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# Ways of Positioning the Eurasian Economic Union in the World

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## ABSTRACT

In this article the author analyzes the processes of economic integration of the former Soviet republics which are an integral part of the global regionalization.

The author describes the experience of the international cooperation of the Eurasian Economic Community, as well as the Customs Union and Common Economic Space with the international organizations within the United Nations system.

## KEY WORDS

world regionalization, the Eurasian Economic Community, regional economic integration, the UN General Assembly, the Customs Union, the Eurasian Economic Commission

During the round-table discussion “Regional Economic Communities: Integration to Compete and Pathway to Inclusive Globalization” held at the St. Petersburg International Economic Forum 2013 Pascal Lamy, the WTO Director-General, said: “We live in the world where the cost of distance is disappearing.” And so it is: today the integration is a rapid geopolitical process that has been spreading across the globe. Obviously, this process will gain even greater strength in the coming years. It is a fact and it is a direct response to the challenges of the world economic system globalization.

Post-Soviet integration processes have been developing in a global context and they represent an integral part of the regionalization of the world, which, along with the globalization, determines the course of world economic processes today. The current state of the post-Soviet space integration is characterized by the fact that by 2012 the Eurasian Economic Community had actually completed the basic tasks reflected in “Priority Lines for EurAsEC Development in 2003–2006 and the Subsequent Years” ratified by the heads of the states in February

2004<sup>1</sup>: the Customs Union was formed and the states started forming the Common Economic Space.

There have been the preconditions for founding a new international economic organization that could continue the development of the integration process in Eurasia, which was reflected in the Declaration of the Eurasian Economic Integration signed by the heads of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation on November 18<sup>th</sup>, 2011<sup>2</sup>. The leaders of the states declared their aspiration to complete the codification of the international Treaties which make up the regulatory legal framework of the Customs Union and the Common Economic Space by January 1<sup>st</sup>, 2015, thus laying

<sup>1</sup> “Priority Lines for EurAsEC Development in 2003–2006 and the Subsequent Years” approved by the EurAsEC Interstate Council on February 9<sup>th</sup>, 2004 No.152//EurAsEC Basic Documents Collection, the Secretariat of the Eurasian Economic Community Integration Committee, Moscow, 2010, p. 209

<sup>2</sup> Declaration of the Eurasian Economic Integration of November 18<sup>th</sup>, 2011//the official site of the Eurasian Economic Commission <http://www.tsouz.ru/MGS/18-11-11/Pages/default.aspx>

groundwork for the future Eurasian Economic Union.

In this regard, one should highlight one of the important issues which requires constant attention from the political leaders of the Community states and from the integration institutions. What is meant here is the need to position the Customs Union and the Common Economic Space at the international level and to fit it into the world's economic system. This is especially important for building a system of common priorities in the field of expanding trade and economic relations between the member states of the Customs Union and the third countries as well as relations with the regional integration organizations, taking into account Russia's entry into the World Trade Organization (WTO) and the terminating process of Kazakhstan's accession to the WTO.

To do so it is important to carefully examine and use the experience of the international cooperation between the EurAsEC, the Customs Union, Common Economic Space and international organizations within the United Nations system, as well as to make use of the experience of coordinated entry into the World Trade Organization, and trade and economic cooperation with major regional integration associations — the European Union and APEC.

Yet when signing the Treaty on the Establishment of the EurAsEC, the Community has reaffirmed its "commitment to the principles of the Charter of the United Nations and to the generally accepted principles and rules of international law."<sup>1</sup> The most important agreement, which determines the status of the Eurasian Economic Community in the international arena, was the one to grant the Community the observer status in the UN General Assembly in 2003<sup>2</sup>. This achievement should be retained after the creation of a new integration association.

<sup>1</sup> Treaty of the Establishment of the Eurasian Economic Community of October 10<sup>th</sup>, 2000// EurAsEC Basic Documents Collection, Moscow, 2010, p.700, p.30

<sup>2</sup> UN General Assembly Resolution 58/84 of December 9<sup>th</sup>, 2003

It is important to mention that the UN General Assembly recognizes the role of regional integration institutions, such as the Eurasian Economic Community, in the implementation of the *Almaty Programme of Action: Addressing the Special Needs of Landlocked Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries*<sup>3</sup>.

As part of the 62<sup>nd</sup> session of the UN General Assembly in December 2007, the UN took note of the Eurasian Economic Community activities to support the goals of the United Nations through strengthening regional cooperation in the areas such as trade and economic development, the customs union establishment, energy, transport, agriculture, and agro-industry, migration regulation, banking and finance, communications, education, health care and pharmaceuticals, environmental protection and natural disasters mitigation<sup>4</sup>. At this session of the UN General Assembly the importance of strengthening the dialogue as well as of cooperation and coordination between the United Nations and the Eurasian Economic Community was emphasized and the UN Secretary-General was proposed to consult regularly with the Secretary General of the Eurasian Economic Community, acting within the existing resources and using the relevant inter-agency forums and formats for this purpose.

The UN General Assembly suggested the specialized agencies and other organizations, programs and funds of the United Nations and international financial institutions than they should cooperate and develop direct contacts with the Eurasian Economic Community for the joint implementation of programs aimed at achieving their goals. Thus, the most authoritative international organization oriented its specialized agencies towards cooperating and

<sup>3</sup> Report of the International Ministerial Conference of Developing Countries. Almaty, Kazakhstan. August 29<sup>th</sup>, 2003

<sup>4</sup> UN General Assembly Resolution 62/79 of December 6<sup>th</sup>, 2007. EurAsEC Basic Documents Collection, Moscow, 2010, p.700, p.673

developing contacts with the EurAsEC for the joint implementation of programs aimed at achieving their common goals. It is particularly important that this was done at the stage of the Eurasian Economic Community development, when the formation of the Customs Union and the Common Economic Space had just started.

To develop the cooperation with the UNECE a memorandum of understanding was signed by the Commission of the Customs Union on April 7<sup>th</sup>, 2011. In this document the UNECE and the Commission of the Customs Union agreed to take measures to promote the further development of European economic cooperation and integration. It was supposed to carry out joint activities to develop regulatory cooperation at the regional and international levels to stimulate the use of common methods of risk management connected with the products and production methods in accordance with well-established international practice.

One of such events was the “Single Window” Conference held by the UNECE, the Commission of the Customs Union and the EurAsEC Interparliamentary Assembly. There a lot of issues such as data sharing, interdepartmental and state-private cooperation in the context of trade procedures facilitation. The Interparliamentary Assembly of the Eurasian Economic Community and the UNECE continued to work closely to identify legal barriers to trade facilitation as well as the implementation of the “single window” concept to coordinate data and e-commerce with the aim to harmonize the legislation of EurAsEC member states in the areas of trade, e-commerce and information exchange.

The development of the Eurasian Economic Community relations with the UN was noted with satisfaction on November 16<sup>th</sup>, 2012 by the UN General Assembly, which ratified Resolution 67 “Cooperation between the United Nations and the Eurasian Economic Community.” The UN General Assembly recognizes the importance of regional and subregional efforts in order to overcome the problems caused by the global economic and financial crisis, and

in this regard it is noted that the Anti-Crisis Fund of the Eurasian Economic Community foundation has become a useful contribution to the multilateral response to the crisis. The resolution specifically noted the progress made in the area of regional economic integration through the establishment of the Customs Union of Belarus, Kazakhstan and the Russian Federation, and expressed appreciation of the Eurasian Development Bank efforts to support the development and integration of the Eurasian Economic Community member states.

Having succeeded the Customs Union Commission, the Eurasian Economic Commission continued its cooperation with the UN Economic Commission for Europe. On February 28<sup>th</sup>, 2013 the Minister for Trade of the Eurasian Economic Commission Andrey Slepnyov and Deputy Secretary-General of the UN Conference on Trade and Development (UNCTAD), Petko Draganov initialed a memorandum of cooperation between the UNECE and UNCTAD. The memorandum aims to strengthen cooperation between the UNECE and UNCTAD in the area of regional economic integration and development strategies, macroeconomic policy, competition policy, trade, customs, investment policy, etc.

Also on February 28<sup>th</sup>, 2013 Andrey Slepnyov met with UN Deputy Secretary-General, Executive Secretary of the UN Economic Commission for Europe Sven Alkalaj on which the parties noted the need for joint efforts to reduce trade barriers between regional associations and expressed the willingness to work together. The meeting resulted in approved edition of the Memorandum of understanding between the Eurasian Economic Commission and the UNECE. It is assumed that on the basis of memoranda signed by these organizations, the Eurasian Economic Commission will be able to use the vast amounts of data and analytical materials of UNCTAD and the UNECE when working out the basics of the Customs Union trade policy.

These are only two examples of the great work to be done. Why is this important? There is still a belief that the process of reintegration of the post-Soviet space is

nothing but a revival of the Soviet Union. This fact is used by the opponents of integration and cooperation improvement in the region. The idea of the Eurasian Economic Union as a revival of the Soviet Union is one of the myths that have been repeatedly denied by the heads of the states, the leaders of the governments, the parliaments and the politicians<sup>1</sup>.

Nowadays, it is impossible to protect the national economy, to fence it from the outside world, to isolate it from the world economic development. Isolated national economic system cannot be effective in terms of global technical and technological progress, intensified global competition, changes in the basic subjects of the global space and consolidated production.

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<sup>1</sup> Valovaya T. Integration is not a Loss of Sovereignty but its Retention by Collective Effort// Information Analysis Portal of the Union State, December 12<sup>th</sup>, 2012 // <http://www.soyuz.by/ru/?guid=135216>

In December 2012 in Dublin, commenting on Russia's proposal to establish Eurasian Union which would bring together Russia itself and other former Soviet Republics, Hillary Clinton, U.S. Secretary of State, called this plan "a move to re-Sovietise the region" and added that the United States "are trying to figure out effective ways to slow down or prevent it".