important value in this Union. The EAEU's total GDP consists of 87% of Russia's GDP and the population is representing 75% of Russians (Vinokurov, 2014). Depending on its leaders, the ambitions of Eurasian integration have always been altered between being more modest and aspiring.

The Russian economy is characterized by remaining structural problems (Connolly, 2015). The country's economy is depending on natural resources too strongly. Besides, there is a demographic crisis, a lack of innovation and entrepreneurship, low rates of productivity growth, and, a weak institutional framework. There is a strong need for modernisation and diversification if Russia want its economy to be more competitive. The WTO accession of Russia in 2012, seen as one of the key priorities of Putin, should have brought the economic modernisation the country needed so much. Being part of the WTO intensifies competition of the domestic economy with the global economy, and

this membership can contribute to growth and welfare. However, the economic sanctions imposed by the USA and EU member states as a reaction against the Russian annexation of Crimea, neutralized the WTO benefits for Russia's economy. Dirigiste ideas were never far away in Russia's political elite, and due to the imposition of sanctions, these ideas won again importance as a response to the liberal, competition-based model and reforms of the WTO. The increasing influence of the state on the Russian economy and a focus on a nationalistic economy, limits the opening towards the global economy, thereby hindering economic modernisation. As a consequence, Russia's integration in the WTO didn't bring the expected competitivity of its economy, because of the sanctions imposed in consequence of the Ukraine crisis.

The main reasons for the other member states to join in the Eurasian Economic Union, have been the intensifying of the intraregional economic ties, the modernisation of their economies and the aim to compete on the global level (Vinokurov, 2017).

BELARUS - KAZAKHSTAN

Whereas Russia always supported deepening integration within this union, Belarus and Kazakhstan had at times other agendas (Weitz, 2014). Lukashenko, Belarus' president, claimed frequently crucial economic concessions from Russia, while Kazakhstan developed equally important ties with China, Europe, and the United States. Belarus and Kazakhstan are thus often challenging Russian policy choices within this economic union.

It was the President of Kazakhstan, Nazarbayev, who articulated his vision on Eurasianism in 1994, on which the Eurasian Economic Union is built today. For Kazakhstan, the Eurasian integration brought increased trade and more movement of people and goods (Kalra & Saxena, 2015). In the domains of technology and industry, Kazakhstan gained a lot from this economic union. The infrastructure in the country has substantially been built up throughout the integration projects. Nevertheless, it was mainly Russia that benefited from the common external tariff of the Union, partly due to the substantial transfers coming from Kazakhstan as a result of the tariff changes (Tarr, 2015). If the EAEU succeeds in reducing non-tariff barriers and in improving trade facilitation, the other members, Kazakhstan in particular, would benefit a lot more from the Customs Union.

Belarus is to a high extent dependent on Russia's economy and energy (De Micco, 2015). The centralised, state-led economy of Belarus is relying completely on Russia for its gas imports, oil, and raw materials. Like Armenia, the country is benefiting from an energy price lower than the market price. Despite this huge dependency on Russia, there is some liberalisation developing such as privatisations, less bureaucracy and cuts in public spending.

ARMENIA – KYRGYZSTAN

Armenia joined the EAEU a day after the EAEU came into life, on January, 2, 2015 (Eurasian Economic Commission, 2015). Regarding energy, security, economics and trade, the country was already closely affiliated with Russia (Weitz, 2014; De Micco, 2015). The country accounts for almost all its oil and gas supply from Russia. The country's GDP exists for a significant part of remittances from Armenians living abroad, mostly in Russia. The fact that more Armenians are living and working abroad than in their country itself, makes it crucial to have close relationships with Russia, from where the remittances are of vital importance. In 2013 Armenia joined the Customs Union and the Single Economic Space after rejecting an Association Agreement with the European Union, although the EU is its first trading

partner. Armenia could benefit from a preferential gas price from Russia. Despite Russia's pressure on Armenia to join the EAEU, Kazakhstan and Belarus weren't very enthusiastic facing its membership, seen its unresolved conflict and occupation of Azerbaijan.

The accession of Kyrgyzstan to the Eurasian Economic Union took place on May 8, 2015, with the decision being ratified and taking effect in August 2015 (Eurasian Economic Commission, 2015). Before, the Kyrgyz Republic had already been a member of the EurAsEC, but its low economic development prohibited the country from joining the Eurasian Customs Union. The country saw close economic cooperation with Russia as an opportunity to counterbalance the growing presence of China in its territory (Weitz, 2014). Referring to Kyrgyzstan's weak economic development, it was strongly in need of Russia's economic assistance. The economic and social benefits the country could get from joining the economic bloc were of crucial importance for the Kyrgyz Republic. Due to the common external tariff the members of the EAEU had to implement, Kazakhstan, Armenia and the Kyrgyz Republic almost had to double their original external tariff.

For Armenia and Kyrgyzstan, it is essential that the EAEU takes action on the right to work for migrants, as this is an important issue for them in the domain of the Customs Union (Tarr, 2015). However, the accession of Kyrgyzstan, and the potential enlargement to other countries such as Tajikistan, doesn't add an important political value to the union (Dragneva & Wolczuk, 2012). Their membership is mainly symbolic, in contrast to the value a country such as Ukraine could bring to the EAEU.

Both Armenia and Belarus, members of the Eurasian integration, are at the same time falling under the Eastern Partnership of the EU (De Micco, 2015). Their choice for alliating in the Eurasian project – a belated choice in the case of Armenia-, hampers their relationship with the EU. They aren't allowed anymore to seal trade agreements with the Western bloc.

5.1.3. CHALLENGES AND PERSPECTIVES OF EURASIAN INTEGRATION

The process of integration that has currently finished with the Eurasian Economic Union, has made initially a fast progress (Vinokurov, 2017). The integration project attained already significant steps. This last step in the process distinguishes the Eurasian Economic Union clearly from previous integration attempts in the region. Especially the Customs Union has significant consequences regarding the economic integration of the post-Soviet space, which guarantees the continuity of the project in the future. For international, regional, and national businesses, the partial completion of the Eurasian integration is of a too large interest to them to disappear. Customs clearance, food safety certification and anti-dumping measures are important examples in this respect. Nevertheless, if we have a look at the current progress in the Eurasian integration, we can identify some obstacles and important challenges that slow the speed of integration down. The initial rapid growth the EAEU achieved didn't continue in 2016 and 2017.

The Eurasian Economic Union (EAEU) is described by a lot of scholars as a weak integration project. Once, it is seen as a rather geopolitical project, but without an economic dynamic (Defraigne, 2016). Or it has "*failed to make much* impact" (Dragneva & Wolczuk, 2012, 2). In line with this criticisms, concerns are raised about the economic objectives of the EAEU, asking the question whether this Union is used as an instrumental concept in the interests of certain political elites. Another regular commentary on the Eurasian integration project in general is the top-down approach of it, causing a beneficiary role for the political elites rather than serve the interests of the population.

Although the weaknesses are often stressed in the literature about Eurasian integration, it has to be mentioned that the Eurasian project has been able to prevent the EU from a total integration in the common neighbourhood between these two blocs (Duncan, 2015). Furthermore, the Eurasian Union resisted a complete interference of China in the Central Asian region. The external aspects of the Eurasian integration are important and partially succeeded, but likewise, it has also played a significant role internally, serving as a civilizational alternative for the populations of the member states. However, as the EAEU is a process that grew only in recent years – the first agreements being signed in 1995 and the Treaty on the Eurasian Economic Union coming into force only in 2015 – it is clear that this cooperation project still has some major obstacles to surmount.

If we apply the EAEU policy to Ukraine, we see that it is a complex debate (Dragneva & Wolczuk, 2014). As long as the other members – Belarus, Kazakhstan and Armenia – don't take any position in the debate about Crimea, the perception of the EAEU will remain dependent on Russia's stance. Russia wants to recognize Crimea as a formal member of the EAEU, and if they succeed in doing so, the EAEU will even be more regarded as a 'vehicle' for Russian foreign policymaking. For obvious reasons, Russia's behaviour in its neighbourhood will damage the image of the EAEU as an institutionalised, legal-based regime. If geopolitical objectives predominate over the economic objectives of the Union, it will have important consequences for the integration project. Or, in the situation where Russia remains dominant in foreign issues, the member states will raise questions about sovereignty, and this would only confirm the criticisms about the EAEU as a tool for Russian propaganda. Or, in the case where all the member states of the EAEU would adopt a common foreign policy, in line with the Russian approach, they will make a deal out of this, being aware that loyalty is very important to Russia.

In analysing the processes of Eurasian integration, it is clear that Russia's model of a regional bloc is based on the EU model (Dragneva & Wolczuk, 2015). The focus on legalisation and institutionalisation reflects the EU-based integration design. Although one of the purposes for Eurasian integration is to counter the EU's power, it didn't prevent to build upon the experiences and the model of the European Union integration process.

In order to strengthen the level of integration of the Eurasian Economic Union, the policymakers of the involved member states and the EAEU institutions have a clear to-do list for the coming five years. It concerns mainly a deepening of the economic integration, which is obvious in a regional integration organisation, but it will be crucial for Russia to let its geopolitical purposes go if the organisation wants to be more credible on the world stage in economic terms.

On the agenda of the EAEU for the immediate future, are the following issues (Vinokurov, 2017):

- A completion of the common markets for goods and services, by removing remaining exemptions. Aligning the Common Customs Tariff at a high level will be crucial;
- Eliminating the various existing non-trade barriers, ranging from goods certification rules to special importer status;
- Harmonising macro-economic and monetary policies;
- Concluding trade and economic cooperation agreements and creating various free trade areas, primarily with China and with the EU. Concerning China, negotiations about a Trade and Economic Cooperation Agreement will need to be held. The second essential trade partner is the European Union, but seen the current political crisis, only a preliminary expert evaluation is possible for the immediate future. There are no positive prospects for these relations.

Besides the official EAEU agenda, the behaviour of the Russian elites, primarily of president Putin, will be crucial to further draw the Eurasian agenda (Bacon, 2016). Russia, being the main driver for Eurasian integration, influences the ambitions of the integration project significantly. Future enlargement or deepening of the Eurasian Union will thus largely depend on Russia's vision.

5.2. RELATIONS BETWEEN THE EU AND THE EURASIAN ECONOMIC UNION

If we analyse the relations between the two integration blocs, we have to study mainly the relations between the EU and Russia, as Russia is the leader of the Eurasian bloc and the other member states don't have significant relations with the EU.

While the relations between the EU and Russia remained quite stable during the 2000s, the approach has shifted since the relationships with the shared neighbourhood became more important. The "common neighbourhood" of the EU and the Eurasian Union has caused rivalries between these two integration blocs (Dragneva & Wolczuk, 2015). Since 2009, the relations between the two have been more tense, because of, on the one hand, the rapid integration of the Eurasian region, and, on the other hand, the deepening of the EU's policy towards the post-Soviet space. The upgrade of the Partnership and Cooperation Agreements (PCA) to Association Agreements (AA), has brought more competition between the two integration projects in the shared neighbourhood. In 2009, the EU offered Association Agreements to five former Soviet states, being Armenia, Georgia, Moldova, Ukraine and Azerbaijan. These AA's were far more comprehensive in comparison to the former PCA's in the framework of the Eastern Partnership, regarding the Deep and Comprehensive Free Trade Area (DCFTA's) they contain. The AA's should improve growth significantly in the involved countries, by motivating them in adopting high standards of governance, democracy, open markets and the rule of law. By introducing this, the EU developed a more attractive policy for its eastern neighbours. This was the first time the EU constituted a real challenge for Russia towards the post-Soviet space since their independence. Although the EU isn't offering them membership, their influence is significant. On 27 June 2014, Association Agreements have already been signed by Georgia, Moldova and Ukraine (De Micco, 2015).

At the same time, Russia's influence in the region poses also a serious challenge for the EU (Dragneva & Wolczuk, 2012). Russia is no longer accepting the EU's '*diktat*' and wants to be on an equal basis with the EU in the shared neighbourhood. It is clear for the EU that they are no longer the only "governance-based" actor in the region and that they should perceive the EAEU as an effective integration bloc, with more than only soft and military power. The decision of Russia to penalize Ukraine and other countries in the common neighbourhood for integrating with the EU under the form of an Association Agreement, is a strong diplomatic sign (Dragneva & Wolczuk, 2014). Nevertheless, despite Russia's determination, some crucial elements of its political power are being transferred to the EAEU framework, which impedes Russia in some way to take measures on its own. A lot is thus still depending on the position the other member states of the EAEU take on towards Ukraine. While the other members underline their national and economic preferences in designing the trade association, Russia highlights the counterbalance it must constitute to impede the influence of the EU. Already since the foundation of the Eurasian Customs Union, Russia changed its policy in order to deploy the ECU as a "governance-based" regime to compete with the EU in its approach towards Ukraine (Dragneva & Wolczuk, 2012).

Some weaknesses, inherent to the EU's policy, have been exploited by Russia to promote the advantages of Eurasian integration (Delcour & Wolczuk, 2013). Russia has been making use of the doubts about feasibility and the costs associated with integration with the EU. The already existing links of infrastructure, legal standards and economic ties between Russia and the countries in the common neighbourhood are benefiting both. Combined with the use of negative economic conditionality, the campaign for economic integration with the Eurasian Union opposes itself to the EU. By upgrading the Eurasian integration to a fully-fledged, institutionalised Economic Union, pursuing a closer alliance with the EU comes at a higher price for the former Soviet countries (De Micco, 2015). Together with Moscow's damaging measures for signing the EU agreements, this causes a loss for the countries in between the two trading blocs, losing either fluid trade exchanges with one or the other alliance.

The focus of Russia on geopolitical issues in general, and on Ukraine in particular, remains a direct threat for the relations between both. The direct competition over this country is an obstacle to a stable association. Russia uses the Eurasian Economic Union to pursuit its objective of being a normative power towards the shared neighbourhood, thereby contesting the EU's claim of normative power (Delcour & Wolczuk, 2013). Being a normative power is an often repeated concept in both claims on the common neighbourhood. It is the quest to be an actor "whose conception of its foreign policy role and behaviour is bound to particular aims, values, principles, as well as forms of influence and instruments of power in the name of a civilization of international relations" (Diez, 2005, 617).

The relations between the EU and Russia have definitely worsened since the Russian annexation in Crimea (Council on Foreign Relations, 2017). After the hybrid war in Crimea and a hastily organized referendum for annexation, Russia annexed in March 2014 the Crimean region to the Russian Federation (Menon & Rumer, 2015). This has been the first land grabbing on the European continent for a very long time, and is still something that has not been recognized by the international community, including the EU. The EU condemned this ruthless annexation by imposing sanctions against Russia, in an attempt to isolate the country economically and politically. These sanctions are in the first place economic, targeting people who were committed, like business people and parliamentarians of Duma close to President Putin, whose money and assets were frozen (Connolly, 2016). With the violent uprisings in Eastern Ukraine and the different forms of military intimidation towards Ukraine and the West, including airspace violations etc., the sanctions against Russia were quickly made threefold: the economic sanctions are completed by political and symbolic sanctions. Russia is frozen out from international bodies and meetings and some people close to the leadership in Crimea have been blacklisted. As the situation was getting worse, with the shooting down of the flight MH-17 on 17 July 2014, the EU, together with the US, had to take a tougher position and imposed additional sanctions on key economic sectors. These trade sanctions include that Russian banks and companies can't get loans from capital markets in the EU.

Despite these events and the current situation in the region, the emergence of another competitive integration regime, next to the EU, does not necessarily mean a threat, but can also open new opportunities of economic cooperation. The increased standardization, the compliance with WTO rules, and the completion of the single market of the EAEU, offers an opportunity for both trade regimes to harmonize their systems and guarantees normative compatibility. An economic integration agreement between the two blocs is possible and desirable (Vinokurov, 2014). In this case, Russia won't play an official role as sovereign state, but it is the Eurasian Economic Union that would be the

contracting party. The supranational authority of the Eurasian Economic Commission is responsible for leading the negotiations about regional trade agreements. But the current crisis between the EU and Russia affects the EU-EAEU relations. This is not surprising as Russia represents 87% of the total GDP and 75% of the population within the EAEU. The current negotiations about a common EU-Eurasian space are marked by a stand-still, but the political elites of both sides are nevertheless supportive of this idea. Both the Russian President, Vladimir Putin, as the President of Kazakhstan, Nazarbayev, embraced a proposal to create a free-trade zone between the EU and the EAEU. But so far, the official ties between the two blocs haven't been cemented in an agreement. An agreement about economic cooperation and integration between the European and Eurasian entities is reported as a "mega deal". This deal would not only comprise a free trade agreement, but it would also be a deep and comprehensive agreement, characterised by mutual concessions and compromises in various domains. However, although the EU served as an example for the leaders of the EAEU to make the integration of the Eurasian space complete, the legal framework of the EAEU is not fully harmonized with the EU rules.

5.2.1. PROSPECTS FOR FUTURE EU-RUSSIA RELATIONS

Regarding the disturbing consequences on Russia's economy of the Western economic sanctions, it is worthy to consider the effectiveness of the EU's policy with a critical mind. Moving Russia further away from the global economy, towards a protectionist economy, can cause an even greater risk in the region than today. Losing its trade with Russia would not benefit the EU, and would drive Russia into the arms of the Asian economies. As the EU is still the main provider of trade and capital, and technology and know-how, for Russia today, it would be a great loss if economic ties with China would replace Europe's market position. If the economic relations with the West further decline, China will make use of Russia's isolated position and intensify their relations.

As 2014 was marked by dramatical changes in EU-Russian relations as a result of the expansion of Russian territory to a part of a sovereign country, it is difficult to draw perspectives for the future EU-Russia relations, and to the situation in Ukraine in particular. The once relatively stable relationship between the EU and Russia came to an end abruptly with the Russians fighting on the territory of a neighbouring state. The sanctions imposed by both the EU and the US following these events, worsened the understanding between Russia and the West once more. Regarding the current situation in Russia, it will be likely that Russia evolves more and more to a long-standing authoritarian power with a stable global position, although facing economic decline and consumer dissatisfaction (Bacon, 2016).

Recent events have brought even more tension in the particular relations between the EU and Russia, mainly in geopolitical terms. The tensions between the two have risen because of Russia's role in Syria, particularly regarding the chemical attacks linked to the Syrian government (Council on Foreign Affairs, 2017). Russia is still supporting the Syrian government forces. Moreover, the recent elections in both the US and the EU, especially in France, raised questions about the Russian interference in political campaigns. However, the US and European sanctions against Russia remain, despite the accusations of the link between Trump's election and Russia. Only recently, German Chancellor Angela Merkel confirmed in a meeting with Putin the continuation of the EU sanctions (Donahue & Arkhipov, 2017). However, a 2017 proposal about fresh sanctions for Russia failed in the G7 because of different views (Amaro, 2017).

Russia's participation in the G8 forum since 1998, has been abolished in 2014 following the Russian annexation of Crimea in March of that year. This action is seen as more than symbolic diplomacy of the other members, and constitutes a strong political sign towards a regime not fulfilling international behavioural rules (Council on Foreign Relations, 2017). Back in 2014, the G7 leaders stated that they "[…]will suspend our participation in the G8 until Russia changes course and the environment comes back to where the G8 is able to have a meaningful discussion" (The Hague Declaration, 2014, 6). Until today, the international club is still functioning without Russia, which is a sign of the unresolved situation between Russia, Ukraine and the EU.

Additionally, the economic sanctions imposed by the West on Russia are moving Russia away from economic liberalism and the Western markets (Connolly, 2016). The Russian economic transformation since 1991 is, due to these sanctions, today at risk seen the state-driven political economy of Russian leaders. The use of an external threat to justify a protective and centralised economic policy characterizes the Russian governments during the whole of its history. The EU should thus review its policy of sanctions if it doesn't want to drive Russia completely away from market liberalism. The signs of weakening economic competition, a significant interconnectedness between the state and economic leadership (mainly in the domain of energy, finance and defence), and an unstable business environment for companies open to global trade, are gradually shaping Russia's economic model.

It is difficult for the EU to provide an unanimous reply to the newly resurgent Russia. The diverging views and interests of the member states hinder a coordinated approach (Keukeleire & Delreux, 2014). Crucial elements in the member states' relations with Russia, such as national economic interests, energy dependence, the fight against terrorism, etc., are impeding some countries from dealing with Russia's aggression. In general, the European Parliament, together with the Central and Eastern European member states, is taking a harder stance towards Russia. Especially the EP is emphasizing the lack of democracy and human rights Russia adopts in its foreign policy. Consequently, it is very difficult for the EU to reach a consensus on how to handle Russia's growing assertiveness and thus fails to adopt an effective policy.

Close economic cooperation between the two integration blocs would nonetheless benefit both (Vinokurov, 2014). Their geographical proximity, important flows of trade, economic security interests, investment possibilities, cross-border infrastructure, etc. causes a mutual interest in a EU-EAEU common space. At the side of the Eurasian Economic Union, the EU is the largest trading partner of Russia and Kazakhstan, which means that an economic agreement is of crucial importance for them. The modernisation the members of the EAEU need so much, could have a boost because of the EU. For the EU, deepening economic cooperation with the EAEU would also be beneficial, as the Eurasian Union is its third-largest trading partner after the US and China. Security in their neighbourhood is essential for the EU, and this can't be guaranteed without cooperation with the EAEU countries. Even only a free trade agreement with the Eurasian Economic Union would be of fundamental importance for the EU, as it would make them more competitive in the Eurasian market, as well as in the markets neighbouring the Eurasian space. Moreover, regarding their remaining structural dependence on hydrocarbons from the countries of the Eurasian Union, such a trade agreement is important for the EU. In short, the creation of a free trade area from Lisbon to Vladivostok, would benefit both and make the two trading blocs more competitive on the global stage.

5.3. UKRAINE

Ukraine, presenting the most important and largest economy of the post-Soviet space, has been divided from its independence in 1991 between a Eurasian and a European destiny. The EU represents a value-based and rule-orientated integration organisation in Ukraine, and has concluded in this respect an important Association Agreement, including a DCFTA, with its Eastern neighbour (Sherr, 2014). Despite the EU's influence throughout the 2000s on Ukrainian elites, it is clear that governance in this country still lacks administrative transparency and accountability, a correct legal order and a clean relation between government power and businesses.

Strategically, Ukraine is an important country for both integration blocs, while other members, such as Kyrgyzstan only have a symbolic value. Cooperation with, or membership in the EAEU case, would strengthen both blocs politically and economically (Dragneva & Wolczuk, 2012). However, both the Eurasian Union as the European Union stressed the fact that signing an Association Agreement with the EU would cause incompatibility with membership of the Customs Union of the EAEU (Duncan, 2015).

The two multilateral organisations are key external actors for Ukraine (Delcour & Wolczuk, 2013). The post-Soviet space in general, and Ukraine particularly, has not abandoned its trade with one of the two integration schemes at its both sides. The countries in this area are characterized by a multivector economic and foreign policy. This has always been the case in the past, with the Commonwealth of Independent States (CIS) and with the Partnership and Cooperation Agreements (PCA) with the EU, but with the upgrade of both integration blocs the situation has changed significantly. Before, the soft-law approach made it possible to engage in trade cooperation both within the framework of the CIS Free Trade Agreement as with the EU. The legal deepening in both organisations doesn't allow Ukraine any longer to choose an integration '*à la carte*' though. The DCFTA with the EU and the foundation of the Eurasian Economic Union are not compatible anymore.

Throughout Ukraine's short history of independence, cooperation with the European neighbour has always predominated more or less (Sherr, 2014). Although Ukraine has always lacked a clear Eurasian orientation, the economic, geopolitical and regional interconnectivity with Russia has at the same time prevented the country from full integration with the European Union.

5.3.1. HISTORY

From the perspective of the theory of Eurasianism, Ukraine belongs historically to the core of Eurasia, together with Belarus and Russia (Shkaratan, 2015). The Eurasianists argue that forming a single union with these three countries would be a natural process. However, this concept was elaborated a 100 years ago, while in the meantime current developments in Ukraine have shown that it moved away from Eurasia, towards Europe. But, the concept of Eurasianism is still used today by Russian propaganda, regarding the situation of the Eastern territories of Ukraine.

Historically speaking, Ukraine has always been bound to Russia in some way. The Pereyaslav Treaty attached the country from 1654 to the Tsardom of Russia to secure the military protection against the Polish-Lithuanian Commonwealth (Gotev, 2017). The allegiance to the Tsar started a period of more than 300 years of connection between Russia and Ukraine. However, referring to current developments, this connection is broken and Ukraine closed the door for Russian integration.

The period from the independence of Ukraine in 1991 until now has been marked by a changing, but consistent, attitude towards both integration options the country had (Samokhvalov, 2015). The first decade as an independent post-Soviet country, Ukrainian elites pursued a rather pragmatic policy regarding integration in the ex-Soviet space. During the 1990s, Ukraine associated within the free trade regime in the CIS, thereby reinforcing its sovereign status. The political elites avoided becoming too involved in deeper integration projects, such as the Common Economic Space proposed by Russia and Kazakhstan. Ukraine engaged mainly in open and non-binding Eurasian structures and the relations with Russia developed mainly through weak, asymmetric bilateral frameworks than in a multilateral environment (Dragneva & Wolczuk, 2015). The first decade after its independence, Ukraine held strongly to its newly sovereign position.

But, the approach at that time differs from later developments in the country. The choice for a more loose interaction with the Eurasian integration was not a politicized choice of escaping from Russia's control in the neighbourhood, which had not yet been the case by that time.

The pragmatist approach taken on by Ukraine throughout the 1990s, changed significantly though since the 2000s, due to both internal as external factors. Internal developments in the country brought new leaders to power, and with them corruption and authoritarian practices. At the same time, partly due to new opinions of Ukrainian elites, but especially because of Russia's more assertive foreign policy towards Ukraine, their positive image towards Eurasian integration was changing. The European alternative came to the forefront and seemed an attractive perspective for the country.

The politicization of Russia's Eurasian integration proposals started only 11 years after Ukraine's independence, and has been strengthened throughout the last few year's events (Samokhvalov, 2015). Before the 2000s, the integration efforts of Russia in the post-Soviet space were not perceived as a tool to take control over Ukraine.

In August 2013, Ukraine's President Yanukovych submitted an application to participate as an observer in the Eurasian Economic Union (Wilson, 2014). This decision resulted in the abandonment of the Association Agreement with the European Union, and, as a consequence of this rapprochement towards Russia, this led to the Euromaidan protests in 2014. Subsequently, this meant the end for President Yanukovych and Ukraine's pro-Russian track, as the population chose for integration with the EU. The pro-EU protests against the regime on *Euromaidan* in 2014 marked an important development in the country. A significant counter-dynamic characterized the EU-oriented future a large amount of the population desires (Sherr, 2014).

The origins of the Ukraine crisis, and thereby the disruption in the relation between the West and Russia, lie in various grounds. It is indispensable to analyse the deeply-rooted, structural causes of this crisis in order to establish a resolution for the current developments. Since the end of the Cold War, the European elites have failed in installing an effective European security order and a persuasive political system (Sakwa, 2016). The entrance of Putin to Russian presidency, brought a president strongly committed to Russian integration in the European and Euro-Atlantic construction. However, this aspiration failed and as a consequence, Putin moved away from these structures and wants to bring Russia to a confrontation with the established system. The Russian government suffers some structural governance problems, but, nevertheless, Putin's policy and achievements enjoy broad popular support, even apart from the political manipulation of the media. Still, the asymmetrical nature of the divorce between the countries of the Soviet Union in the post-Cold War era, and the

neglecting of Russia as a great power, have delivered the structural causes for today's crisis. Both Europe and Russia failed to provide an inclusive and equitable security system following the Cold War. The Russian tendency for a centralised political economy and distinctive public sphere has been ignoring the interests and needs of its neighbours in the Eurasian space. At the same time, the domestic developments in Ukraine needs some reflection, as this became increasingly radicalised. From the Orange Revolution in 2004 over the repressive style of president Yanukovych, to the renewed view on the European future of Ukraine, the protest movement gradually radicalised as a result of the failures of the past. An idealism about the 'European choice' was born and gave the country a prospect of abandoning the long-standing corruption and economic decline the country had characterized before. However, this political idealism was not institutionalised and transformed more and more in a nationalist approach towards Ukraine

6. COMPARATIVE ANALYSIS OF THE EU AND THE EAEU

Comparative politics is the comparative study of political systems (Caramani, 2016). Its aim is to compare various political phenomena, such as political structures, actors and processes. In applying this research method, we will try to describe, to explain, and to predict the consequences of the similarities and differences between the EU's and EAEU's integration systems offered to Ukraine. Here, in order to delimitate and make our research relevant in respect to our research question, we have chosen to compare both organisations in the institutional, political, and economic domain. By doing this, we will try to conclude if Ukraine actually lost important assets from the EAEU in choosing for integration with the EU.

In order to make a comparative analysis of both integration organisations, it is important to keep in mind that a direct comparison of the Eurasian Economic Union to the EU is not realistic (Vinokurov, 2017). As the EAEU is only recently established, it is clear that it operates at a much smaller scale than the EU, which has been developed over the last 60 years. Drawing conclusions based on a mere comparison would thus be misleading. Regarding its scope and depth, the Eurasian Economic Union is similar to other regional integration organisations, such as NAFTA, MERCOSUR, the Cooperation Council for the Arab States of the Gulf, or the South African Customs Union. However, regarding this important difference, we will try to make an overview and compare the integration options both organisations offer to Ukraine.

We will begin our analysis with a description and comparison of the complex institutionalisation of both integration regimes. Here, we will analyse and compare the composition, procedures and powers of the different institutions of the EAEU to these of the EU.

6.1. INSTITUTIONAL FRAMEWORK

6.1.1. INSTITUTIONAL REGIME OF THE EAEU

Firstly, the institutional set-up of the Eurasian Economic Union is in fact more or less a copy of that of the European Union. By basing its institutional structure on that of the European Union, we will see that the set of EAEU organs is almost completed. However, the Eurasian Economic Union still lacks democratic dimension, as there is not yet an Eurasian parliament. Although Russian president Vladimir Putin articulated the idea of creating a directly or indirectly elected body already in 2012, it has been stored by the other members as they didn't share this ambition (Dragneva & Wolczuk, 2013; Weitz, 2014). Additionally, the governance of the EAEU is characterized by a more pyramidical structure, which differs from the EU's institutional set-up. Throughout the development of Eurasian integration, we have seen a changing institutionalisation with increasingly "hard-law"-characteristics. The binding effect of the EAEU regime is exemplary in this.

The Eurasian Economic Union is a fully-fledged international body with a relevant legal personality, provided with an extensive institutional structure (Eurasian Economic Commission, 2015). The institutional framework of the Eurasian Economic Union is anchored in its Treaty. The bodies of the

Eurasian Economic Union are represented by: the Supreme Eurasian Economic Council (the "Supreme Council"), the Eurasian Intergovernmental Council, the Eurasian Economic Commission (EEC), and the Court of the Eurasian Economic Union (Treaty on the Eurasian Economic Union, 2014, 9). These institutions function as the permanent bodies of the Eurasian Economic Union. The chairmanship of the three main bodies, being the Supreme Council, the Intergovernmental Council and the Commission, is arranged on a rotational basis, following the Russian alphabetic order, within a period of 1 calendar year without the right of prolongation.

The Supreme Eurasian Economic Council is the main body at the political level of the Union and consists of the heads of the Member States (Eurasian Economic Commission, 2015). They represent the highest level in the hierarchy of the EAEU institutions and meetings are held at least once a year. It deals with the critical issues concerning the Eurasian Union and determines the strategy, the main policy areas, and the future orientation for integration. The decisions and dispositions of the Supreme Council are adopted by consensus. It can be compared to a large extent to the European Council, consisting of the heads of state or government of the EU countries, which role exists as well of defining the general political direction and priorities for the European Union (Treaty on European Union, Art. 15).

The Eurasian Intergovernmental Council is composed by the heads of governments of the member states. In other words, it functions on the prime-minister level. They gather at least twice a year and has an annual rotating presidency, just like the Council of the European Union. The body has powers in 10 areas, ranging from enforcement of the EAEU Treaty to the approval of the EAEU budget (Treaty on the Eurasian Economic Union, Art. 16). The decisions and dispositions of the Intergovernmental Council are adopted by consensus. We can compare this organ with the Council of the European Union, which represents, together with the European Parliament, the main decision-making body of the EU (Treaty on European Union, Art. 16). However, the Council of ministers of the EU covers much more topics, such as health and consumer affairs, environment, education, etc., while the Eurasian version is broadly limited to the financial and economic activity of the Union. In addition, the Council of the EU usually decides on a qualified majority basis.

The permanent executive body, the Eurasian Economic Commission, is the only supranational regulatory forum in the EAEU. It consists of the Council of the Commission and the Board of the Commission. The Commission has its seat in the city of Moscow, Russian Federation (Treaty on the Eurasian Economic Union, 2014). This regulatory body has been granted supranational competencies in approximately 140 areas (Vinokurov, 2017). It guarantees the ongoing Eurasian integration and resolves technical issues within the Union. The Commission of the EAEU can be evaluated as a well-functioning body, equipped with a significant amount of staff and adequate budgetary resources. A significant delegation in the domain of customs regulation has been assigned to the EEC, which enjoys now an important and irreversible competency in this area. It is an important commitment to the EAEU's supranational nature, as they can take decisions while not reaching consensus. The Board is the main executive part of the Commission, and can decide by qualified majority over its decisions, dispositions and recommendations. The Board consists of 10 members, with each member state being equally represented by 2 ministers. This equality between the member states was an important point in the set-up of the EEC, regarding sensitivities about sovereignty. Russia has only a 20% vote share, whereas the country accounts for 87% of the EAEU's total GDP, suggesting Russia's greater commitment to multilateralism compared to the previous integration projects. Before the EAEU

existed, the Eurasian Customs Union decision-making process was not based on the principle of equality between the member states, but on a weighted voting system, with Russia having 55% of the votes, more than the 45% of Belarus and Kazakhstan together (Bordachev, Kazakova & Skriba, 2016). As the decisions were taken by a qualified majority of 2/3 of the votes, a decision without the consent of Russia was impossible. Now, the "one country, one vote"-standard is applicable. As a consequence, Russia can be outvoted by the other country representatives in some areas. While the seat of the Commission is located in Moscow - a difficult issue raised by Kazakhstan's President Nazarbayev -, the presidency of the Commission is since February 2016 occupied by Tigran Sarkisyan the former Prime Minister of Armenia. Several advisory bodies are functioning under the EEC Board. The Board of the EEC is comparable with the European Union's College of Commissioners, that consists of one commissioner of each member state.

On top of these three bodies constituting the legislative and executive branches of the Eurasian Economic Union, the other key institutions are the following:

The Court of the Eurasian Economic Union forms the judicial branch of the Union and is located in the city of Minsk, Belarus. It resolves disputes between international treaties and the treaty of the EAEU and enforces compliance with the Union's regime. An important aspect of its jurisdiction are the rulings on the Common Customs Tariff which are, like its other decisions, directly applicable and legally binding in the member states. The establishment of the Court has been a crucial step in completing the Eurasian integration process for multiple reasons. First, the decisions of the different institutions are legally binding and directly applicable, without needing a ratification of the domestic powers of the member states. Second, before, there wasn't an effective dispute resolution mechanism available for private parties, but now, the Court of the EAEU makes this possible. Finally, regarding the binding rulings of the Court, the EAEU has a strong tool at its disposal to ensure compliance with the Union's legal regime. As a consequence, this institution gives a strong rule-based legitimacy to the EAEU, and it thereby reinforces its reliability as a regional integration mechanism.

Further on, besides the institutions created in the Treaty, the institutional framework of the EAEU has been strengthened by the Eurasian Development Bank (EDB) and the Eurasian Fund for Stabilization and Development (ESDF) (Vinokurov, 2017). These financial bodies comprise six member states, being the 5 EAEU's members plus Tajikistan. The EDB has been recognised as a legitimate international financial institution, and will have been investing $4.85 billion over 10 years, thereby promoting mainly mutual trade and mutual investment projects (EDB, 2016). Functioning as a "regional IMF", the Eurasian Fund for Stabilization and Development is the lender of last resort and thus the provider of financial stabilization in the Eurasian space. With a budget of $8.5 billion, it is the main actor in regional crisis management.

There has been decided to establish the "financial regulator of the Eurasian Economic Union" by 2025, according to documents of the Eurasian Economic Commission (2015). It should be located in Almaty, the biggest country of the Republic of Kazakhstan.

We can conclude that the Eurasian Economic Union has achieved a lot in the institutional domain. The treaty, on which the union is founded, is working and fully implemented in the member states, and the institutions are functioning. However, the decision-making process is mostly inspired by the principle

of unanimity, which was extremely important for Kazakhstan and Belarus, but will probably impede an effective decision-making in the case of enlargement. This shift towards unanimity results from the campaign for Ukraine in 2012-2013, as it would be more attractive for Yanukovych to join an intergovernmental Eurasian Union than a supranational one (Popescu, 2014).

6.1.2. EVALUATION

From analysing the institutional lay-out of the Eurasian Economic Union, we can conclude that the EAEU succeeded in constituting a manageable and controllable integration project. In this respect, it has been a crucial step to make the decisions of the Eurasian Economic Commission directly applicable to the member states. The supranational rulings are automatically adopted in the national legal frameworks after 30 days. Additionally, the equality pursued between the members in the EEC disproves partly the criticisms about Russia dominating the Eurasian integration. Finally, the EAEU has succeeded in building a multilevel decision-making structure and this offers its members multiple occasions to interact as well on higher levels as on lower levels, such as national departments, experts and academics. Altogether, this institutional framework provides the structure the members desire and structures the negotiations about the common policies that is benefiting all of them. However, there are still various limitations and room for improvement on the institutional level of the EAEU.

First, the Eurasian Economic Commission is seriously constrained in its supranational powers by the heads of state of the Supreme Council. As they determine the main provisions for the EEC, such as its composition, budget, and priorities, they still decide about the scope of the supranational influence in the EAEU. Second, the Supreme Council also has some control over the Eurasian Court and the Intergovernmental Council, as they appoint the judges and govern about the work of the deputy prime ministers. The prevailing influence of the heads of state over the EAEU institutions indicates the importance of the domestic level in the decision-making process. Compared to Russia's commitment to equality in the EEC on the one hand, this reflects Russia's refusal to diminish its influence over the EEC on the other had. Finally, there is still a lack of powerful common legislative and executive structures in the EAEU's system. With only five countries being part of the regional integration organisation, the decision-making process follows sometimes bilateral negotiations, while it is important for the EAEU in order to function as a fully-fledged international system to strengthen its multilateral decision-making. In short, although being based on the institutional structure of the European Union, it is clear that the competencies of the EEC and the independence of the Eurasian Court are much less extended than in the EU. Granting their institutions more power, would make the EAEU a more completed organisation.

Following from the institutional analysis, we can conclude that the key institutional features of the European Union, defined by Dragneva and Wolczuk (2015), share a lot of similarities with the Eurasian Economic Union, being:

- A high level of delegation to common governing institutions;
- An attempt to reach unanimity in the decision-making process;
- An independent legal branch with directly applicable rulings;
- In the framework of this judicial branch, a permanent third-party dispute resolution mechanism, legally binding.

6.2. POLITICAL ANALYSIS

A comparative political analysis exists in comparing both systems on various political features. For our research, we will treat the policy processes, i.e. the models, stages, and instruments, of, on the one hand, the EU's Association Agreement with Ukraine, and, on the other hand, the policy of the EAEU. Then, we will analyse the power, authority and legitimacy of both integration organisations as from the perspective of Ukraine. Furthermore, we will deal with the government, the political system in general, and the governance of the organisations. These are the main aspects used in theories of comparative politics for describing the political status of governmental structures (Caramani, 2016).

In general, the question here is what these two integration options imply in political terms for Ukraine. The presence of the two blocs – the European and the Eurasian – in Ukraine, let the EU realize that it can't execute its Eastern Partnership without the participation of Russia (Vinokurov, 2014). Before the establishment of the Eurasian Economic Union, the EU always ignored the existence of the Eurasian Customs Union and the Eurasian Economic Commission. But with the foundation of the more powerful Eurasian Economic Union, the EU has to deal with this new entity, especially in their shared neighbourhood.

6.2.1. THE EAEU'S POLICY TOWARDS UKRAINE

Although Ukraine was an active participant in the elaboration of the Common Economic Space process in 2003, its commitment in the Eurasian integration was not for a long time (Eurasian Economic Commission, 2015). Since Ukraine became more and more outside Russia's control with the negotiations over an Association Agreement with the European Union, Russian policy makers applied "sticks and carrot" policies towards the country in order to regain its influence (Weitz, 2014). Russia stresses that if Ukraine had joined the Customs Union with Russia, it would have received economic assistance and other benefits, while it is suffering protective measures and sanctions by signing the free trade agreement with the EU. For the Eurasian Economic Union, enlargement to Ukraine would enhance the integration process in both political and economic terms (Dragneva & Wolczuk, 2012).

In its campaign for integrating Ukraine in the Eurasian integration schemes, Russia stressed the fact that Ukraine could benefit from membership in terms of rapid modernisation, something that Ukraine strongly needs (Delcour & Wolczuk, 2013). Ukraine would enhance its trade and growth rates by integration with the EAEU. In order to distinguish from the EU's integration objectives, the program offered to Ukraine consists of technological harmonisation, industrial cooperation and a common development policy. Due to Ukraine's lack of competitiveness, this focus should provide the country with a competitive advantage. Russia makes use of this argument, because the absence of competitiveness would handicap Ukraine in increasing trade with the EU. In the campaign for Ukraine, the disadvantaged position towards the EU is highlighted, and the direct economic gains from joining the Eurasian integration have been put forward.

The model offered by the EAEU to Ukraine is a full membership of the Eurasian Economic Union, thereby integrating the country in an area with free movement of goods, services, capital, and labour, as well as harmonised policies in crucial economic and political areas.

The Russian policy towards Ukraine distinguishes itself from the EU in its country-specific approach (Delcour & Wolczuk, 2013). Whereas the EU suffers a knowledge problem in some areas in its

neighbourhood, Russia has a much longer history with Ukraine. This enables Russia to have a knowledge advantage over the EU in economic and political issues of the country. As a result, the Russian policy towards Ukraine proved indeed to be effective (Keukeleire & Delreux, 2014). With the strengthening of its structural foreign policy, Russia sought to reaffirm its connection with its near abroad. Using the heritage of its past, Russia has been stressing the natural interconnectedness in terms of politics, economics, and even identity with the countries that had been part of the Soviet Union before.

Besides the economic arguments the defenders of Eurasian integration put forward, there are also politically related issues employed in favour of EAEU membership (Delcour & Wolczuk, 2013). While Ukraine's association with the EU would be an asymmetric one, the EAEU offers Ukraine full membership and a say in the integration project. The Eurasian Economic Union as multilateral organisation promotes its symmetric relationship in the struggle for Ukraine. An important remark in this respect is that Russia is the only actor conducting a real foreign policy within the Eurasian Economic Union. This indicates the asymmetric nature of the integration organisation itself, with the member states apart from Russia seemingly ignoring the developments and potential membership of Ukraine. The top-down approach of Russia's foreign policy deters Ukraine, observing the Eurasian Economic Union as a tool for channelling Russian propaganda. Despite the weaknesses in the EU's policy, it is still perceived as a more credible actor in the region than the economic integration proposed by Russia and the EAEU (Burakovsky et al., 2010).

The relations between Ukraine and Russia have only since the 2000s been characterized by a more assertive approach, mainly steered by Putin's foreign policy. However, before 2014, with the Russian intervention in Crimea, Ukraine's sovereignty had been respected by Moscow (Sherr, 2014). Although Russia has already considered Ukraine as an obvious partner since 1992 , their territorial integrity and judicial independence had always been guaranteed. The election of pro-Russian parties and leaders in Ukraine in 2010, was an important victory for Russia's foreign policy after being challenged during the Orange Revolution in late 2004 (Keukeleire & Delreux, 2014). For them, it was a clear sign of Ukraine heading towards Russia after a decade of Western rapprochement. The disillusionment about and mixed results of the EU's policy led to the defeat of the EU-oriented politicians, indicating the weakening support of the population for the European project. The limited influence of the EU at that time suggests that the attraction force of Russia, although unexpected, is still alive in the region. The increasing diplomatic pressure of Russia on Ukraine proved to be successful. However, it is clear that this increasing Russian control over Ukraine could only occur because of the growing assertiveness and threats Russia expressed, combined with the EU's failure to shape the structures of Ukraine's political system and society. With the invasion in the eastern parts of Ukraine, Russia's increasing toughness reached a culmination point in 2014.

The invasion of Ukraine and the annexation of Crimea shows more than ever the Russian aspiration of reintegrating Ukraine in its hegemonic integration scheme (Blank, 2014). It is clear that it is not the Eurasian Economic Union in general, but Russia's sovereign power in particular that is used in the battle for Ukraine. The Putin regime is both ideologically and politically very clear in its will to integrate Ukraine in its integration structures. The incorporation of the occupied Ukrainian territories should lead to a new state called "*Novorussiia*" (New Russia) according to Putin's rhetoric.

As Russia's approach towards the member states of the EAEU is dominant, the invasion of Ukraine confirms this strategy (Blank, 2014). Russia's leaders interpret the sovereignty of its neighbours as subjective to Russia's superiority.

6.2.2. THE EU'S FOREIGN POLICY TOWARDS UKRAINE

In this part there will be an evaluation of the EU's foreign policy towards Ukraine. The focus here will lie on the power of the EU and the effectiveness of its foreign policy in terms of policy outcomes in Ukraine. Subsequently there will be a critical evaluation of this policy, thereby answering the research question concerning the attractiveness and effectiveness of the EU towards Ukraine compared to the EAEU.

Since 2004, the EU's relations with its eastern neighbours, in particular Ukraine, are structured through various policy tools of the EU (Cottier & Wermelinger, 2015). These are the bilateral Partnership and Cooperation Agreements (PCAs), the European Neighbourhood Policy (ENP), the Eastern Partnership (EaP), complemented with the main financial instrument supporting these relations, being the European Neighbourhood Instrument (ENI). Ukraine doesn't have the prospect of a 'European destiny' and becoming a fully-fledged EU member state. Neither are they in the so-called 'waiting room', as the Balkan countries are. As of 2009, the EU developed an intermediate form of cooperation in its Eastern Partnership architecture, being the Association Agreements (AA). As far as the integration with the EU can go, nevertheless, accession remains no option for Ukraine. The Eastern partners of the EU in general, and Ukraine in particular, can't integrate with the EU under Article 49 of the Treaty on the European Union (European Commission, 2004).

The launch of the ENP in 2004 had to structure the relationship between the EU and its new neighbours, since the enlargement to 10 Central and Eastern European countries, of which 8 former communist countries (Keukeleire & Delreux, 2014). Before, the countries of the former Soviet Union had been ignored by the EU for a long time, being seen as the 'blind spot' of its foreign policy. The only instrument the EU had initiated by the end of the '90s in the region with the newly independent Soviet countries, were the bilateral PCAs, shaping legal, political, economic and trade relations between them. With Ukraine as a new Eastern European neighbour in 2004 though, the EU included the country in its Eastern Neighbourhood Policy, thereby complementing the PCA policy. The cooperation aims at creating an area of prosperity, stability and security in order to deepen the political, economic, social, cultural and security relations between them. The ENP, updated in 2011, is designed as a special relational framework in the EU's foreign policy, yet without the immediate or medium-term prospect of membership. By offering an incentive towards Ukraine to gain access to the internal market of the EU, it tries to move the country to several political, economic and institutional reforms, democracy, the rule of law, respect for human rights and a market-oriented economy, based on common values and interests. The instrument used by the EU in order to achieve these reforms and rule transfer is conditionality. The EU's policy of reinforcement by reward characterises the contractual relationship between the EU and Ukraine.

However, apart from the ambitious objectives of the ENP towards Ukraine, the results were unsatisfactory (Keukeleire & Delreux, 2014). As the genuine goal of this policy was somehow vague, it was perceived by Ukraine as an instrument to achieve EU membership too much, reflecting the pro-EU Orange revolution in 2004. Although the democratic revolution was concluded in a peaceful way due to the successful mediation efforts of both the EU's High Representative (Javier Solana) and the

Polish and Lithuanian Presidents, the disappointment with EU accession gave rise to a disillusionment in the country. The initial steps Ukraine had taken in reforming its country towards EU standards came to a standstill. The growing dissatisfaction, together with the Russian-Ukrainian gas crisis in 2009 were direct reasons for the EU to strengthen their relations with Ukraine. On top of this, the EU became increasingly aware of the threat Russia was posing in this region and the negative consequences an unstable neighbourhood could constitute for the EU. Subsequently, the EU launched the Eastern Partnership in 2009, in order to deepen its political and economic integration in its Eastern neighbourhood.

The EU's Eastern Partnership (EaP) treats Ukraine as a priority partner (EEAS, 2016). However, the EaP experienced a lot of difficulties and the growing assertiveness and influence of Russia in this region have not been evident. In the framework of the EaP, the EU started in 2011 negotiations with Ukraine to initial an Association Agreement, including a Deep and Comprehensive Free Trade Area (DCFTA) (Keukeleire & Delreux, 2014). The signing of the AA with Ukraine, expected in November 2013 on the Vilnius Eastern Partnership Summit, was not an easy task (Haukkala, 2015). There was a growing pressure of Russia not to sign the agreement with the EU. The combination of economic and diplomatic pressure persuaded the Ukrainian government in favour of Russia and as a result, president Yanukovych didn't sign the AA, to the astonishment of the EU. The EU's initial hope for stabilisation with Yanukovych after the chaotic Orange revolution, disappeared quickly when appeared that the country sled off towards authoritarianism under his presidency (Dragneva & Wolczuk, 2015). After the tumultuous events on 'Euromaidan', the collapse of the Yanukovych regime and the Crimea crisis in 2014, both parties signed the EU-Ukraine Association Agreement in midst-2014 nevertheless. This AA provides a closer association between the two and supports Ukraine politically and economically. It doesn't only show the support and solidarity with Ukraine, but it's also a strong sign towards Russia, considering Russian actions unacceptable and not giving up its cooperation with Ukraine.

I. RECENT DEVELOPMENTS

The Association Agreement between the EU and Ukraine was officially signed on June 27, 2014 (European Commission). With this step President Poroshenko clarified the EU-oriented future of its country (Sherr, 2014). With the application of the Association Agreement, the door to EAEU membership was officially closed. The AA has been partly applied provisionally since 2014, while the Deep and Comprehensive Free Trade Area (DCFTA) has been provisionally applied since 1 January 2016. As the EU is Ukraine's first trading partner, the implementation of the DCFTA provides new trade and investment opportunities and will benefit the framework for operations between companies from the EU and Ukraine (European Commission, 2017). However, in order to implement the Association Agreement entirely, it still needs the ratification of the Dutch Senate on May 30, 2017 (Ukrinform, 2017). As the Netherlands are the only country that has not yet ratified the AA, and after a referendum in April 2016 whereby Dutch voters rejected it, the EU leaders guaranteed the Netherlands that the Association Agreement "does not confer on Ukraine the status of a candidate country for accession to the Union, nor does it constitute a commitment to confer such status to Ukraine in the future." (Jozwiak, 2016).

After the European Parliament approved on 6 April 2017 visa-free travels for Ukrainians, the European Council announced on May 11, 2017 to have agreed on the long-awaited visa-free regime for the country (Euractiv, 2017). The legislation for the long-expected visa deal will be formally adopted in

June, following the negotiations that had already started in 2008 but received only green light of the European Commission in 2015 (Posaner, 2017). This is a significant step for the country, moving it further in the EU direction. As eastern Ukraine remains to be stuck in the bloody conflict with Russian-backed rebels, it is important for the country to strengthen its connection with the EU. The decision is also crucial for the EU's credibility in the country, as Ukraine was getting disillusioned and they carried out the requested reforms already for a long time (Euractiv, 2016). Visa liberalisation forms a part of the Association Agreement, but the promise of lifting the visa requirements stayed unfulfilled for a long time. As Ukraine reformed the country in some crucial domains, such as migration, external relations and fundamental rights, the EU rewarded them by liberalising its visa-regime, in line with the conditionality policy of the EU in its neighbourhood. The possibility of visa-free travelling to the EU is an important achievement for Ukrainian citizens, as this can enforce the interconnectedness between the EU and Kiev. The long-awaited EU visa waiver marked the difficult position of the country once more, being a former Soviet-sattelyte, but having chosen for integration with the EU, as the statement of Ukraine's President Petro Poroshenko showed: "We must return Ukrainians their history. That is why today's decision of the EU is so important. A long process has been completed. First of all, it goes about the return of Ukraine to its historic place among the European countries, not only about the visa-free border crossing." (Gotev, 2017). It clearly demonstrates the will of Ukraine to abandon Russia's influence. However, a full free movement of persons is not possible in the framework of the EU-Ukraine relations, as this requires EU accession, which is not the case for Ukraine (De Micco, 2015).

In short, the main instruments the EU is using today for its foreign policy towards Ukraine, are the combination of offering the Union's force of attraction, the so-called European Union 'magnet', and the measures against Russia with the European economic sanctions. Together with diplomacy and mediation, these tools have to support Ukraine in its 'European choice' and reforms.

6.2.3. POLITICAL POWER IN TERMS OF TERRITORY, POPULATION, AND PUBLIC SUPPORT

If we compare both integration blocs in terms of population and territory, we can state that the European Union has a much larger population than the Eurasian Economic Union. The Eurasian Economic Union integrates a population of 182,7 million people, which represents 2,5% of the world population, whereas its territory occupies 15 % of the world land. This in sharp contrast to the EU, which represents a population of more than 500 million people, the world's third largest population after China and India. On the contrary, the EAEU covers a much larger area – 20.229.248 km^2 than the EU (4,475,757 km^2). The EAEU is the 6th trading bloc in the world per GDP, while the EU is the world's largest trading bloc.

Following the Eurasian Development Bank public opinion monitorings, public support among the member states of the Eurasian Economic Union are rather high (EDB, 2016). The level of support for Eurasian integration are ranging in the countries from 46% (Armenia), over 63% (Belarus), 69% (Russia), 74% (Kazakhstan), to a very high score of 86% in Kyrgyzstan. This is an important asset in the integration project, and shows the approval of the EAEU nationals. These figures offer a significant contrast to the modest approval rating in the European Union, where popular support amounts on average 50-55% (Eurobarometer, 2016).

If we have a look at the level of support in Ukraine for either integrating with the EU or joining the EAEU, we see that a broad part of the population supports the idea of the EU. As public opinion polls

and most political leaders' rhetoric show, a majority considers the EU as an association that has to be continued, with the ultimate goal of joining the EU (Sherr, 2014). A minority pursues the goal of joining the common state with Russia, and considers that Ukraine should abandon its current European integration. However, the slow progress of reforms and the long-lasting implementation process of the Association Agreement and the DCFTA provisions, is putting their patience to a test, and has been weakening somehow the pro-EU support.

6.2.4. CRITICAL EVALUATION OF THE EAEU'S AND EU'S POLICIES TOWARDS UKRAINE

Although the economic sanctions towards Russia give evidence of the tough position the EU takes, the fact that the EU by no means would get involved military in the crisis is exemplary for the EU's soft power (Nováky, 2015). On the Munich Security Conference in February 2015 Merkel made clear that she didn't want to send weapons. The EU avoids to support Ukraine with more severe forms of military and economic support. Question here is, given this soft approach, if the actual foreign policy of the EU is advantaging the goals of the EU towards Ukraine. Is this policy sufficient for Ukraine to become more Europe-minded and are the sanctions towards Russia effective? Additionally, according to scholars, the EU doesn't engage enough in the security sector with Ukraine (Cornell, 2014). The EU will have to invest in an effective cooperation with the NATO in order to reinforce the transatlantic link vis-à-vis Ukraine. The EU could have an important leverage by providing security guarantees and, as a consequence, by doing this they would give a sign to Moscow not accepting its "sphere of privileged interests"-approach towards this region.

Firstly, with regard to the AA/DCFTA, as past events have showed, the ultimate ratification is subject to moodswings of member states, with the example of the Dutch people that voted against it as an illustration of this (Politico, 2016). Yet some important provisional applications of the AA, including provisions establishing a DCFTA, are already started, respectively since 1 November 2014 and 1 January 2016 (EEAS, 2016). However, the pace of ambitious reforms that has to bring Ukraine closer to the EU, is slowing down and delays in the reform process are growing (Olszanski et al., 2015). A number of factors are the cause of this, including the absence of political will in some areas and the Ukrainian bureaucracy's efficiency and corruption. One of the main factors though is that Ukraine and its state administration is distracted to fully reform due to the Russian aggression in the east, that in turn leads to the decreasing support from the pro-western citizens for the European project. The public is increasingly frustrated because of the absence of expected effects, despite the EU's efforts to promote reforms.

Since the second half of the 2000s, the situation in Ukraine has been marked by an increasingly forceful Russia, using all its power and conviction to become the main regional actor in the country, thereby directly posing a threat on the EU's foreign relations with Ukraine. Whereas the EU has already proved to be an effective diplomatic power and reliable partner, moving the country to political and economic reforms, its role has sincerely been weakened. The signing of the Association Agreement by Ukraine in 2014 was in this light a crucial achievement for the EU and a confirmation of the EU-oriented future of the country, being challenged severely by Russia. As the conflict in Ukraine has brought the EU and Russia directly in dispute, it is probably that the EU will have difficulties to maintain its claim of normative hegemony towards its neighbours. Therefore dialogue with Russia is preferred and needed above confrontation. This proves to be a difficult task.

The Minsk accords, a peace agreement trying to negotiate a cease-fire and a removal of heavy weaponry in eastern Ukraine, has been ignored by Russian officials and has led to today's standstill in the region (Council on Foreign Relations, 2017). Ukrainian President Petro Poroshenko has been isolating the easternmost provinces, which are still under Russian control, economically. But it is likely that a quick resolution for the conflict over Ukraine is not going to happen. The situation is extremely difficult seen the delicate mixture of domestic, transnational, and geopolitical factors in the region. In the literature review about the relations between the EU and the EAEU, there was a suggestion about an economic integration agreement between the European Union and the Eurasian Economic Union. Some scholars put this idea forward as a possible solution for the difficulties in the shared neighbourhood (Vinokurov, 2014). Applied to Ukraine, such an agreement could provide a long-term solution for the conflict, although this won't be possible in the immediate future seen the ongoing crisis. Anyhow, scholars argue that deeper economic cooperation between the EU and the Eurasian Economic Union would provide the only sustainable solution for the Ukrainian problem.

However, regarding the escalation in the Crimea region, it is clear that and the EU, as the Atlantic institutions, as Russia, and even Ukraine, have all failed in supporting a framework for a negotiated solution (Sakwa, 2016). It is almost only the military option that is still providing a solution in the eastern part of Ukraine, as Kiev refused to negotiate and as Russia can't give up on the 'separatists' and the insurgents.

6.3. ECONOMIC ANALYSIS

For the economic part of the comparative analysis, it is important to analyse the economic programme both actors offer to Ukraine. As a consequence, we will thus compare the EU's DCFTA, the trade and economic part of the Association Agreement, with the Eurasian Customs Union, the economic integration model proposed by the Eurasian Economic Union. We will analyse qualitative and quantitative economic indicators in the key areas of the economic policies of both integration blocs. We leave financial and monetary indicators here out of account, as this would make our research too broad. The elements described in our analysis determines the economic power and influence of the economic integration associations.

The two models of economic integration differ a lot from each other as they are distinctive agreements. While the Deep and Comprehensive Free Trade Area (DCFTA) of the EU doesn't constrain the freedom for its partners to enter into other free trade agreements with other entities, the EAEU engagement has to be an exclusive membership. If, hypothetically, Ukraine would have chosen for integration with the EAEU, like Armenia and Belarus did, the EU wouldn't be able to negotiate a free trade agreement directly with Ukraine, but through talks with the EAEU (De Micco, 2015). However, it is obvious that integrating within one bloc limits in any case to some extent the trade relations with the other one.

6.3.1. ECONOMIC INTEGRATION WITH THE EAEU

Integration with the EAEU supposes full membership and thus a transfer of Ukraine's sovereignty in the domain of trade policy. The general provisions in the Treaty on the establishment of the Eurasian Economic Union ensures "[…] free movement of goods, services, capital and labour within its borders, as well as coordinated, agreed or common policy in the economic sectors determined under this Treaty and international treaties within the Union." (Treaty on the Eurasian Economic Union, 2014, Art. 2).

Furthermore, regarding the legal personality of the Union, “The Union shall be an international organisation of regional economic integration and shall have international legal personality.” (Treaty on the Eurasian Economic Union, 2014, Art. 2).

Although the EAEU builds upon the Customs Union and the Common Economic Space, the policy makers of the concerned member states want to go further. The Treaty is characterised by ambitious intentions: it should serve as the legal basis for a common market of services, a common industrial and agricultural policy, a common market for electric power, gas, oil and petroleum products, a joint transport policy and a common market of labour (Eurasian Economic Commission, 2015). All in all, the Treaty covers all the essential sectors for the development of a fully integrated economy.

From analysing the mutual trade rates between the Eurasian member states, we see that the successes of the Eurasian economic integration are not continuous: from a growth in trade between them in the first two years of the Eurasian Customs Union, established in 2010, to a sharp decline since 2012. The decline has been caused by the past years’ degradation of the economies in the Eurasian Union, due to several economic factors, including the lower hydrocarbon prices and the unstable financial markets’ situation in 2014-2015. But the recession of the Russian economy counts as the main reason for the drop in trade. The fall of the rouble in 2015 infects the other currencies in the EAEU countries as a consequence of the high regional interdependence, which results in more expensive imports from crucial products from the West. It indicates the uncompleted internal economic integration in the EAEU, and the need for modernisation and restructuring of the Russian economy, especially if oil prices will remain low.

Nevertheless, the Eurasian integration with the Customs Union has improved the economic integration in the Eurasian space, resulting in an increased share of trade between the EAEU members in the total rate of their foreign trade. Therefore, the EAEU members have for sure benefited from the Eurasian integration process, as this structured their mutual trade. As Russia is the leading country in the alliance of the EAEU-framework, it is important to analyse Russia’s economic power. Russia adds the most value to the integration project in economic terms. But it is not only Russia that benefited from the economic integration of the region (Kalra & Saxena, 2015). Since joining the initial three-party union, there has been a significant increase in trade for both Kazakhstan and Belarus. Kazakhstan’s trade with Russia and Belarus, both imports and exports, increased by almost 80% since joining the Customs Union.

In addition to this, it is not only in the domain of trade that the integration organisation brought advantages to the region. The EAEU members are clearly benefiting from other economic elements, being the freedom of movement for workers, and the cheaper energy prices. Offering to their member the four freedoms of movement (goods, services, capital and persons), this is an attractive feature of the EAEU. Especially the free movement of workers is a valuable element, as this distinguish the EAEU from the EU’s integration model. Regarding the significant amount of workers from Ukraine in Russia and the level of remittances from these foreign residents, a common market of labour is an important element for Ukraine. It is clear that the labour mobility with EAEU membership exceeds to a great extent the visa-free regime granted by the EU to Ukraine. However, this feature can also contain a risk, as the remittances in Russian roubles, being currently in recession, will contribute less to the economies of the destination countries. As a consequence, the Russian economic crisis reverts the

potential benefits from the labour mobility in the EAEU, making EU integration probably still more attractive, even without this free movement of persons.

However, certainly the smaller member states of the EAEU are benefiting from closer economic cooperation with Russia, regarding the remittances coming from Russia, and the accession to a market of 182,7 million people. But at the same time, this dependency on Moscow's subsidisation limits their sovereignty and their trade relations with the rest of the world, together with the high tariffs the EAEU applies. The common customs tariff of Russia functions as the basis for the EAEU external tariff, being higher than the tariff applied by Ukraine. This would mean that Ukraine would have to raise its external tariff barrier, making imports from the EU and China more expensive.

Another area of economic integration in the EAEU needs to be more coordinated. The macroeconomic and monetary policy of the economic union is marked by some significant problems, which will probably persist in the following years. These shortcomings include high and volatile inflation, dollarization of the economy, the existence of different monetary regimes, and the volatile mutual exchange rates (Vinokurov, 2017). These obstacles make mutual trade more expensive and the Eurasian integration tangible for asymmetric shocks. The criteria for a sustainable sovereign debt, inflation, and budget deficits are not accompanied by an enforcement mechanism, which poses a similar risk to the Union's economies as was the case in the Eurozone with the debt crisis, certainly because all those criteria have been violated already by at least one of the member states. Investing in a more coordinated and rigorous macroeconomic and monetary policy could boost the stability, sustainability and the economic integration of the EAEU regime.

Nevertheless, despite the potential benefits EAEU membership could bring, economic integration would generate a decline in Ukraine's Gross Domestic Product (GDP) of 3,7%, caused by the higher external tariff the EAEU applies (based on prospects from German Advisory Group, Movchan & Giucci, 2011).

6.3.2. ECONOMIC INTEGRATION UNDER THE DCFTA

Economic integration with the EU takes place in the form of the Deep and Comprehensive Free Trade Area (DCFTA). The DCFTA is included in the Association Agreement, constituting the economic and trade part of it (Keukeleire & Delreux, 2014). It is an asymmetric trade agreement, unlike the EU's symmetric arrangements like the traditional FTAs. It should evolve in the long run towards the model of the European Economic Area, concluded with Norway, Iceland and Liechtenstein. Whereas a 'normal' free trade area is merely a dismantling of trade barriers, the DCFTA represents an upgrade with an emphasis on regulatory convergence and a sustainable economic and social development. While the internal market of the EU benefits from the four freedoms of movement, being goods, services, capital and persons, the DCFTA allows only in the domains of goods, services and capital free movement between the EU and Ukraine. In the area of freedom of movement of persons, it is only the Visa Liberalisation Action Plan that provides for a short term travel permit, of which the recent developments are described in the political analysis above.

The DCFTA regime requires Ukraine to harmonise with EU standards in various domains, ranging from industrial standards over services and investments to intellectual property rights. While this standardisation eases the economic relationship with the EU, it has an economic impact on Ukraine as this causes difficulties for some products imported from Russia not meeting the EU standards.

However, the negative impact of the DCFTA agreement on Ukraine's EAEU trade is not so significant, as the Eurasian exports consist mainly of energy products, which don't have to comply with technical regulations. Another advantage in the long run for Ukraine is that the DCFTA makes it possible to diversify their products, thereby opening new markets for Ukrainian exporters. Regarding Ukraine's long-lasting trade deficit, this would highly benefit its current account balance.

The evaluation of the economic integration with the EU shows overall positive effects. While there are some costs in the short term, these effects disappear in the long run. The costs are mainly caused by reforms that have to be carried out for implementing the agreement, producing more domestic competitiveness in Ukraine, higher unemployment rates, and costs made in order to reform institutions, the legal and administrative framework, etc. The main long-term advantage for Ukraine is the impressive increase of its GDP, which should be a growth of 11,8% according to economic forecasts (De Micco, 2015).

Nevertheless, Ukraine's integration with the EU has an important reverse side regarding the country's economic relations with Russia. The growth in GDP that the DCFTA should bring, didn't calculate the losses that Russian sanctions bring with it. As a reaction against Ukraine signing the Association Agreement with the EU, Russia suspended its trade preferences for Ukraine since the DCFTA took effect on 1 January 2016. This constitutes a significant loss for Ukraine, estimations predicting minimum 3 billion $ per year.

Although Russia remains the most popular destination for Ukrainian citizens working abroad, proved by the significant remittances to Ukraine (9,1% of its GDP), and thereby making the labour mobility an attractive characteristic of the EAEU, the situation is changing. As a result of Ukraine's integration with the EU, the neighbouring EU countries have become more attractive for Ukrainian economic migrants. Poland is a striking example for this, having attracted 30% of Ukrainian migrants in 2015, while they accounted only for 6% in 2006.

6.3.3. EVALUATION

Whereas the common market of the European Union is fully integrated, the Eurasian Economic Union is only at the beginning of finalising its internal market of goods, services, capital and labour. The European Union can build on a long history of eliminating barriers, exemptions and restrictions, due to the jurisdiction of the European Court of Justice, while the EAEU is still discovering new barriers preventing the free movement within its borders. However, a significant part of the economic barriers had already been removed in the Commonwealth of Independent States (CIS). The elimination of exemptions is a crucial tool in order to create a fully integrated and advanced economic integration. It is also needed to have uniform "rules of the game" in an economic integration project. Whereas the European Union has done a lot of work in this area, the EAEU still has some work to do. The EAEU Customs Code has still not come into effect, causing a gap in the legal basis for the operation of economic agents of the member states. They have to base their works on domestic laws and existing agreements.

The cohesiveness between the EAEU's member states on certain economic issues is a significant shortcoming. Exemplary in this is the disagreement between the EAEU countries regarding the economic sanctions Russia imposed on Ukraine (Vinokurov, 2017). As a result of the ongoing business

and trade relations with Ukrainian companies, a conflict of interest has come into existence between the EAEU's trade relations and Russia's foreign policy.

Regarding the common labour market, we can state that the EAEU made significant progress in this domain and that it is actually functioning. The integration project has also succeeded in the field of common technical regulations. Putin's wish is to build a Eurasian Union that comes close to the model of the European Union (Weitz, 2014). However, that means the creation of a single currency and an independent administration to ensure the members' compliance with the agreements and economic policy. There remains still a lot of work for the Eurasian economic integration to be as attractive as the European Union.

6.4. CHOOSING MEANS LOSING?

After having conducted both a qualitative and a quantitative analysis of the integration options Ukraine has, we can answer the research question positively and thereby, the first hypothesis of this dissertation is confirmed: Indeed, the EU and the EAEU can be interpreted as competing regionalisms towards their shared neighbourhood in general, and towards Ukraine in particular. However, from the analysis of the Eurasian integration, we can conclude that there are some major difficulties in creating an integration project similar to the European Union. These obstacles are specific for the Eurasian integration territory, and are caused mostly by the prevailing influence of Russia. Firstly, geographically speaking, Russia is a giant in comparison with the other, rather small, post-Soviet states. Its territory, demography, and economy constitute the largest part of the Eurasian Economic Union. This raises questions about the equality between the member states in the Union, and therefore, also about the legitimacy. A second problem is the unwritten leadership of Russia over this economic integration project. As proved from our research, Russia has nearly about everything the last word, which indicates the highly asymmetrical nature of the EAEU. Finally, the Soviet experience and the shadow of the past might cause a reticence to a project being largely controlled by Russia. The hegemonic tendency of Putin can deter other countries to integrate in a federation where it has to give up parts of its sovereign power.

As a result, integration with the European Union seems to be more attractive for Ukraine, which confirms our second hypothesis. Although the EU is a more symmetrical structure, without one country swaying the sceptre, its relationship with Ukraine appears to be rather asymmetrical. It is the EU that attaches rewards to reforms with its conditionality tool. Therefore, Ukraine has to carry out reforms in the political, economic, and societal domain which aligns its system with the Western structures of democracy and market liberalism. Besides the fact that these reforms show to be effective, both politically as economically, it gives evidence of the dependent position Ukraine occupies vis-à-vis the European Union. The long-awaited visa-free regime the EU granted to the country is an example of the Brussels' domination over Kiev. While Ukraine had reformed for a long time the conditional elements, and started the negotiations over a liberalized visa deal in 2008, the approval came only in 2017. Stating that Ukraine would lose a significant part of its sovereignty in an assymetrical membership with the Eurasian Economic Union, has thus to be considered in the light of the sovereignty it already lost in its relationships with the European Union. In addition to this, the guarantee that Ukraine will not be able to reach full accession to the European Union, could intensify the feelings of an unequal relationship, while the country is proposed full membership within the EAEU by Russia.

It is clear that a closer political association with the EU won't be a direct option, seen the internal struggles the EU suffers today. Moreover, the ultimate goal of accession to the EU is not very genuine, as the EU won't enlarge in the near future. A mere enhancing of trade relations with the EU is thus the most likely option for Ukraine at the moment. On the contrary, a political integration within the EAEU and with Russia is a reliable option, as Russia is eager to incorporate Ukraine. With the establishment of, first, the Eurasian Customs Union, and, after consecutive intensifications and enlargement of the Eurasian integration project, this initiative became a credible economic collaboration. Since recent years, the EAEU has completed some important steps in its integration process, such as a solid institutional framework, harmonisation with international norms and the WTO regime, which makes an advanced form of economic integration possible (Dragneva & Wolczuk, 2012).

Although labour mobility in the EAEU is an attractive characteristic of the EAEU that the EU doesn't provide to Ukraine, the EAEU seems to be less attractive on the whole in economic terms. It was already obvious from previous researches, and confirmed in our economic analysis, that Ukraine gains much more in terms of its GDP growth from integration with the DCFTA than with the EAEU. Whereas the DCFTA brings about a growth over 10%, Ukraine would even lose a part of its GDP of integrating in the Eurasian space.

Summarized, the choice for the European Union has been, regarding the institutional, political, and economic context, a logical choice of Ukraine. Ukraine's gains from economic integration with the European Union are much larger than it would gain from integration with the Eurasian Economic Union, as demonstrated in the comparative analysis. Even if Ukraine can't take advantage of full membership in the EU as it would been able to have in the EAEU, it receives crucial benefits of this integration.

7. CONCLUSION

7.1. ARE THE EU AND THE EAEU COMPETING REGIONALISMS TOWARDS UKRAINE?

The recent developments in Ukraine have shown the competition between the European Union and the Eurasian Economic Union over this country. With the aggressive annexation of the Crimea by Russia, the country has become the subject of international geopolitics, with the EU and the US imposing sanctions on Russia, and with Russia ignoring Ukraine's sovereignty. Nevertheless, despite this violent developments, Ukraine keeps on pursuing its integration with the EU's Association Agreement and DCFTA.

With this dissertation, we have tried to provide an answer to the research question, being "*Can the European Union and the Eurasian Economic Union be interpreted as competing regionalisms towards Ukraine?*". After carrying out a state of play and a comparative analysis of both integration options offered to Ukraine, we can conclude that the EU and the EAEU are indeed competing regionalisms towards Ukraine. Hereby, we can confirm the first hypothesis, reading as follows: "*The European Union and the Eurasian Economic Union can be interpreted as competing regionalisms towards Ukraine.*". Our second hypothesis, supposing that "*the EU is more attractive towards Ukraine than the EAEU*", can also be confirmed regarding our analysis. As these two hypotheses can seem to be contradictory, we will clarify these conclusions of our thesis in what follows.

Ukraine has clearly chosen for integration with the European Union, according to the signing of the Association Agreement with the EU and the provisional implementation of this agreement, including the application of the Deep and Comprehensive Free Trade Area (DCFTA). As proven by our analysis, not only in economic terms, but also on the institutional and political level, the EU appears to be more powerful to Ukraine than the Eurasian integration. The clear facts and figures provided in our research confirms the benefits Ukraine can get of integration with the EU. As the current political elites and a large part of the Ukrainian population supports the EU-oriented future of the country, this adds even more evidence for the confirmation of our second hypothesis, the EU being more attractive than the EAEU towards Ukraine.

However, as our first hypothesis shows, the EAEU poses nevertheless a challenge for the EU in Ukraine. Although integration with the EU is more attractive for Ukraine, the consequences of the Russian pressure are clear and obliges the EU to take account of it. The choice of Ukraine for the EU is hindered by the strategy of the EAEU, which has make it more costly and risky to integrate with the EU. As shown by our analysis, the Eurasian Economic Union can be perceived as a functioning customs union, with the inclusion of a comprehensive agenda on other issues. For a regional integration organisation, that in its current form only exists two years, this is quite remarkable. The fast pace of the Eurasian integration has already been mentioned by Putin in 2011: "*It took Europe 40 years to move from the European Coal and Steel Community to the full European Union. The establishment of the Customs Union and the Common Economic Space is proceeding at a much faster pace because we could draw on the experience of the EU and other regional associations. We see their strengths and weaknesses. And this is our obvious advantage since it means we are in a position to avoid mistakes and unnecessary bureaucratic superstructures*." (Putin, 2011). Although the Eurasian institutional set-up isn't as extended and powerful as the institutions of the European Union, it is obvious that the Eurasian

integration regime is reinforced with this institutional framework. Not only institutional, but also politically and economically, the Eurasian Economic Union has succeeded to provide an attractive integration formula to its neighbourhood, with its current member states benefiting from the accession to an internal market of 182,7 million customers. The power of the EAEU is not to be underestimated, even in the case of Ukraine, as it also succeeded in pulling Armenia away from an Association Agreement with the EU. The recent declaration of Moldova's President Dodon, wanting to abandon its country's Association Agreement with the EU and instead joining the Russian-led Eurasian bloc, is a strong sign of the force of attraction of the EAEU towards the post-Soviet space (Rettman, 2017). If Moldova would scrap its treaty with the EU, this would mean another backlash for the EU's foreign policy in the former Soviet space. The move of Moldova could also pose a significant risk for the EU's relations with Ukraine, as this could serve as an example for Ukraine's behaviour. As Moldova's president mentioned, its country would have received nothing from signing the agreement with the EU, except the loss of the Russian market. It will thus be of extremely importance for the EU to provide sufficient benefits to Ukraine in order to compensate the losses and costs involving EU integration.

Whereas Russia's incentives for the deepening of the Eurasian integration are quite clear and straightforward, the same can't be said of the objectives pursued. The motive for this complex institutionalized integration project has been continuous throughout the various forms the integration structures took on. A first justification has been the economic interdependence between the countries of the former Soviet Union. The establishment of the Eurasian Economic Union is an attempt to assemble these economic relations in a common market and a common economic policy. Moreover, the political and geopolitical intraregional connection, which date back to a long history, influences the construction of an Eurasian integration scheme in the post-Soviet space. In this regard, we have to look especially in the direction of Russia, pushing forward the institutionalisation of the Eurasian integration. It is often stated that Russia is pursuing integration in the Eurasian space for reasons of keeping its "sphere of influence" in the region. In contrast to the Soviet period, where the USSR enjoyed being the second most powerful entity in the world, Russia began increasingly to lack international recognition and economic supremacy after the collapse of the Soviet Union, and it wants to compensate this loss of influence today.

Aside from the historic, political and geopolitical motivations behind the Eurasian project, the integration of this region is a logic process. Seen their 70-year-long membership in the former Soviet economic system, the ex-Soviet republics have a lot of economic characteristics in common. Their national economies are closely interdependent, share important transportation networks and cross-border companies, and form important markets for each other. Due to the highly mobile labour market the Soviet planners created in the region, there is still an important mobility within the Eurasian space, an essential feature for an integrated area. The geographic proximity to Russia and the shared borders are assets that make the Eurasian project a more credible and obvious strategy. As the President of Kazakhstan, Nursultan Nazarbayev, stated in 2014: "*The common history, the mutual economic attraction, the close interconnection of the cultures and proximity of the human aspirations give our nations a chance to build a new type of multilateral interstate connections."* (Eurasian Economic Commission, 2015).

It is clear that the countries in between the two integration alliances don't benefit from the trade and economic separation between them. For these countries, especially Ukraine, it means a loss of trade

sovereignty and of fluid trade flows. From the research carried out, it is clear that closer alliances with one of the integration blocs would bring benefits on the one hand, but on the other hand, leads to costs in disengaging with the other bloc. A constructive approach, with new strategies and more cooperation between Brussels and Moscow towards these countries would thus be more than welcome.

If we have a look at the future, and make a prospect about what will follow the coming years regarding the developments of both blocs in the shared neighbourhood, an interesting reminder here is the prediction of Arkady Moshes, that stated already in 2013 that "The stagnation of Eurasian integration is a realistic medium-term scenario. In this case, Ukraine's accession to the Customs Union may appear to the latter's architects to be more critical than ever". But, the dominance of Russia and its aggressive foreign policy poses to some extent difficulties to the EAEU's integration. The contradiction between Russia's economic sanctions imposed on Ukraine, but the ongoing trade relations of the other member states with Ukrainian businesses, is an important example of the difficult relation between foreign policy objectives and economic objectives. As Russia is the leading actor in the Eurasian Economic Union, it is highly imaginable that the future coordination in these areas will prove to be a heavy task, regarding these controversial issues. It will require mutual concessions in order to make advancements in the economic integration of the Eurasian bloc.

We can state that if the EU would lose its "magnet" function towards Ukraine, that this would be despite the political, economic and financial support it offers to the country. We can not only take the EU into account if Ukraine fails in heading more westwards, but both the country itself, with its system of corrupt and inefficient governance, and Russia would bear the responsibility for this. However, the EU has to continue to make its internal market more attractive than the Eurasian Union. If the EU remains interesting for Ukraine, then Ukrainian citizens will continue to support the European project and by this, its government will have to carry on reforms and focus on its European future. If the EU fails in showing its own appeal, then the powerful Russian propaganda and its project for a Eurasian Economic Union will soon be more appealing to Ukraine. However, in the future it can be possibly difficult to push on tough political and economic reforms if the future for Ukraine as a real EU member state cannot be guaranteed. Citizens will maybe expect an offer of membership in the long term.

7.2. POSSIBILITIES FOR FUTURE RESEARCH

As the Eurasian Economic Union is only a recent economic integration project, it will be extremely interesting to follow up both the internal as the external developments of this integration association. As the economic integration isn't yet completed, it will be crucial for the existence and the influence of this trading bloc to further develop its internal market and to prove the economic objectives of the integration, and to disprove the geopolitical interests of Russia. Externally, it is obvious that further research will have to be carried out depending on what happens in Ukraine, and by extent, in the shared neighbourhood between the EU and the EAEU. Furthermore, as the current EU-Russia relations are characterised by severe tensions, it can be useful to carry out research in this domain.

Another possible area for future research could be the comparison of the Eurasian Economic Union with other regional organisations than the EU. In this regard, it could be interesting to compare the weight of Russia in the Eurasian Economic Union, to the weight of for example Germany in the EU, of the US in NAFTA, of South Africa in the South African Customs Union, etc. By doing this, it could be

proved if it is true that Russia is dominating to a large extent the EAEU, or if its weight is still small in comparison to similar constructions in the world, also containing large players.

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