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EURASIAN UNION FAILS A CRITICAL TEST

DISPLAYING IRRELEVANCE IN THE TIME OF THE CORONA CRISIS

The pandemic is testing the effectiveness of the Eurasian Economic Union. However, its actions demonstrate the fundamental flaws of this integration project instead.

The Covid-19 pandemic has subjected the Eurasian Economic Union (EAEU) to a double ordeal. On the one hand, the question is whether the EAEU has the institutional capacity to make its five member states – Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia – act in a coherent and coordinated manner. On the other hand, the challenge is to make a practical difference and add value to the states' actions. Mikhail Myasnikovich, a Belarusian national who is currently the head of the Eurasian Economic Commission (EEC), admitted that the coronavirus would pose a “durability test” for the Union.

However, thus far, the EAEU's response to the challenge has been

unconvincing at best, and has served instead to turn the spotlight on the existing internal contradictions and structural deficiencies.

The reliance on national solutions was hardly surprising taking into account the differences in approaches to the corona crisis, when Armenia and Kazakhstan introduced early and strict quarantine measures, while Belarusian President Alexander Lukashenko chose to simply deny the danger and imposed none. Moreover, the preference for sovereign instruments over Union mechanisms may simply be an instinctive – and easier – choice and is not necessarily indicative of ignoring the EAEU as such. Nevertheless, the problem

is that some of these individual actions impeded the functioning of the common market and thus contradicted the whole purpose of creating the Union.

Due to unilateral and uncoordinated border closures, by Russia in particular, labour migrants returning home were stuck at airports and border checkpoints. Even though borders remained open to road freight traffic, the movement of goods was periodically interrupted. Kyrgyzstan, which is dependent on grain imports, raised concerns about Kazakhstan's and Russia's limitations on exports of foodstuffs and proposed that the EAEU should compile a list of goods, the flow of which between the member states

could not be restricted under any conditions. Belarus, in turn, expressed fears that Russia's protective measures would hit its agricultural exporters.

Several EAEU high-level encounters looked as if they were conducted pro forma. On 10 April, the Eurasian Intergovernmental Council (EIC, prime ministerial level) agreed to coordinate sanitary and epidemiological activities, to ban exports and to improve the supply of essential goods by removing import duties and simplifying procedures. It also promised to focus on ensuring macroeconomic stability, but no substantial concrete measures were put on the table.

Extraordinary sessions of the Supreme Eurasian Economic Council (SEEC, heads of state) on 25 March and 14 April, instead of concentrating on Covid-19, turned into an exercise in pursuing well-known national agendas. Belarus used the opportunity to demand a gas price discount from Moscow. Kyrgyzstan suggested reviewing the rules of the EAEU financial institutions to re-direct their resources into grants and direct budget support, while Kazakhstan raised the problem of the volatility of commodities markets.

The Eurasian Economic Commission, which has been intentionally

weakened in the EAEU's institutional set-up, once again found itself in an observer's position and offered no initiatives of its own.

The Eurasian Union is clearly suffering from a lack of leadership. While the institutions are unable to play this role by default and small member states – like Belarus, which currently has the presidency of the Union – do not have the resources, Moscow does not show any appetite for behaving as a benign hegemon and significantly supporting its Eurasian partners. At the outset, when Russia was sending humanitarian assistance to Serbia, Italy and even the US, it was reluctant to respond to immediate requests from within the EAEU. Later on, when Russia finally sent Covid-19 tests to fellow Union members, Belarus declined them, which was a clear *démarche*, followed by harsh criticism of Russia by Belarusian foreign minister Vladimir Makei.

At the April summit of the Supreme Eurasian Economic Council, Russian President Vladimir Putin only agreed that the resources of the Eurasian Development Bank and the Eurasian Stabilization Fund could *potentially* be used. Instead, he suggested strengthening provisions on cooperation in fighting future health emergencies in the forthcoming

EAEU strategy for economic integration.

In the face of the EAEU's and Russia's inaction, Belarus, Armenia and Kyrgyzstan sought aid from other actors – such as the IMF, EU, Asian Development Bank, European Bank for Reconstruction and Development, and China. Moreover, in contrast to Russia's role, China's role was strongly praised by the Belarusian, Kazakhstani and Kyrgyzstani authorities.

By and large, the pandemic has demonstrated the weakness and limited relevance of the EAEU in terms of its ability to help Russia's partners withstand the most urgent challenges of the day, be they of epidemiological or economic origin. Furthermore, the corona crisis has exacerbated a number of old problems between the member states and has shown that "Eurasian solidarity" was certainly not at the level required to make a claim that the EAEU is functioning any better than previous Russia-led attempts at regional reintegration. This is something that European policymakers and particularly advocates of direct engagement between the EU and the EAEU may be advised to bear in mind when considering the future.