



EAEU Position Paper

Deha Kılıçkaya



Background Information on The Eurasian Economic Union

The Eurasian Economic Union (EAEU) is an international organization for regional economic integration. It has international legal personality and is established by the Treaty on the Eurasian Economic Union. The EAEU is a newcomer among regional integration organizations. It has been operating as a customs union since 2011, and as an economic union since 2015. In addition to geopolitical objectives, it is based on a specific long-term economic agenda. In this context, the EAEU was established to help its member states make the most of intra regional economic ties, modernize their national economies, to forge an environment conducive to improving their global competitiveness, and to promote stable development in order to raise the living standards of the nations of the Member-States. Holding similar goals as the European Union, the EAEU aims to establish a free trade zone between the Eurasian Economic Union member states. The Member-States of the Eurasian Economic Union is the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation. In such a short amount of time, the EAEU has had significant achievements such as the agreement on free trade between the member states of the Eurasian Economic Union, the Socialist Republic of Vietnam and the Islamic Republic of Iran, along with a deal on trade and economic cooperation between the member states of the Eurasian Economic Union and the People's Republic of China. The possibilities of the conclusion of free trade agreements with Singapore, Israel, India, Egypt, and of unifying the trade regime with Serbia are being negotiated and could be agreed upon in the following years.

II/ Past Achievements and Attempts of the EAEU on the Issues

A. The Question of the Caucasus: The EAEU has been serving as an economic union since 2015. Hence, it didn't play a significant role regarding the disputes between the Caucasus countries. As the primary goal of the EAEU is to strengthen relationships among its Member-States, the EAEU's expected stance on the issue of Southern Caucasus would naturally be supportive of Armenia on the dispute between Azerbaijan and supportive of the de-facto states South Ossetia and Abkhazia as they are legally recognized by one of the EAEU's members, Russia. However, as the EAEU is an economic union, it would highly benefit if the region were stable. Therefore, the main goal of the EAEU on the question of Caucasus is to ensure the stability of the region and



solve the disputes between countries in order to strengthen their trading relations. As of now, not all the present countries in the area of Caucasus are a member of the EAEU. Keeping in mind that one of the goals of the EAEU, similar to the EU, is to improve as a region, the biggest desire of EAEU is the regional unity.

B. The Question of the Caspian Sea and Surrounding Territories: As the EAEU is a new organization, it didn't play an essential part in the history of the Caspian Sea, nor had any achievements. However, being an economic union, the EAEU has direct involvement in the question. As the EAEU had been established to promote the trading relationships between the countries of the Caucasus and Eurasia, EAEU would benefit from the Caspian Sea is regarded as a lake. Even though that would mean some members of the EAEU won't be able to help from the Caspian Sea, it is considered as a lake would also mean that the West won't be able to benefit from it at the same time. Since the goal of the EAEU is to promote trading relationships, this could be regarded as the ultimate chance, as the five littoral nations could share the sea, only allowing the members of the EAEU to pursue their trading actions with other states, which will eventually direct the other Caucasus countries to join into the EAEU as well. The obstacle to this desire could be Iran's objection towards EAEU countries freely using the sea; however, because Iran has recently signed an agreement to enter a three-year provisional free trade agreement with the EAEU, it is improbable. This agreement could also result in Iran joining the EAEU, considering their developing and already strong relationship with Russia, in the end greatly benefiting both the EAEU and the region, ultimately solving the issue.

C. The Question of the Shift of Trade Routes in Eurasia: Unlike the other questions, the EAEU has a vital role in the issue of the shift of trade routes in Eurasia. Founded by Russia, the EAEU maintains a close relationship with China. Bearing that in mind, it would be no surprise if the EAEU would support China's Belt and Road Initiative (BRI). In October 2016, China and the EAEU started one-year negotiations on trade and economic cooperation, including five rounds of talks, three meetings of joint working groups, and two ministerial consultations. On May 17, 2018, China and the EAEU signed an agreement on trade and economic cooperation, covering customs cooperation, trade facilitation, and intellectual property rights along with new topics like e-commerce. The EAEU and the BRI bear similarities in many ways. For example, both ideas give priority to the economic and trade cooperation among Eurasian countries and focus on improving infrastructure in the region. In short, the EAEU's stance on China's BRI is fully supportive, and the EAEU proposes an effective enlargement of China's BRI.

II/ Objectives, Aims and Possible Solutions Proposed by the EAEU on the Issues

A. The Question of the Caucasus: To develop as a region, the EAEU believes there must be a regional unity. To achieve this, the EAEU would urge the Security Council to demand an



immediate ceasefire in the region, as wars destroy economies and cause the countries to economically, if not entirely, collapse. Following the truce, an international mediation which shall be monitored by the UN between the different countries should be suggested to ensure that the ceasefire would be permanent and the states would be understanding of each other, ultimately causing the region to start its economic development rather than wasting its time with their disputes. Other than a ceasefire, the EAEU would suggest the endorsement of multiple education programs with specialized curriculums to handle the ethnopolitical conflicts. The EAEU believes it's crucial to educate citizens, as they can continue fighting even if there is a ceasefire between countries. Similarly, the EAEU would support the endorsement of personal development programs to ensure every citizen could contribute to society and the economy. Lastly, the EAEU would advise the Caucasus countries to strengthen their economic ties via mutual trading programs as it would improve both the political relationship and economic well-being of the nations.

B. The Question of the Caspian Sea and Surrounding Territories: The EAEU believes the union is the key to solve the issue. Having the objective of improving as a region, the EAEU believes an economic union would connect the countries. The first suggestion would be to have the Caspian Sea identify as a lake, blocking the western intervention in the sea, creating an environment for the littoral nations to strengthen their ties. Secondly, after the identification of the sea, an agreement between the littoral nations that only allows the littoral nations and the EAEU countries to pursue any trading actions on the sea could be issued. This agreement would connect the states, but most importantly, Iran. As of now, Iran has a free trade agreement with the EAEU. Such agreement that only allows EAEU countries to trade would further connect the EAEU countries with Iran, which possibly also attract other states to join EAEU as well, creating a friendly environment in which the countries can strengthen their economic and political ties. The EAEU would also suggest dividing the sea into the parts so that every littoral state would have $\frac{1}{5}$ of it, again satisfying Iran and strengthening their ties with the region. The only problem would be Azerbaijan's dissatisfaction, which could easily be solved with their entrance into the EAEU, ending the conflict between Iran and Azerbaijan as well.

C. The Question of the Shift of Trade Routes in Eurasia: The EAEU also plays a vital role in this question. The problems are mainly caused by distrust towards China, as the initiative is controlled primarily by the Chinese, and the states are scared of falling into a debt trap. Instead of having China solely manage the project, a partnership with the EAEU could be issued. As an outcome, more nations would be willing to join both the initiative and the EAEU, knowing they are both supported financially by the union and parts have a saying on the initiative as they are a part of the union, and the union controls the effort. China's willingness to cooperate with the EAEU is



also a plus in this situation, as it would speed up to process. Apart from having a partnership with the EAEU, investment from both the union and willing companies should also be considered, as it would decrease the dependency on China and prevent every involved nation from becoming hugely indebted to China. Lastly, being a union trusted in Eurasia, having the EAEU monitor the project could also be a good idea as every nation involved in the initiative is, or will be a part of the EAEU.

IV/ Bibliography

- “About the Union.” Eurasian Economic Union, <http://www.eaeunion.org/?lang=en#about>.
- Vinokurov, Evgeny. “Eurasian Economic Union: Current State and Preliminary Results.” *Russian Journal of Economics*, vol. 3, no. 1, 2017, pp. 54–70., doi:10.1016/j.ruje.2017.02.004.
- Mostafa, Golam, and Monowar Mahmood. “Eurasian Economic Union: Evolution, Challenges and Possible Future Directions.” *Journal of Eurasian Studies*, vol. 9, no. 2, 2018, pp. 163–172., doi:10.1016/j.euras.2018.05.001.
- Egorova, Elizaveta, and Ivan Babin. “Eurasian Economic Union and the Difficulties of Integration: The Case of South Ossetia and Abkhazia.” *Connections*, vol. 14, no. 2, 2015, pp. 87–98. JSTOR, www.jstor.org/stable/26326400.
- Toktassynov, Temirtay. “Caspian Sea Convention: The Reasons behind Iran’s Landmark Agreement.” *Journal of International Politics*, vol. 1, no. 1, 2019, pp. 01–07., www.sryahwapublications.com/journal-of-international-politics/pdf/v1-i1/1.pdf.
- “China Proposed BRI Aligns Well with EAEU.” *China Proposed BRI Aligns Well with EAEU*, June 2019, www.obor-invest.com/news/china-proposed-bri-aligns-well-with-eaeu.
- “Eurasian Economic Union.” *Eurasian Economic Union - Ministry of Foreign Affairs of the Republic of Belarus*, 2019, mfa.gov.by/en/organizations/membership/list/aa16658947a49c28.html.
- “Eurasian Economic Union Agrees New Free Trade Deals.” *Silk Road Briefing*, 18 Feb. 2019, <https://www.silkroadbriefing.com/news/2019/02/12/china-russia-great-eurasian-partnership-development-track-eaeu-agree-regional-free-trade/>.