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Eurasia: The Rivalry of Global Integration Projects

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Abstract: The article reveals the Eurasian integration projects as major drivers of world globalization. Eurasian regionalism seems to be gaining attention in the scientific literature. Under the current political circumstance many regions are accelerating integration and many countries are opting for regional associations as a mechanism to help them overcome the global recession. Moreover, the global political leaders, some developed countries - the U.S., China, and the European Union (EU) are interested to set up regional economic blocs such as Eurasian Economic Union (The EEU), the China's project 'One Belt One Road', the U.S.'s projects - The Trans-Pacific Partnership (TPP) and The Transatlantic Trade and Investment Partnership (TTIP). The goal of this paper is to introduce a number of integration initiatives and to analyze the current strategies of Eurasian regionalism.

Keywords: The European Union (EU); The Eurasian Economic Union (EEU); The One Belt One Road (OBOR); The Trans-Pacific Partnership (TPP); The Transatlantic Trade and Investment Partnership (TTIP)

In recent years there take place a various economic, political and military shocks - the economic crisis, the problem of illegal migration, the conflict in Ukraine, terrorism, military clashes in the Middle East - all of this facts tells us that existing system of international relations is needed to be transformed according to a new reality. Considering the global political instability and crisis processes the modern stage of international relation system is characterized by intensifying of integration activity. Some states are trying to solve their internal and external problems combining their efforts with other states within the integration unions.

In the XX century Halford Mackinder, Karl Haushofer, Nicholas Spykman who are regarded as the founding fathers of both geopolitics and geostrategy in their geopolitical conceptions consider the Eurasia as a key continent and therefore as an object of political and economic rivalry between the most powerful international actors.

The major integrating centers in Eurasia are the EU, Russia, China and the USA. Each of these centers have implement their own integration initiatives and cooperation programs. The international crisis that began in 2014 because of the political events in Ukraine partly was a result of serious conflict of interest between Russia and the EU about the post-soviet space' future prospects which is perceived in Moscow as a natural historical, geographical, economic and cultural Russia's zone of influence.

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Whereas the European Union considers the countries of this region as an open space for economic and political integration.

The dialogue between the EU and the states of the former Soviet Union began in the process of filling the geopolitical vacuum formed after the collapse of the Warsaw Treaty Organization (WTO) Council for Mutual Economic Assistance (CMEA), and the disintegration of the USSR.

On 1 May 2004, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia - joined the European Union. Three years later, on 1 January 2007, Bulgaria and Romania joined and became members of the EU. In connection with the enlargement of the EU in 2004/2007 European approach to the countries of the former Soviet Union has been changed. It was conceptualized by the term 'new neighborhood' in relation to Belarus, Ukraine, Moldova and the three Caucasus states. Later in 2007, the term 'neighbors of neighbors' in relation to the Central Asian states was applied. In legal terms, these initiatives were determined as the European Neighbourhood Policy (2004) and the program "Eastern Partnership" (2009).

The Eastern Partnership (EaP) uses the mechanisms of multilateral economic cooperation and regional integration through the participation of partner countries in the thematic platforms, summits and common programs.

The goal of the EaP is to bring partner countries closer to the EU through deepened cooperation and integration based on EU values, norms and standards. In addition, the EaP aims at supporting reforms that contribute to institutional strengthening and modernization of the partner states. The EaP also offered partner countries tariff-free access to the EU single market in exchange for their adoption of trade-related EU legislation through the creation of a free-trade zone that would give partner countries access to the EU's five hundred million consumers. The stated objectives of the EaP were to advance "the political association and economic integration" of the EU with Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine.

European Neighbourhood Policy and the program "Eastern Partnership" became a challenge the presence and influence of Russia in the Commonwealth of Independent States region. New agreements in the framework of the EaP highlight the competitive nature of the EU and Russia integration plans in former post-Soviet space. The policy of enlargement assume that the EU - is not only a major economic bloc or only the union of nation states, but also the global political actor whose action is forming a strategic space in the conditions of competition with other centers of power.

A continuing transformation of the post-Soviet space is presently underway as it sheds the last elements of its common Soviet past. New geopolitical and spatial configurations and integration associations are being created, with a new set of players and development priorities appropriate to today's international situation and the new challenges.

Since the end of 2013, Russia has become one of the tension area of World Politics. Russia's ambition to preserve and strengthen integration cooperation with the CIS states and EU and USA action has led to Ukrainian crisis. Ukraine is located between two big spaces. Both EU and Russia offer their own program of integration and cooperation. The Ukrainian crisis is examined as an integral part of geopolitical rivalry and competition between two integration projects - European and Eurasian.

In 2014, the leaders of three countries - the Russian Federation, Kazakhstan and Belarus - initiated the Eurasian Economic Union (EEU) as regional economic union in order to enhance integration, eliminate barriers to the free movement of goods, services, capital and labor, develop coordinated, coherent and unified policy in key sectors of the economy. The Treaty is expected to move integration

to a whole new level and establish the region's path of development for the next half decade. The project to establish the Eurasian Economic Union (EEU) is one of the most important Russian integration initiatives since the breakup of the Soviet Union. The objectives and tasks of a new integration group, as well as the makeup of the integration core and potential participants, have now been determined.

A few years earlier, on 4 October 2011, in article in *Izvestia*, Russia's then prime minister Vladimir Putin announced the creating a new integration project as an important stage in the reconfigurations of cooperation on post-Soviet space. The article, as the heading states, outlines the 'new integration project for Eurasia' and envisages the creation of a 'Eurasian Union' by 2015 (Putin, 2011). This project can be considered the organizational and institutional counterparts to the EU's European Neighborhood Policy (ENP) and its eastern dimension - the Eastern Partnership. Furthermore he made focus on the geopolitical dimension of the new project, stressing that the Eurasian Union is "capable of becoming one of the poles of the modern world" and 'an effective tie between Europe and the Asia-Pacific region'. It is clear that Moscow is seeking to strengthen its positions in dialogue with the EU and secure the post-Soviet space as a priority zone of Russia's influence.

In his article, Putin writes: "... The two largest associations on our continent, the European Union and the emerging Eurasian Union — basing their interaction on the rules of free trade and the compatibility of regulatory systems, including through relations with third countries and regional agencies, are capable of spreading these principles across the entire space, from the Atlantic to the Pacific". Based on economic logic and balanced partnership, Putin concluded, "the Eurasian Union and the EU are able to create real conditions for a change of the geo-political and geo-economic configuration of the whole continent". He reminded potential skeptics that as early as 2003 the EU and Russia had agreed to coordinate their respective rules of economic management and build a common economic space "from Lisbon to Vladivostok".

However, the extreme changes in Eurasia, associated with the Ukraine crisis in 2014 has massive implications for the development of this regional organization. Due to economic and political factors, Eurasian Economic Union appears to be far from many of the prospects that was discussed for several years before its implementation. The political crisis associated with the economy recession, the devaluation of the Russian ruble, declining oil prices, international sanctions - all these problems affect to the future of the Eurasian regionalism and creates some risks for the Eurasian integration.

Despite the current circumstance the Treaty on the EEU was signed by the Presidents of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation on May 29, 2014, in Astana. Apart from the three states, the Union members will also include the Republic of Armenia that signed Treaty on Accession to the Union on October 10, 2014 and the Kyrgyz Republic that signed similar Treaty on December 23, 2014. January 1, the Treaty on the Eurasian Economic Union EEU has become effective.

While Russia, the EU and the USA is hesitant about the extent, implications and commitment to the rebalancing, Asian powers are looking to Central Asia, the Levant, Eastern Europe and Africa as areas of economic and strategic opportunity.

President Xi Jinping first presented China's vision for a 'Silk Road Economic Belt' during a 2013 speech in Kazakhstan. The idea was to "forge closer economic ties, deepen cooperation, and expand development in the Euro-Asia region". In early 2015, the contours of Beijing's strategy began to emerge as China's leadership laid out plans for this 'Silk Road Economic Belt' through Central Asia, and a "21st Century Maritime Silk Road" through Southeast and South Asia. China referred to both

collectively as ‘One Belt, One Road’ (OBOR). Both have been portrayed as an opportunity to reshape the economic and political order in Central Asia and the Asian Pacific region by promoting a network of trade routes, political cooperation and cultural exchange.

The OBOR is an attempt by the Chinese government to revive the Silk Road of ancient times, which connected China to Central Asia, West Asia, and Europe by land transportation and to Southeast Asia, South Asia, and East Africa by ship. The OBOR similarly intends to provide a platform that will facilitate economic interaction among countries along the modern Silk Road, enabling them to benefit from increased trade. Furthermore, Beijing characterizes its initiatives as an effort to encourage integration and economic growth in Eurasia, rather than an attempt to expand its own political influence in the region.

In reality, Beijing has been using infrastructure projects to bolster its influence among needy nations for some time, most notably in Africa. But the One Belt, One Road takes those ambitions to another level. One arm, the Silk Road Economic Belt, will pass from China to Europe through Central Asia, and the other, the 21st Century Maritime Silk Road, will better link the country to Southeast Asia, the Middle East, and Africa along vital sea lanes. China’s plan is to construct roads, railways, ports, and other infrastructure across Asia and beyond to bind its economy more tightly to the rest of the world.

In March 2015, China used the Boao Forum for Asia to clarify its vision for the OBOR. Following a keynote address by President Xi, the National Development and Reform Commission, together with the Ministry of Foreign Affairs and the Ministry of Commerce, unveiled a “blueprint” providing the clearest picture to-date of China’s strategy. The ‘One Belt, One Road’ initiative hangs on four interrelated objectives: Improving regional infrastructure, increasing regional economic policy coordination, removing barriers to trade, and encouraging cultural ties to build support for the broader project. The blueprint lays out a set of transportation, energy, and telecommunication infrastructure projects, coupled with plans for increased regional diplomatic coordination, financial integration, and cultural exchange. President Xi stated that China hopes its annual trade with countries involved will exceed \$2.5 trillion in roughly a decade. China’s trade with the Central Asian region has grown dramatically in recent years, from roughly \$1 billion in 2000 to over \$50 billion in 2013 (Cooley, 2015). In July 2015, The Chinese Ministry of Commerce announced that in the first half of the year Chinese companies signed 1,401 contracts for projects in countries included in the OBOR framework. These contracts were said to be worth \$37.6 billion (an increase of 16.7% year on year) and equal to 43.3% of all overseas contracts signed during that period.

China identifies transportation bottlenecks as a primary barrier to regional economic integration. In its initial stages, the Silk Road Economic Belt is being framed as a series of transportation, energy, and telecommunication infrastructure projects. The blueprint describes the development of a “Eurasian Land Bridge” as well as “China-Central Asia-West Asia and China-Indochina Peninsula Economic Corridors” that will be constructed by connecting a series of “core cities” from China to Europe. In June 2015, Hungary became the first European country to sign a cooperative agreement with China to participate in the Silk Road Economic Belt, something Beijing hopes will become a model for greater European participation. Financing for Silk Road projects will come from Chinese state-owned banks and a series of government and multilateral funds, including a Silk Road Fund, the AIIB, and the BRICS New Development Bank.

Also, China has pushed for the Shanghai Cooperation Organization (SCO) to establish a financial institution that would provide an additional funding stream for OBOR projects.

It is important to note that Russia has historically been concerned over the potential of an SCO development bank increasing China's leverage in Central Asia, but this dynamic appears to be shifting. In March 2015, SCO General Secretary Dmitry Mezentsev said that the organization would "combine its development strategies" with China's Silk Road strategy and that all members would be invited to participate in the initiative. Four months later, President Xi and Russian President Vladimir Putin agreed to take steps to integrate the Silk Road Economic Belt with the EEU, using the SCO as a coordinating platform. Beijing appears to view the SCO as a primary mechanism to rally regional support for its initiatives as the organization increasingly looks to play a greater role in global affairs. Chinese policy experts have described plans for the SCO to play a "driving role" in OBOR. The SCO granted Afghanistan observer status in the SCO in 2012 and, in July 2015, voted to grant full membership to India and Pakistan.

Chinese and Russia integration strategies is supplemented by U.S.'s vision of integration configuration in Eurasia. "If we don't set the rules for world trade, then China will do it for us" said Barack Obama. There is clearly no need to detail the depth of rivalry going on between the United States and China. Today China is the US's largest and most direct competitor in the Asia-Pacific Region. But if Russia and China are attempting to expand on their existing processes of integration — while respecting each other's interests in their development — then the United States ploughs on with its latest project, the Trans-Pacific Partnership (TPP).

The Trans-Pacific Partnership (TPP), also known as the Trans-Pacific Strategic Economic Partnership Agreement, is a multilateral free trade agreement formed in summer 2005 by a group of small Pacific countries including Brunei, Chile, New Zealand and Singapore. It was entered into force in May 2006. These first-adopters were soon joined by the USA, Australia, Canada, Peru, Vietnam, Malaysia, Japan, and Mexico.

The TPP plays a key role in U.S. trade policy as it helps accomplish key goals: disseminating new rules on trade and investment through free trade agreements; avoiding marginalization from a process of Asian regionalism that could end up being dominated by China; and building an Asia-Pacific platform for high standard integration that could deliver significant economic payoffs if larger trading partners eventually join and could help solidify the broader strategic goal of "turning" to Asia in the attempt to rebalance U.S. foreign policy. Economically, TPP would bind together a group that represents 40 percent of global GDP and about a third of world trade. Strategically, TPP is the avenue through which the United States, working with nearly a dozen other countries (and another half dozen waiting in the wings), is playing a leading role in writing the [trade] rules of the road for a critical region in flux (Froman, 2014).

After years of negotiating the much debated Trans-Pacific Partnership agreement has been signed at a Trade Minister level on 4 February 2016 in New Zealand. The TPP will now undergo a two-year ratification period in which at least six countries - that account for 85 percent of the combined gross domestic production of the 12 TPP nations - must approve the final text for the deal to be implemented. The potential Trans-Pacific Partnership agreement has strategic policy implications for the United States, including with respect to trade policy, but the substance of the proposed agreement and its future remain undecided.

It should also be noted that, there is widespread opposition to the TPP in many countries. Opponents have criticized the secrecy surrounding TPP talks, raised concerns about reduced access to things like affordable medicines, and a clause, which allows foreign investors the right to sue if they feel their profits have been impacted by a law or policy in the host country.

There is another agreement on the other side of the globe, one that will encompass 46% of the world's economy. The Transatlantic Trade and Investment Partnership (TTIP) is a free trade agreement currently being negotiated between the European Union and the United States. The primary motivation behind the negotiations is to boost economic growth on both sides of the Atlantic.

The United States and Europe have the largest bilateral trade and investment relationship in the world, with 1 trillion dollars in goods and services flowing annually between the two and 4 trillion dollars invested in each other's economy, supporting more than 13 million jobs on both sides of the Atlantic. Taken together, both economies account for almost half of global GDP and nearly one-third of global trade. But leaders on both sides continue to believe that the full potential of this relationship has yet to be realized. If the TTIP succeeds, it will change the political and economic landscape of Eurasia for decades.

To summarise it is important to note that one of the main characteristics of the modern world are the growing chaos in international relations, economic and political crises at the global and regional levels. Against the backdrop of the recent global economic crisis, many regions are accelerating integration and many countries are opting for regional associations as a mechanism to help them overcome the global downturn. That is why for the current agenda the idea of regional integration is extremely urgent.

In the process of globalization there take place deepening of economic and political cooperation. Regional unions of states, which form certain geopolitical space to combine their resources, are created.

Finally, one has to notice that the Eurasian space at the same time involved in the opposite trends, where there is a rivalry between several geopolitical centers - The EU, Russia, China and the USA. Each offer their own programs of cooperation and integration.

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