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## Trends in the Development of the Political Integration Processes in the Eurasian Region: Theory and Methodology<sup>1</sup>

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### ABSTRACT

The article deals with the theoretical principles of the analysis of the current processes of international integration. He author applies the methodology of various theories to the analysis of regional integration processes. The research makes it possible to have a better vision of the reasons for the formation of a political unity in the Eurasian region.

### KEY WORDS

regional integration, the theory of international integration, the Eurasian Economic Union, Eurasian region, EurAsEC, the Eurasian Economic Commission.

In the last two decades, the information aspect comes actively to the foreground of the intergovernmental and social interactions. This fact induces the researchers to study thoroughly the mechanisms of the international system in view of the changing space and political characteristics, and the information factor. The author suggests focusing on the Eurasian region because of its crucial importance for the Russian Federation foreign policy prioritising and also in view of the intensification in the last years of the rapprochement between states located there.

The opportunities for the integration between the member countries of the CIS are rapidly expanding though modern researchers put more emphasis on the economic rapprochement. It is known that international integration is based on a whole set of foundations including socio-cultural, political, infrastructure similarity

of the states involved. However, in the last decades, the economic aspect of the integration takes priority in the practice as well as in theory.

Wilhelm Röpke, the Swiss economist who drew on free competition and natural market forces in the countries rapprochement, laid down theoretical foundations of the neo-liberal approach to the international integration. His successor, M. Allais, a Swiss economist, a Swiss economist focused on the complete integration of the economic policies in the context of the current national and international law. They regarded state interference in the international economic affairs harmful and pushing to inflation, international trade imbalance and other problems.

In the middle of the 1960-ies American economists W. Rostow and S. Rolf laid down the foundation of a new institutional approach labelling it as corporationalism.

<sup>1</sup> The article is supported by Russian Foundation for Humanities, project № 12-03-00146 "The current state and the prospects of the political integration in the Eurasian region"

They gave priority to the intra-company rather than intergovernmental integration and they argued that the development of the intergovernmental intra-company space leads to the free movement of goods, labour, capital, and technology.

Structuralism of H. Myrdal urged other scholars to think of integration as of a process of structural transformations in the economics of integrating countries, which results in an integrated space of new quality.

Neo-Keynesianism of 1970-ies advocated the implementation of broad economic cooperation. While maintaining maximum degree of freedom for each country based on the broadest National autonomy.

Y. Tinbergen, a Dutch scholar, spoke about the establishment and functioning of international economic structures based on the development by integrating parties of shared economic policies, social legislation agreements, and loans policy coordination. As a result he introduced a new approach of dirigisme

All these integration models have been tested in one way or another in various regions of the world, however political integration connected with sovereignty handover. And new structures formation, going beyond the frames of simple coordination, have not been studied thoroughly enough.

Nowadays the European Union is a product of most of the theories in the field of political integration. Functionalism and neo-functionalism, school of federalism and communication approach are the most famous theoretical approaches to consider the international integration.

Federalism (institutional approach) is the first concept of the European integration. The authors, who introduced it, A. Spinelli and Wistrich started from the goal of joining Europe, of the necessity of forming supranational institutes similar to a state with an obligatory principle of the division of power. Their ultimate goal was the adoption of an act, leading to the formation of supranational unity with complete loss of sovereignty of the states.

Communication approach is represented by K. Deutch and is linked to transna-

tional community or international amalgamated community. The openness of any state for integration processes depends on its communication capabilities. And is only realized when this country falls behind the communication capabilities of the external structures or of the world as a whole.

Functionalism treated international rapprochement as a handover of certain functions to interstate level via the development of horizontal links. The states maintain their sovereignty, while uniting when dealing with specific functions. This school suggested the rejection of political unity in favour of economic rapprochement.

Neo-functionalism has become a more developed/detailed/through approach to thinking over the international integration processes. Its authors E. Haas, A. Etzioni, P. Schmitter stated the possibility of maintaining national sovereignty notwithstanding the depth of integration and proclaimed a continuum of economic and political integration. A key element of the theory was a process of "spill-over", i. e. increasing functions of central bodies.

In terms of European integration the functional idea of interstate rapprochement prevailed at first. This attitude made The European Coal and Steel Community a starting point of application of theory to real international politics. The same logic developed cooperation through the establishment of such supranational institutions as EEC and EURATOM in 1957 [4].

Gradually the concept of federalism obtains some distinctive features in the processes of integration in the Western Europe. These became more and more visible after the first general elections to the European Parliament in 1979, which gave a new impulse to the institutional development. In 1984 European parliament adopted a draft of the European Union agreement worked out by Spinelli. Since the adoption of the Single European Act in February 1985, an important stage of institutionalisation of the European Union was completed. The Act consists of two parts, one of them devoted to the Communities and the other to the political cooperation. The first

sets the goal of creating a common market by the end of 1992. The second limits itself to institutionalisation of 15-year practice and its fixation in legal obligations.

The goal stated was to form and conduct united foreign policy, which suggests continuous mutual consultation between 12 countries, their taking into account the positions of each other and obligatory permanent discussions of the issues of shared interests before making national decisions.

Eventually 1992 became the year of launching the most successful of modern integration unities, the European Union, based on the European Community. On November 1 1993 Maastricht Treaty came into force, planning the establishment by 2000 of monetary and economic union as well as military and political union of 12 European states. Common Market was created in Europe by early 1993. That brought forward the task of creating a union of payments, which should be completed very quickly, by early 1999.

Besides, after many delays, it was decided that the Scheungen agreements, signed by 8 states of 12 would come into force since February 1 1994. In addition to free movement of capital, goods and services within the union, the agreements allow movement of people without barriers, which in fact means removing the borders between the states. \*

The failure of the European constitution project in 2004 showed that the European States (in this case the Netherlands and France) to share their sovereignty with strong supranational institutions, expressing the interests of international regions. In 2009 The Treaty of Lisbon came into force. It was to constitute the bodies/institutions of the European Union, to simplify the decision-making procedures and give legal standing to this organization. However, the idea of formation of a strong political unity according to federal principles was out of sight of European politicians and "euro bureaucrats".

The economic crisis of 2008 was a serious blow. Financial analysts started to use the term PIGS (abbreviation of the

names of Portugal, Italy, Greece and Spain) which allows to express attitude to more effective countries to ineffective economic politics of their weakening partners in European integration. Then, in the 10-jubilee year of the European Central Bank the problems of financial sphere caused irreparable damage both to Euro zone and to the whole process of integration in this part of the world.

If we leave Europe for a while and pay attention to the system of international relations as a whole, we will see that it is undergoing certain changes in terms of regional integration unities formation. The last two decades are marked by exponential growth of the quantity of interstate integration unities. The European integration model, based on neo-functional model, made significant contribution to this process.

At the same time the world community is now being a witness of realization of two complementary concepts that are gradually pushing out the ideas of the priority of political rapprochement of countries. Both concepts outline economic sphere as the main direction of integration; however one of them is associated with liberal perception of integration rapprochement. And the other considers the necessity of primary formation of supranational institutes formed according to the functional principle.

The forms of cooperation in interstate rapprochement that have been in the highest demand for the last two decades are trade agreements. At present there are over 220 such agreements in action and 90% were signed in the 90-ies [1, c. 42–43]. However, only a tiny part of them is getting closer to the establishment of supranational institutes. Only 20 agreements imply the establishment of trade unities, and 11 of them were signed within the EU or with participation of the states of this organization with third countries.

So, in the modern world there are nine customs unions outside the EU. These are Customs and Monetary Union of Switzerland and Liechtenstein, the Council for cooperation of Arab countries of the Persian

Gulf, Caribbean Community (CARICOM); MERCOSUR; East African Community, South-African Customs Union; Common Market for Eastern and Southern Africa (COMESA), Economic Community of West African States (ECOWAS); Customs Union of the member states of EurAsEC.

We now need to analyse the most prospective unities in more detail, showing the possibility of their transformation into political and integration structures. Customs and Monetary Union of Switzerland and Liechtenstein are the most integrated organization due to several reasons.

First of all, their foreign policy, economic policy, security policy, and social security are strongly dependent on Switzerland (the prince hood population is only 36500 people, too few to enjoy complete autonomy). Second, the independence of Liechtenstein has been only nominal throughout the period of its history under condition that before the end of *WWI* it was Austria-oriented and since then has been Switzerland — oriented. Third, in reality the Customs Union of Switzerland and Liechtenstein is integrated into the EU due to two separate agreements of the two states with the EU, in spite of the fact that such Customs and Monetary Union is one of the oldest unions of the kind now in action (it was started in 1923 and some minor changes were introduced in 1980). Fourth, Switzerland, as a rather powerful neutral power centre (GDP is over 350 bln dollars, while the population is 7, 7 mln) does not reject multilateral cooperation and participates in a number of agreements with the EU and has a leading role in the European Free Trade Association (EFTA)

The economic recession may most probably influence the situation in Switzerland and Liechtenstein in a negative way, yet it will neither undermine its strong political and economic links, nor will push into more cooperation with the EU. Political integration is maximum in this unity in comparison with other structures of this type, but Switzerland has taken over all control functions upon itself. It is responsible for the foreign

policy of both countries, for their security, monetary policy and it is possible due to asymmetry of the states of this unity.

The council of cooperation of Arab States of the Persian Gulf (CCASPG), which includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates, was created on 25 May 1981. In 2003 the Customs Union was proclaimed in this part of the world, yet its practical realization remains controversial. In 2008 the countries announced the establishment of common market. The intensification of interstate economic rapprochement is under the influence of independent policies of certain states. For example Bahrain signed an agreement on free trade with the US, which caused tension in the Council.

In December 2009 Kuwait, Saudi Arabia, Bahrain and Qatar announced the introduction of single currency. This meant the establishment of the single central bank. However, the complexity of relations inside the unity urged the countries of the Persian Gulf to review the terms of introduction of single currency for 2013–2020.

The events of the “Arab spring” influenced the ideas of political rapprochement of the sub region countries. The policy of Qatar sheikh for the Middle East was activated and the influence of Saudi Arabia on the security of the region has grown. Military support of Bahrain regime by Saudi Arabia armed forces under the auspices of the Peninsula Shield Force, the military structure of CCASG Prevented the Shiites to overthrow Sunnites government in Manama. After that on 6 March 2012 six members of GCC announced that regional bloc would grow into confederacy against growing influence of Iran in the Middle East [6]. The Syria events influence the situation in a certain way in the context of Shiites and Sunnites confrontation. However, such deepening of integration cooperation is hardly possible in the present conditions when there is no internal consolidation among the countries of the region.

MERCOSUR organized in 1991 according to the Treaty of Asuncion, including Argentina, Brazil, Paraguay, Uruguay, and

Venezuela, is one of the leading economic and political unities. Its goal was to create a free trade zone and facilitate the movement of goods and people as well as maintain joint regulation of currency. After a number of complications the unity agreed on and adopted customs tariff in 2012. In December 2004 at MERCOSUR summit there was established its own Parliamentary Assembly.

The strengthening of integration processes in MERCOSUR in the framework of the Andes community led to establishment in 2008 of a new intergovernmental unity, which are the Union of South American Nations (UNASUR) and Latin American Council of Defence.

In the context of world trends in the field of interstate integration the project of the Eurasian integration looks promising and is gaining momentum.

The protocol of the formation of the Customs Union within 1993 Treaty of economic union of CIS was followed by the signing such important agreements as the Treaty of Single Economic Space, the Treaty of the Customs Union and the Treaty Economic Eurasian Community (2000)[5].

In August 2006 the heads of the member states of EurAsEC decided to set up a legal base of the Customs Union. Signing the "The on the Customs Union and the Single Economic Space" on 6 October 2007 and of "A Road Map for the Formation of the Customs Union in the framework of the Eurasian Economic Community for 2007–2009" defined the strategy and the scenario of the formation of the Customs Union of the Republic of Belarus the Republic of Kazakhstan and the Russian Federation.

The next stage was the launch of the Common Economic Space on 1 January 2012, which made it possible to withstand the acute global market fluctuations. By 1 January 2013 the export-import tariffs on the whole territory of the Common Economic Space were unified.

It should be noted that presently we are witnessing the success of a number of steps in the course of the execution of the project of the Eurasian integration.

It is not necessary anymore to use the term "Post-Soviet Space" that has a negative connotation. First supranational institutions began functioning in 2010 after the start of the Customs Union Commission later replaced by the Eurasian Economic Commission. This situation provides optimism for possible formation of the Eurasian Union. However, the international community does not remain static, and the question remains open, whether the government institutions of our country and our immediate integration partners are able to respond to its changes.

At the same time political union seems impossible on the existing economic grounds. The European integration crisis illuminates the problems of the transition to this stage of rapprochement given the supranational economic structures. At the same time, in the countries of the CIS territory there is experience in the formation, on the basis of multi-rate integration, of a special political international union with the features inherent in a state. This experience is being applied to the project of the Union State of Russia and Belarus.

Despite the controversial relations between Belarus and Russia on the whole, the interaction between the bodies of executive power has long-standing contractual basis and practice [2]. According to S.Kizima, the Belarus expert, "The Union state development as an image-building and attractive to the other post-Soviet republics object is a key goal for the Russian Federation, the largest member of the union with a tremendous potential [3]. This provides grounds for the application of the experience partly forgotten in the course of successful transformations based upon EurAsEC.

At the same time political consolidation is the most important prerogative for the development of modern regional communities. It seems possible to fill the frozen projects like the Union state of Russia and Belarus with functions in the course of the further global economic recession. The balanced state policy turns out to be the only key to the fight against economic downturns though a mechanism of this

fight will have to be tuned during crisis periods in the nearest future.

Combining several different approaches could strengthen the conceptual basis of the international integration. It is already rapidly forming from neo-functional principles in the course of the formatting of the European integration institutions. At the same time common values of the states of the Eurasian region remain, which means an opportunity of establishing an amalgamative security community in accordance with the communication theory. However, it is necessary to develop federalist principles while forming international integration unions, though in the current circumstances the priority should be given to certain areas of the supranational institutions.

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