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**THE EFFECTS OF THE RUSSIA-UKRAINE WAR ON THE EURASIAN
ECONOMIC UNION**

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1. INTRODUCTION

As the saying goes, actions speak louder than words. What is true for people seems to hold even more true for countries. Foreign affairs is a delicate game of balance. Balance between allowances and boundaries, balance between internal and external motivators and balance between self-interest and the common good. In that sense, countries are not that different from people. In any group, power hierarchies determine course of action. This is true, even if the leader consults the others and involves them in the processes. Someone will always have final say.

When it comes to geopolitics, the international standing of a country in the eyes of the world is rather delicate. Ripples in economy or policy may easily shift the balance of global power. Especially so if something of multifaceted significance happens. Say, for example, a war.

This paper evaluates the geopolitical and regional economic impact of the Russia–Ukraine war on the traditional zone of interest of the Russian Federation. The research focuses on the first viable economic integration of the post-Soviet region: the Eurasian Economic Union (EAEU). The scope of this paper is limited to the review of causality in the political-economic environment of its five member states: Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia. Through a comprehensive analysis of the adopted directions in the fields of macroeconomics and international relations (IR), it aims to showcase the characteristics of the integration, particularly between 2022 and 2024. After establishing the common principles of development, case studies of each of the five member states provide a more in-depth snapshot of the trends and potential changes in the macroeconomic and IR environment of the region.

Ultimately, this paper seeks to answer how the Russian aggression against Ukraine has changed the relationships between EAEU member states, primarily between the Russian Federation and the other four members. Further, it posits the hypothesis that as a consequence of the War, Russia’s role as the “big brother” of the (Asian) post-Soviet states is loosening and giving way to stronger Chinese and European economic influences around the region. Through this hypothesis, it ponders the future feasibility of pan-Eurasian ideologies and unity concepts, primarily the “Greater Eurasian Partnership” concept of Russia, en lieu with the “One Belt One Road” initiative of China.

2. BACKGROUND AND THEORY

In order to formulate a functional understanding of the convoluted relationship between Russia and its partners within the Eurasian Economic Union (Armenia, Belarus, Kazakhstan and Kyrgyzstan), it is necessary to first gain insight into three things. How the rest of the world perceives them, how they perceive each other and how they perceive themselves.

Throughout the 20th century, superpowers determining the world order shifted several times, however, for the majority of the century the bipolar stability was a guarantee. However, as the socialist regime of the Soviet Union exhibited several symptoms of unsustainability in terms of economic and political conduct, later followed by its dissolution and territorial separation, the United States emerged as the sole concentrated center of world power. Hand in hand with the acceleration of technological development, the emergence of global mass media, the message of the USA, the West, was able to reach households all over the globe. Thus, the rapid expansion of globalization as a phenomenon became dominated by the Western media. Ideals of democracy, the free market, capitalism, human rights and liberties flooded into all corners of the planet, painting a generic picture of what is right and wrong in the development of states.

As a result of the attack on the Twin Towers perpetrated by the terrorist organization Al-Qaida on September 11, 2001, the position of the United States as the primary driver of international affairs and diplomacy weakened. Consequent to the attack, the USA's focus shifted towards the War on Terror and domestic affairs, paving the way to a more closed international position. Their standing as unchallengeable and undefeatable tripped and through the subsequent actions in Iraq and Afghanistan, the US's position as the savior of the world has eroded.

This is how we have arrived at our current, multipolar world order, where both economic and political influence are centered around multiple global powers, amongst which the USA and Russia are still relevant members today. The first two decades of the 21st century saw the turbulent consequences of a multipolar world order. Phenomena like globalization, political-economic integration, new armed conflicts and pandemics have changed the interconnectivity of international relations. They also underlined that the structure of 21st century world order is lacking in several dimensions. First, our concept of the most fundamental unit of foreign affairs, the country faced scrutiny. 'Failed states' (i.e. Somalia, Yemen), ungoverned territories (i.e. Antarctica) or autonomous territories lacking centralized governing bodies with the right to exercise a legitimate monopoly of violence (i.e. ISIS, Donetsk) all challenge the traditional definition of country and yet are present and part of global affairs. Second, the problematic contradiction between goals of broader economic globalization and the political interests of

nation-states, that govern them. Whilst it is essential to remove obstacles from the way of trans-border economic relations, the process is naturally held back by the painstakingly slow process of political harmonization. To succeed in progressing this issue would require the broadening of national frameworks and reimagining previous practices to achieve sustainable globalization. Third, the general lack of a global forum that would facilitate both soft and hard exercise of world power makes it especially challenging to react unitedly to issues carrying the gravest of consequences for the general world order (Kissinger, 2015).

It is important to understand that geopolitics oftentimes follows a civilizational set of values. When we talk about civilization in this paper, we utilize S. P. Huntington's (2002) approach. It contextualizes multiple cultural junctions. Countries that emerge as civilizational centers and are thereby joined by other nations of different (ethnic) backgrounds on the global playing field based on similarities in religious, historical and socio-cultural characteristics. Notably, the similarities in socio-cultural characteristics between the center state and its peripheries can often be accounted to earlier conquest or colonization of said peripheries by the central state. This forcible "export" of values is the way how common histories of ethnically or even religiously diverse territories are born.

Civilizations in this context are cultural entities, they are regarded as the broadest cultural cluster. They establish a sense of a common "us" versus "them" in masses, which identity they share despite of more nuanced differences between their specific ethnic and/or religious groups. After World War II, the world fell into a power balance between the civilizations led by the United States of America and Russia (then: Soviet Union). The juxtaposition of these civilizations, their shared histories and values, political structures and economic modus operandi resulted in the very straightforward division of global East and West being established as a frame of reference in geopolitics.

The West encompassed the USA, Europe, Australia, New Zealand etc. Territories that looked back upon a common history of European colonization and colonialism. Among these states the political practice of pluralist democracy is widespread, they experienced the effects of both catholic and protestant values, rooted historically in Western Christianity. These modern societies were largely attuned to the ideological framework of liberalism, and later encouraged and nurtured the emergence of individualism over collectivism.

As its polar opposite, the East was comprised of what S. P. Huntington (2002) refers to as the Orthodox civilization and Chinese civilization. For the purposes of this paper, we will dive deeper into the former.

The Soviet Union emerged as a successor entity to the Kievan Rus and the Byzantine Empire, both characteristically compiling wildly heterogenic ethnic and religious groups. This colorful inheritance was uniformized through the egalitarian principles of communism and the political principle of state socialism that was adopted as a result. The territorial expansion of this ideology was facilitated on the one hand by cultural similarities and a shared heritage with Slavic states in Eastern Europe, on the other hand earlier conquests of the Russian Empire in the Central Asian and the Caucasus regions during the 19th century, both of which regions look back upon a radically heterogeneous, unique history and culture. As it turns out, the only way to unite behind a shared banner with this amount of diversity is to, as a central principle, utterly disregard diversity.

The East therefore was characterized by collectivism, communism and state socialism. Individualist movements were broken down. Work and the Great Leaders became the common religious principles. Each person lived for all, and all people lived for the benefit of the Party.

The bipolar geopolitical order in the second half of the 20th century was characterized by the conflict of civilizations between the USA and the USSR (Union of Soviet Socialist Republics), wrestling for influence over unaligned territories, called the Cold War. As the events of the Cold War continued to emphasize the struggle between East and West on the peripheries of their influence zones, the dichotomy received widespread criticism. The existence of said peripheries pointed out the lack of globality in the East-West characterization. Due to the cultural-political nature of the concept, it made drawing the borderline between the two on a map increasingly difficult, as it was inherently non-geographical in nature. As a result, theoretical practice established the concepts of First, Second and Third World countries, underlying the countries' involvement in the Cold War, as well as producing a geographically feasible grouping of global relationships. The Euro-Atlantic, Western powers and their allies were regarded as the First World, often modestly referred to as the Free World. Countries of the Communist Block, such as the USSR, China, Cuba and their supporting counterparts were the Second World. The neutral, non-aligned regions of mainly South Asia, Africa and South America became known as the Third World. Although the model is widely considered outdated today, it accurately reflects how the Cold War was a true clash of worlds and what drives geopolitical struggles to this day (Ikenberry, 2024).

With the collapse of the Soviet Union, the above classifications were emptied of substance, ideologically erasing the Second World from global affairs (Ikenberry, 2024). The end of the Cold War marked the Western, First World civilization victorious in the battle between

liberalism and communism, democracy and autocracy (Huntington, 2002). So much so that the new denominations constructed to describe geopolitical groups around the globe changed cardinal directions and were establishing themselves on principles of economic development, rather than cultural similarities. Studies of IR divided the world now into two parts (again), rather than three. The concepts of the Global North and Global South were thus born and are since widely used in contemporary literature of geopolitical studies.

The Global North enumerates countries that are liberal, politically stable, economically potent and internationally powerful, in other words the majority of the First World, Western countries ended up in this category. Global South intuitively became the opposite of this. It mainly consists of the part of the world that lags behind, enumerating former colonies with younger political regimes in need of aid from developed countries to guarantee economic sustainability. Nations with unstable economic development and suboptimal political regimes, otherwise referred to as the developing countries, the Third World are traditionally members of the Global South (Müller, 2020). What was previously referred to as the Second World was divided in accordance with economic metrics between these two groupings, in an attempt to remove geopolitical classifications from ideological backgrounds and disband the post-Cold War tension of the East and West.

This model, as those before it, is based on very simple antonymic classifications. North versus South. Prosperity versus poverty. Civic liberties versus oppression. Developed versus developing. Although these classifications have their place in general geopolitical overviews, for the purposes of this paper they are rather oversimplifying.

2.1 The Global East

Remaining for a moment with the Global North-South dichotomy, Figure 1. depicts this particular geopolitical model exercising an economy-based categorization of countries. The map snapshots the members of the Global North and South in 2023, according to the United Nations Conference on Trade and Development (UNCTAD), that is tasked with providing broad spectrum assessment based on all factors of development and advising on addressing challenges of developing states to integrate into the international trading system, parallel to introducing stabilizing measures to their domestic economies (UNCTAD, 2024). Taking the liberty to draw attention to the main players in this paper's point of observation, we see, that according to the UNCTAD assessment, Ukraine, Russia, Belarus and Moldova are all members of the Global North in 2023. China, Central Asia and the Caucasian states are however unanimously part of the Global South.



Figure 1. Global North depicted in blue, Global South in red (UNCTAD, 2023, edited)

To compare, the International Monetary Fund also produced a series of maps based on their version of the North-South division. They operate under the categorization of “Advanced Economies” and “Emerging market and developing economies” for the purpose of conducting economic analysis of countries around the world. Notice, how in Figure 2. all highlighted above countries that belong to the Global North according to UNCTAD experts, belong to the “Emerging market and developing economies” according to the classification of the IMF. The map itself depicts the Gross Domestic Product (GDP) of countries based on Purchasing Power Parity (PPP), shown as a percentage of their respective share of the world economy. If we stay with this map just for another moment, we can see that depicted in deep orange, both Russia and

China are noted in the highest category of contributors to the world economy, granted the former with 3.53% of global GDP, and the later with a staggering 18.75%.

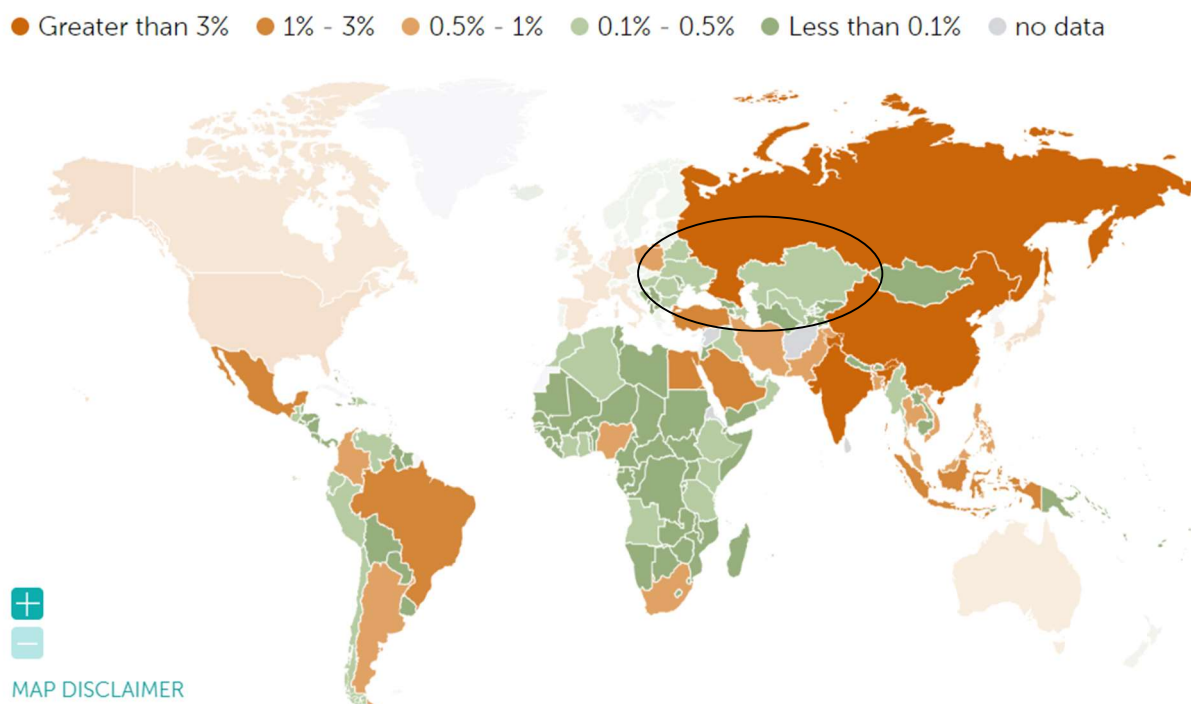


Figure 2. Countries classified as Emerging market and developing economies highlighted, Advanced economies dimmed (IMF, 2024, edited)

Taking this one step further, although widely considered outdated today, it is interesting to take a look at the first practical analysis compiled around the Global North and South divide, the Brandt Report (titled North-South: A Programme for Survival), published by the Independent Commission on International Developmental Issues, chaired by German politician Willy Brandt, published in 1980. Figure 3. shows the Brandt Line, the visual representation of

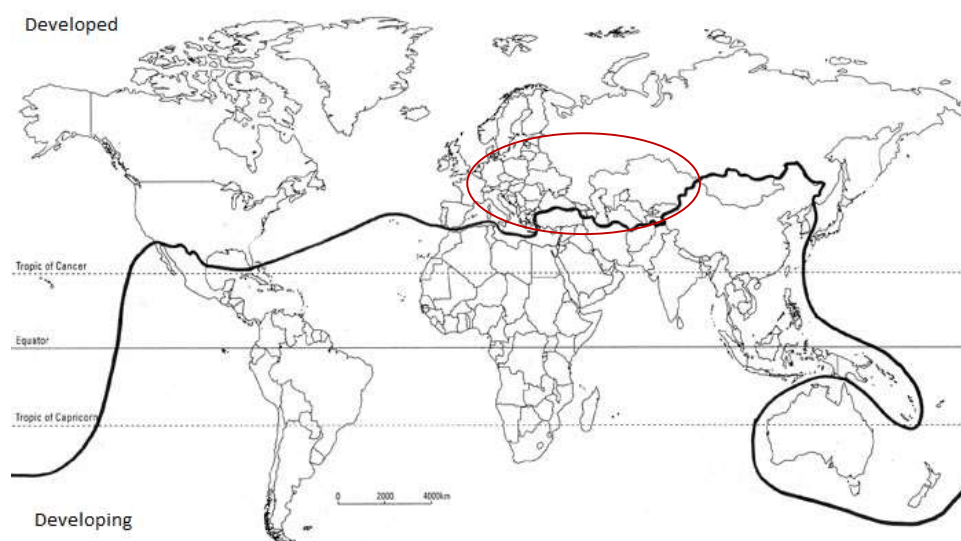


Figure 3. Brandt Line (Jovan.gec, Wikimedia Commons, edited)

Brandt's division of the world between North and South. Notice, how in this depiction all countries noted above are considered part of the Global North, except for China.

Seeing these maps, one may easily ask the question: what is going on with the post-Soviet states? Seemingly, there is little consensus as to where exactly do they belong. The model of Global North and South does not allow for a specific answer to that question. After all, in a system of rich versus poor there is no room for "poorer than some, richer than many". The other distinct characteristic of the dichotomy can be found in attitudes in international relations. Powerful centers versus weaker peripheries, former colonizers versus former colonies. In that regard, what do we do, if a country was both? Maybe even at the same time?

To remove this conceptual contradiction, for the purposes of this paper we will introduce the concept of the Global East as a geopolitical unit of equal significance to that of the North and the South that has strong ties to both but is regarded as a part of neither (Müller, 2020). Partially as a consequence of the Russia–Ukraine war, theorists of global relations found underlying core differences existing to this day that remove states of the Global East from both North and South. Despite the homogenizing efforts of theory at the turn of the millennium, countries of the former Second World did not disappear, nor did they mold seamlessly into larger geopolitical units. Rather it seems to have reintroduced a three-world system of sorts, divided into a Euro-Atlantic West, a Russia and China centered East and a South that follows our contemporary understanding of the Global South. (Ikenberry, 2024).

Albeit defining the Global East seems lucrative, it can be stated that since the dissolution of the Soviet Union and the consequent separation of successor states between 1989–1992, it was referenced as a whole with historic terms. Ex-USSR (Union of Soviet Socialist Republics), post-Soviet states, previous Eastern Block, former Second World are all terms that describe collectively the region East of the former Iron Curtain, reaching the five states of Central Asia and the three of the South Caucasus (Müller, 2020). It is notable that even though the development path of these sovereign states is widely different from each other, they remained tied in the eyes of the world by their shared part in the great social experiment of communism. Some countries, such as the three in the Baltic, Poland or Czechia are members of the European Union (EU) and generally follow a path of development along liberal values, democracy and market economy, in other words, the examples of the North. For these nations, being free of Soviet influence meant returning to their own cultural heritage and in very simplifying terms restoring ties with historic allies on the European continent. Others, such as Kyrgyzstan or Kazakhstan in Central Asia became new, young democracies that had something of a triple identity: one,

centuries of Russian and Chinese colonial power over the Khanates of the Great Steppes starting as early as the end of 18th century, which largely shaped their sense of state and economic structure; two, Islam, as an influential mold of societal norms and interactions; and three, the deep-rooted identity of nomad tribal society that retained the characteristic familial commitments. For them, it was a unique, nigh impossible challenge to operate their countries politically and economically in the 20th century without the semi-colonial guiding hand of Russia.

Experts agree that as a region, the Global East comprises thirty states sharing a common mark of socialism: 14 countries of Eastern Europe and the Balkans (Czech Republic, Hungary, Poland, Slovakia, Slovenia, Croatia, Bosnia & Hercegovina, Serbia, Kosovo, Montenegro, North Macedonia, Romania, Bulgaria and Albania); the 15 successor states of the Soviet Union; and Mongolia (Trubina et al., 2020). Figure 4. shows a map of the Global East in accordance with the previous list.

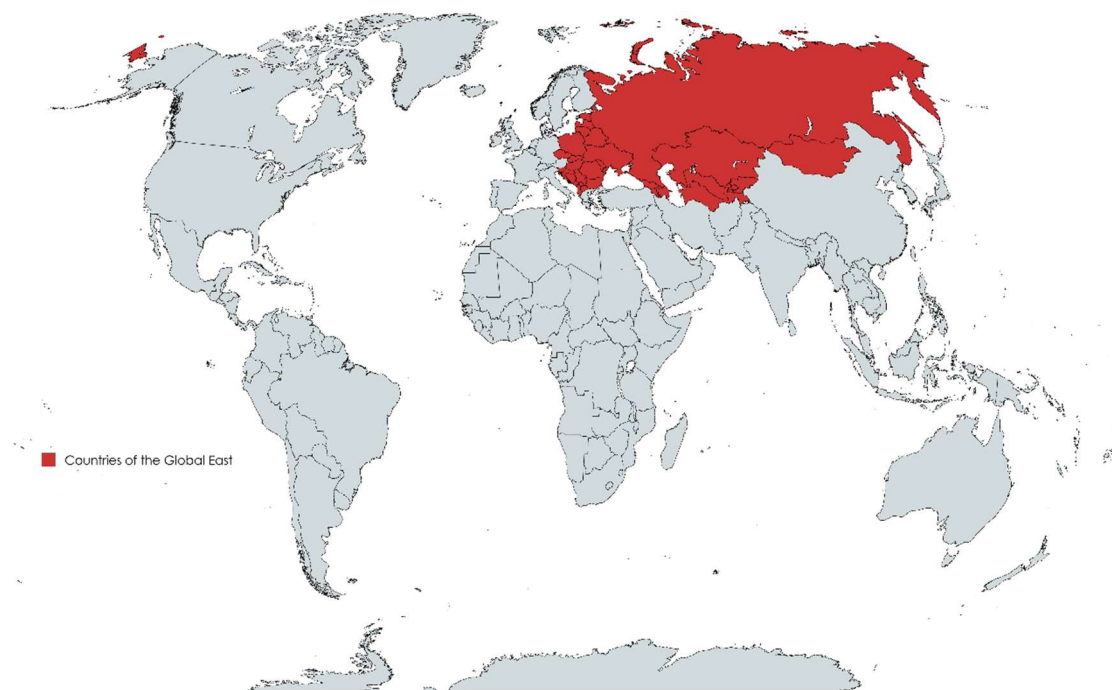


Figure 4. Map of the Global East (own edition, using mapchart.net, based on Trubina et al., 2020)

On the one hand, the Global East is not part of the Global North. None of these countries (especially not Russia) come to mind when thinking about flagships of democracy and liberalism, neither in discussions of global centers, nor as good examples of market economy. Even though several nations of the Global East are (and have been for decades) northbound in their development, countries of (Central) Eastern Europe or the Balkans are frozen in a perpetual state of ‘not quite there yet’. They became the ‘other’ that can pose as a counter example for Western Europe to define their civilizational characteristics and advantages.

On the other hand, scholars of the Global South rarely, if ever, consider the Global East as part of the scope of their research. If we look at Kyrgyzstan, Kazakhstan, or even Belarus, they are not considered part of the Global South, neither based on economic indicators, nor characteristics of geopolitical dependency. Some researchers even go as far as to admit that the former Soviet Eurasia is ignored for the purposes of most research. Over the decades, the Global South developed a sense of community and belonging together, that states of the Global East are not part of. The South's shared experience as colonies of the North and the subsequent fight for emancipation has fortified this cluster and thereby made the classification of any Easterner as part of it void of meaning. (Müller 2020).

Along these lines, the Global East became the cousin twice removed, sharing characteristics of both North and South, maintaining deep political-economic ties with both, yet more and more clearly representing a category of their own, especially nowadays. If we take Armenia as an example, the country recently expressed a desire to tighten political and economic relations with the EU, going as far as potentially applying for membership, despite being a strong ally of the Russian Federation until the very recent events of Nagorno-Karabakh, resulting in their immediate freeze of membership in the Collective Security Treaty Organization (CSTO). However, Armenia currently presides over the EAEU and has on multiple occasions confirmed their dedication to maintaining strong economic ties with the Union. Simply put, politically North, economically South. We will see the issue of Armenia later on, through a more in-depth case study of their assumed directions in macroeconomics and international affairs.

For now, let us draw the conclusion that the kaleidoscope of countries composing the Global East pose a region of growing significance on the crossroads of North and South, East and West. This grey area is silently contributing to aspects of the globalized world, all the while remains segregated from overarching geopolitical narratives. This is how the world sees them.

2.2 Concepts of Eurasia

Having established the strange interconnectedness of the Global East, let us zoom in further towards the term of Eurasia. If geographically, Eurasia is the single largest continent on Earth, however the context in which this term is usually used is far from pure geographical denomination. The ideological framework of Eurasianism is the product of globalization, more specifically, its effect on countries of the Global East. Whilst the interconnectedness and interdependency between major centers of power (such as Europe, North America or the Asia-Pacific) has intensified over the course of the 21st century, countries of the South Caucasus or Central Asia initially fell through the cracks. Through the framework of a Eurasian integration, we can speak

of a tighter cooperation between these mostly autocratic states, which results in the strengthening of economic ties and in turn a deeper connectedness of these states to global trade.

As an ideology, Eurasianism covers multiple variations and understandings of the term. Vinokurov and Libman (2012) discuss three major directions in their paper, establishing the ideological background for an Eurasian integration. Figure 5. shows a summary of the three most common ways the term Eurasia is used.

	Eurasia as the post-Soviet area	Eurasianism as ideology	Pragmatic Eurasianism
Constituent factor for Eurasia	Shadow of the Soviet past	Cultural, historical and geo-political commonality	Emerging economic linkages
Perception of Europe	Excluded (with possible exception of post-Communist countries)	Excluded (and treated as the <i>Other</i> constituting Eurasia)	Included
Perception of Asia	Excluded (with possible exception of Mongolia and China)	Partly included (depending upon particular approach: China, Japan, Great Steppes)	Included
Perception of Westernization and modernization of Eurasia	Limited probability of the FSU becoming an integral part of the Western world (therefore a long-term special designation needed)	Rejection of modernization through Westernization and search for 'another way'	Learning from the West as the strategy of modernization; limited attention to ideology and focus on economic aspects
Nature of the concept	Geographical notion, definition of an area for research, policy and business purposes	Science or ideology	Set of foreign policy or economic policy ideas without ideological pretence

Figure 5. Concepts of Eurasia – FSU=Former Soviet Union (Vinokurov and Libman, 2012)

First, the term Eurasia oftentimes appears as the contemporary name for states of the former Soviet Union. Papers originating from both outside and within the region utilize this concept to disband similar ambiguities to those described in detail in the earlier discourse about the Global East in this paper. The argument is that it is anachronistic to keep referring to multiple countries today through invoking the name of an entity that has not existed for more than thirty years. However, it is essential to recognize that due to the historical influence of the Soviet Union, former socialist republics indeed do share a whole lot in terms of socio-cultural legacy or even political conduct. Appreciating their widescale heterogeneity, the similarities are especially highlighted. So, when referring to the political and economic interconnectedness of the region from Belarus to Georgia, the appropriate and straightforward solution seemed to find an appropriate geographic name, hence Eurasia. On Figure 6. we can see the map of Eurasia from a Eurasianist point of view, where the territories of the former USSR are displayed in burgundy,

annexed territories in dark red and the maximum extent of territories once controlled by the Russian Empire and USSR are represented in the lighter shades of red.



Figure 6. Map of Eurasia according to the Eurasianist ideology, Dark red and burgundy: former USSR + annexed territories; Lighter reds: the maximum extent of the “nearest neighborhood” and of territories of the Russian Empire (Kjk2.1, Wikimedia Commons)

Second, the term Eurasia may gain meaning through “Eurasianism”, an ideological framework that reinforces the civilizational identity of what Huntington (2002) called “Orthodox” civilization, essentially reinforcing the divide between Russia and Europe, Russia and USA. This ideology takes root in notions of international relations that originated in the 1990’s to describe the international aspirations of Russian foreign policy. Therefore, this ideology removes Eurasia from the West, rejects the Western path of development as is and finds the path to expansion in a Russian—Central Asian—Caucasian integration. It is clear that this ideological system is more keen to reinforce an anti-West standing, rather than tune in to the unique position of the region. In radical cases Eurasianists refer to Russia, Central Asia and Caucasus as a continent in its own right, etched between Europe and Asia, one that for all intents and purposes should unite into one state to reinforce its international standing. In general, Eurasianism is accepting the blended origins of the Russian culture, geography and state influenced by the Kievan Rus and the impact of Turco-Mongolian hoards, regarding it as a melting pot of civilizations, the result of which is not European and not Asian, but in between the two (Vinokurov and Libman, 2012). It further emphasizes Russia’s deep connection to the tribes of the Great Steppes (Central Asia), thus broadening the scope of Russian influence to the “nearest neighborhood” (for reference: the burgundy part of Figure 6.). In short, the Eurasianist ideology in this form is Russia centered, expansionist and anti-Western.

Third, pragmatic Eurasianism is also rooted in Russia's desire to underline their political and economic influence in the region, however it is not based on distinctive factors of the past, but rather focus on expanding ties of the region as it presently is possible. No wonder, that this Eurasianism could firmly stand as the founding ideology for enhancing regional integration between Russia and its broader influence zone. However, other nations involved, such as Kazakhstan, removed Russia as the sole central power of practical Eurasianism. Nursultan Nazarbayev, the former president of Kazakhstan, reiterated several times the unique position of post-Soviet Eurasia, it being a bridge between Europe and Asia and is to this day regarded as a champion of Eurasian integration. He based the idea of integration on realistic, pragmatic economic cooperation that would remedy the economic needs countries of Eurasia suffered after the dissolution of the USSR. What is important to underline, that this Eurasianism is absolutely open and welcoming towards Europe, as a contrast to the previous ones it allows for a more liberal economic development (as the one pursued by Kazakhstan, for example) and is not in any way strictly Russia centric, but rather intent on strengthening economic cooperation between the countries of the region.

It is also noteworthy that the two major players of Eurasia – China and Russia – both have their own ideal of economic and political collaboration through the continent. From a Chinese perspective, this program is called the Belt and Road Initiative which is essentially an investment plan to restore land and sea trade routes and infrastructure across Eurasia and construct a unified market that benefits from the traits of both international and domestic economies, and fosters trust and mutual understanding amongst nations of the Asia-Pacific, Eurasia and Europe. The Russian counterpart of the BRI is the Greater Eurasian Partnership (GEP) that was initially introduced in a speech by President Vladimir Putin in 2015. It entails a grand vision for a united Eurasia, with a common Eurasian identity, that collaborates closely with other integrations in the regions and is founded on the basis of extensive economic cooperation. There are eight founding principles to the GEP, amongst which notions of non-isolationism, increased joint transcontinental security and allowing a path for the EU to “integrate” are prominent (Kortunov, 2020).

Although the consensus is not widely accepted, it can be said that the connecting forces in an Eurasian integration are currently mostly motivated by pragmatic Eurasianism. Countries that participate in these integrations are not ideologically dependent on the Russian Federation, despite intrinsic attitudes of post-colonialism being present on a societal level (Kluczevska,

2023). Rather they are motivated by the mutual interest in economic stability and development. This is how they see themselves.

2.3 Russia's relationship with post-Soviet states – Integrations around Russia

After the loosening of ties and subsequent dissolution of the USSR, 15 sovereign states emerged on its former territory. The largest and most direct successor state, Russia, though weakened, retained most of its influence not only economically, but politically as well. The other fourteen states can be grouped into four distinct categories, based on geographical characteristics, however amidst these groupings the individual states are radically different from each other along ethnic and religious lines as well. As such, how they see each other is a matter of perspective, decided by which country's glasses we are assuming to look through. Throughout this chapter, we will examine region by region the Global Easts relationships to the Russian Federation.

The first category are the Baltic states: Lithuania, Latvia and Estonia. Geographically besides each other, they share borders with Finland and Sweden through the Baltic sea, Russia, including the Russian exclave of Kaliningrad and Belarus on land. All former socialist republics that were amongst the first to declare their independence from the USSR during 1990-1991 and subsequently set on an EU-positive development path. Currently, all three states are members of NATO, the EU and the Eurozone as well. There is a prominent Russian minority present in all three countries and prior to the EU sanction packages being introduced against Russia as a condemning reaction to their aggression in Ukraine, all three Baltic states maintained a level of international trade with the Russian Federation. From a Russian perspective, all three countries are currently placed on the 'list of unfriendly countries', a reaction of Russian president Vladimir Putin to the sanctions imposed against Russia, prohibiting trade to be conducted between the listed countries and Russia in any other currency than Russian Rubels. Since the dissolution of the Soviet Union, the Baltic states followed a very clear pro-EU stance. They did not take part in any of the major political-economic integrations that formulated around Russia, so much so that they were the only three post-Soviet states that refused to join the Commonwealth of Independent States (CIS), an integration established in 1991 upon the dissolution of the Soviet Union to compensate for the consequent economic weakening. To assess the allegiance of the CIS, it is enough to look at the presidency of its General Secretariat. Since 1993, for all except a year in total, Russian officials have held the position of General Secretary, the highest official of the CIS. To sum up, the Baltic states had a certain degree of trade relations with Russia, however they have made all efforts to distance themselves from their socialist past and currently are contributing members of economic, political and military alliances that position themselves

against Russia with respect to the war in Ukraine. However, it is also crucial to emphasize the strategic importance of Lithuania from a Russian point of view. The Baltic Fleet of the Russian Navy is permanently headquartered in the Kaliningrad exclave, which shares borders with Lithuania and Poland, making the region inaccessible for Russia without crossing through EU and NATO territories. The Russia–Ukraine War and the subsequent sanctions imposed on Russia by the EU placed renewed pressure on Lithuania regarding allowing or restricting goods to enter Kaliningrad. Currently, there are severe trade regulations in place, however there were some easing measures in the middle of 2022, due to repeated and escalating Russian threats towards Lithuania.

The second group are five nations in Central Asia: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. These five nations, also referred to as the nations of the Great Steppes, have a long history of dependence from the Russian economy. Being abundant in natural resources (primarily Kazakhstan, Turkmenistan and Uzbekistan), they served as the hinterlands of Russia since the 19th century and underwent significant forced industrialization perpetrated by Russia. After the dissolution of the USSR this region was maybe hit the hardest economically. Tajikistan and Kyrgyzstan were particularly in bad shape, as large proportion of their budget came from Russian subsidies without which the economic self-sufficiency of these countries came into jeopardy. Generally, it can be stated that the region is highly diverse, not only ethnically but in terms of political regime stability and economic profile as well. All of these countries are examples of autocratic presidential regimes, where the political leadership is also supported by ethnic, almost clan-like familial groups. Some, such as Kazakhstan and Uzbekistan fared quite well in terms of sustaining economic stability in the post-Soviet environment, where they made significant strides towards a less Russia dependent, more open economy in trading primarily natural resources. In case of Kyrgyzstan and Tajikistan however, remittances constitute a substantial part of their GDP to this day. Migrant workers, who are considered cheap labor in the Russian Federation, send their earnings home to their families (Gyene, 2022). In terms of international cooperation and allegiances, the region is not uniform either. Four of the five are current member states of the CIS, except for Turkmenistan, which has not ratified the charter of the CIS and thus holds only associate member status. Three of the five are also members of the Collective Security Treaty Organization (CSTO) (Turkmenistan refused to join and Uzbekistan withdrew two times from both the Treaty and the Organization, first in 1999, then, after rejoining in 2005, again in 2012), the military alliance of Russia in mirroring of NATO and sharing strong ties with the Shanghai Cooperation Organization (SCO),

the political and military alliance around Russia and China of which four out of five Central Asian states are full members. Turkmenistan is not part of this integration either, due to their declaration as a permanently neutral country in 1995, however they attend summits of the SCO in a guest capacity. From a geopolitical point of view, it is crucial to note that Turkmenistan's foreign policy is generally drifting away from Russia, towards the more culturally similar Turkey on the one hand and on the other, China, which has become its most significant economic partner in terms of buying natural gas through the Central Asia–China gas pipeline (Aizhu and Gurt, 2023). As a result of their growingly open economy, minimized Russian dependencies and foreign (non-Russian) investments finding their way into the country, Uzbekistan also adapted an approach away from Russia. Kazakhstan, albeit not dependent on the Russian economy, still maintains strong political and economic ties with them. Tajikistan remains highly dependent on remittances of exported labor, however a surge in Chinese investments polarized the palette. Similar things are happening in Kyrgyzstan as well, even though the country remains quite dependent on the re-export of Russian goods. It is important to highlight that two of the Central Asian five – Kyrgyzstan and Kazakhstan – are members of the Eurasian Economic Union (EAEU), the first successful attempt at a tariff and free trade union among the states of the Global East, while Uzbekistan is continuously courted by the Russian Federation for negotiating their joining of the Union, so far unsuccessfully. Albeit the actions of the Russian Federation in Ukraine divided the population of the Central Asian countries in terms of their affiliations to Russia, many people in the region still remain inherently biased, acting on the postcolonial trait of internalized inferiority, positioning themselves as a class socially inferior to Russians. Russia is regarded as the 'supplier of bread and salt', a longstanding traditional expression amongst nomadic nations to reflect a debt owed to someone providing the most essential conditions of life. However, this does not equate a fondness towards Russia. More and more resentment is building up amongst citizens of these nations, especially considering attempts of militarization of migrant workers (mainly from Tajikistan) in Russia to compensate for the large amount of emigrants thus avoiding conscription (Kluczevska, 2023)

The third group are the three Caucasian states: Azerbaijan, Armenia and Georgia. Not only are they religiously and ethnically diverse, as a result of Russian interference in the region, the South Caucasus became synonymous with a modern-day powder keg. The case of the Russian occupied and supported separatist territories of Georgia – Abkhazia and South Ossetia – have seemingly set the precedent to the events that transpired between Russia and Ukraine since 2014. In view of Georgia's aspirations to strengthen cooperation with the EU and NATO in the

beginning of the 2000's Russia–Georgia relations deteriorated rapidly, until the full-blown diplomatic crisis of the Russo-Georgian War in 2008. The official recognition of Abkhazia and South Ossetia by Russia and the preceding humanitarian offences committed on Georgian sovereign territory resulted in the country severing all diplomatic ties with Russia and immediately withdrawing membership from CIS. Interestingly, the reaction of the international community in the CSTO or the SCO was highly similar to what is happening currently in view of Ukraine, member states of these integrations offered little to no support to Russia for the recognition of the separatist states and did not comment on the events of the annexations. It is noteworthy however, that in recent parliamentary elections held in Georgia on October 26th, 2024, the ruling, pro-Russian “Georgian Dream” party has won its fourth consecutive term in power, gaining majority in the Georgian parliament. Preceded by widespread pro-EU rallies, the legitimacy of the 2024 Georgian parliamentary election is questionable at best, seeing as footage emerged from voting districts with instances of ballot stuffing. According to the preliminary report of the OSCE International Election Observation Mission, the organization of the elections, registrations and ballots were clear and adherent to the legal framework, albeit election day passed in a tense environment with several instances of intimidating the voters and civil observers, as well as physical fights breaking out (OSCE, 2024). Armenia and Azerbaijan are what we would call natural enemies. Since the 1980's the longstanding Nagorno-Karabakh conflict deepened the animosity between the two nations. A conflict that found its origins during Soviet times and blew into all-out war upon the dissolution of the USSR. Traditionally, Armenia was closer diplomatically and economically to Russia and thus received support in their efforts for Nagorno-Karabakh, except for the final, 2020-2024 stages of the conflict. As a result of a blitz war initiated by Azerbaijan, Armenia lost the territories, the Nagorno-Karabakh autonomy was dissolved and as of 01.01.2024. the territory became part of Azerbaijan. Armenia was in the words of their officials ‘abandoned’ by Russia and thus ceased the participation in both the CIS and CSTO, placing themselves on a path closer to the EU and further from Russia from a diplomatic point of view. However, they remain willing participants of the Eurasian Economic Union, confirming a position of economic but never political cooperation with the other member states. Azerbaijan remains the only Caucasian nation part of the CIS; however, it also withdrew from the CSTO in the late 1990's alongside Georgia.

The fourth and final group are the three states in Eastern Europe that until very recent times were conducting themselves in a sort of political “seesaw” between the EU and Russia. The three countries are Belarus, Ukraine and Moldova. It is important to understand that upon

the territorial divides of these newly sovereign republics at the collapse of the USSR, Russia lost territories of strategic importance to these countries, such as the Crimean Peninsula, where the Black Sea Fleet of the Russian Navy was historically stationed at Sevastopol, or Belarus, due to their proximity to Kaliningrad. All of these countries had large Russian minorities living on their territories, thinking about for example the autonomous region of Transnistria (or more officially the Pridnestrovian Moldavian Republic) in Moldova, bordering Ukraine in the North-East, that showcases its deep ties to Russia by co-officiating the Russian tricolor as their flag. Culturally, Belarus and Ukraine share many similarities with Russia, look back on interconnected roots historically and, as Slavic nations, are much alike in their language too. Moldova on the other hand is ethnically and culturally closer to Romania than Russia, even though the country shares in the Soviet past of other countries in the region and signs of Russification, like the formerly used Cyrillic alphabet created to their neo-Latin language. The countries maintained strong ties with the Russian Federation for quite some time, supported by the repeated elections of pro-Russian governments, however, with the proximity to the economically more developed EU, they also benefitted from increasing economic ties with their neighbors in the integration. Thus, the seesaw began. Since this paper is aimed at analyzing how the Russia–Ukraine war has changed relationships in foreign policy, perhaps it is not a stretch to state, that the most radical breakaways can be witnessed in this region. Under the presidency of Maia Sandu, Moldova has declared itself against the Russian aggression in Ukraine, venturing as far as proposing to withdraw constitutional neutrality to foster a deeper collaboration with NATO. Since 13 December 2023, Moldova entered into accession discussions with the European Union (Lynch, 2023), whilst ceasing all activities in the CIS starting 2022 and pledging to fully withdraw from the Commonwealth by the end of 2024. Thus, Moldova landed on the side of Europe, even though the future of the de facto state of Transnistria is alarming in view of the recent fate of breakaway republics around the Global East. Belarus on the other hand, led by Lukashenko, not only remained a loud ally to the Russian Federation, but has intensified collaboration through the Union State, a (so far) bilateral organization aimed at harmonizing economic and political interests between Belarus and Russia. The original goal of this integration was to ascend to a federative relationship between the two countries, however for a long time such measures were frozen as a response to freedom marches and significant pushbacks from both populations. The interest in the Union State renewed drastically during the events of early 2022, when Belarus and Russia were sanctioned heavily by the international community, thus increasing their co-dependence was a welcome factor for both parties. Moreover, President

Lukashenko even made radical comments of the proliferation of the Russian nuclear arsenal to their supporters in May 2023, following the planting of Russian tactical nuclear missiles on the territory of Belarus. The comments were stated in connection with a call to cooperation for other nations and was met with definitive refusal from representatives of countries such as Kazakhstan, that are also part of the traditional satellite region of Russia and are fellow members of the CIS, CSTO, SCO and the EAEU (Reuters, 2023). We will discuss the state of Belarus further in a later segment of this paper. Last but not least, we arrive to the Russia–Ukraine relations that will be discussed in a separate chapter on the following pages.

3. AN ACCOUNT OF THE RUSSIA–UKRAINE WAR

Historically, the relationship between Russia and Ukraine was as strenuous as it was close. Upon the dissolution of the USSR, tensions rose between the two countries due partly to earlier territorial decisions undertaken in the 1950's by the Soviet leadership. After declaring independence in 1990, in 1991, Ukraine became a sovereign state that retained significant control over what previously was USSR military arsenal. An arsenal that after the dissolution of the Soviet Union was inherited by the freshly renamed Russian Federation, or at least so they believed. Ukraine remained the custodian of a significant proportion of the USSR's tactical nuclear warhead stockpile and although operational control of the warheads remained with Moscow, Ukraine faced multifaceted international pressure to prevent nuclear proliferation through turning the warheads over for disassembling. To illustrate the picture better, by 1992 Ukraine has given up nearly 3000 tactical nuclear missiles for disassembly in Russia, thus liquidating the 3rd biggest nuclear stockpile at the time (Cosgrove, 2020). The consequent Russian actions drove Ukraine closer to seeking an alliance with NATO. On one hand, Ukraine felt it was denied due compensation by Russia for surrendering their nuclear arsenal and was by 1992 pursuing a Membership Action Plan with NATO. Even before the Ukrainian MAP announcement, Russian statesmen repeatedly questioned the legitimacy of the 1954 decision of the Russian Soviet Federative Socialist Republic to gift the Crimean Peninsula to the Ukrainian SSR in celebration of the 300-year anniversary of friendship between the two nations. After the decision, Russia declared the decision on Crimea outright illegitimate and sought to support Crimean separatist movements that attempted independence from Ukraine. Not only did Russia seek to reclaim the Peninsula, after being denied the territory, another Russian parliamentary decree declared the city of Sevastopol to be Russian sovereign territory. It is important to stress the geopolitical significance of Crimea, seeing as it is home to the Black Sea Fleet, inherited from Soviet times. As Ukraine sought to retain control over the Fleet stationed across Crimea, tensions sparked

over territorial control (Cosgrove, 2020). The pressure cooker of Crimea has heavily impacted relations between Russia and Ukraine, resulting in the first act of aggression between the two countries in the 2010's. Even though through prolonged negotiations, the issue was finally settled in 1997, through the signature of several bilateral treaties, agreeing to 1) partition the Black Sea Fleet (82% Russian, 18% Ukrainian), 2) agreeing on the legitimacy of Ukraine's border as is and 3) agreeing to lease Sevastopol to Russia for 20 years – a deal that should have been subject to renegotiation in 2017 (Cosgrove, 2020).

In the 2000's Ukraine intended to maintain neighborly relations with Russia, while seeking to strengthen ties with the European Union and NATO. The relationship of the two countries however got tense by the end of the decade, following the involvement of Russian entities in the fraudulent Ukrainian elections of 2004, provoking not only widespread protests of the Orange Revolution, but the subsequent election of a pro-West leadership under President Yushchenko. Russia imposed severe economic and trade sanctions, dealing heavy damage to the Ukrainian economy and causing severe energy shortages in the country. Besides economic repercussions, Russia warned of military intervention on the occasion of Ukraine joining NATO, underlined by their aggression in Georgia for similar reasons in 2008. It is not surprising that the subsequently elected Yanukovich administration sought to remedy relations with Russia to some extent. They withdrew from efforts to join NATO and although remaining in pursuit of an Association Agreement (AA) with the EU, they unilaterally extended the lease agreement of Sevastopol to Russia until 2042 and revoked legislation favoring the Ukrainian language over Russian. The balance however was missing.

Supported by comparing their timelines, the events that deepened the Russia–Ukraine conflict and the formulation of the EAEU are parallel phenomena that are at least to some extent intertwined. Strikingly enough the Eurasian Economic Union can be mentioned as one of the factors resulting in the lasting war between Ukraine and Russia. (Vinokurov, 2018) The pendulum politics of the Yanukovich administration between formulating a NATO/EU alliance and remaining closely tied with Russia through acceding to EAEU membership played a crucial role in provoking the Euromaidan amongst the Ukrainian population. Working towards establishing the EAEU along the lines of the Russian Eurasian ideology previously discussed, Russia viewed the pursuit of an AA by Ukraine as a direct threat to maintaining their geopolitical influence in the Global East. The tipping point however seemed to have come after Ukraine's decision not to pursue membership in the EAEU, but rather retain an observer status in the integration and sign the AA with the European Union in 2013 (Sz. Bíró, 2023, p. 40). During

September and October 2013, President Yanukovich travelled to Moscow on several occasions in attempts to consolidate the Russia–Ukraine relations through diplomatic means. (D’Anieri, 2019, pp. 200-210) By 2013, Ukraine was not the only country that suffered international pressure from Russia not to proximate relations with EU, but rather pivot towards pursuing Eurasian integration. Armenia was also subject to threats of raised energy prices and consumer goods prices by Russia, should they pursue an AA, resulting in their turn towards the Eurasian Customs Union, a predecessor integration to the EAEU (Cosgrove, 2020). In case of Ukraine, after the stick came the carrot from Russia, as protests among the Ukrainian population escalated rapidly, due to Yanukovich’s last minute refusal to sign the AA with the EU, Russia offered a significant aid package to Ukraine, purchasing billions of dollars’ worth of state bonds, cutting gas prices and restoring lenient customs regulations to their previous state. However, the genie, as they say, was out of the proverbial bottle. The Euromaidan protests, widespread pro-EU rallies that originated in the Maidan square in central Kyiv, later referred to also as the Revolution of Dignity, escalated to a near civil war state. Pro-EU and pro-Russian voices divided Ukraine and tensions within and around the Crimean Peninsula turned up the pressure around this historical powder keg. After signing an agreement with the opposition, Viktor Yanukovich fled the country and was consequently impeached on February 22, 2014. On the same day, unmarked military personnel moved into Crimea, taking control of strategic Russian facilities across the Peninsula. Thus, the annexation of Crimea began and with it, the ongoing war between Russia and Ukraine. The following weeks saw turbulent events on the Peninsula, establishing a de facto border patrolled by Russian military, effectively separating Crimea from the rest of Ukraine, while the autonomous leadership of Crimea was dissolved and reestablished under the guidance of the Russian Big Brother. Ukrainian military response to the aggression was late and insufficient as Russian troops immobilized hardware and pro-Russian protesters across the Southeast of the country occupied military facilities. By March 3rd, Russia issued an ultimatum to Ukraine to denounce the new leadership and restore Yanukovich under threat of escalating violence. Under the watchful eye of Russian ‘peacekeeping’ soldiers, on March 16th, the Referendum for the independence of Crimea took place, affirming the Peninsula’s wishes to separate from Ukraine in order to join Russia. Naturally, the Russian Federation vetoed any resolution of the United Nations Security Council (UN SC) that condemned the annexation or questioned the validity of the Crimean referendum, all the while denying allegations that the forces occupying the peninsula were in fact theirs, presenting documents allegedly signed by Yanukovich inviting the help of the Russian military in settling matters in Ukraine. By March

21st, the annexation of Crimea was officialized in Russian law and Ukrainian military withdrew from the region by the end of the month. Although the USA, the EU and NATO reacted by condemning actions of Russia and imposing some sanctions, the Russian Federation emerged as the victor of this proportion of the conflict. The West and Ukraine were unable to ensure Ukraine's territorial integrity, and the aggressions of the Peninsula spread into the Donbas region as well (Cosgrove, 2020).

Since the annexation of Crimea, President Vladimir Putin of the Russian Federation spoke and wrote on multiple occasions regarding the legitimacy of their actions in Ukraine. In his lengthy papers and endless presentations to fellow leaders of CIS member states that are often rooted in a peculiarly deep historic romanticism, he often referenced the heroic actions of the USSR during World War II, commenting on Western attempts to rewrite history and exaggerate the aggressive nature of the Soviet Union (especially in Poland) following the Molotov-Ribbentrop Pact that he personally sought as national pride of the Russian people and considered worthy of rehabilitation in the eyes of the world. In further 'analyses' he has made heavy commentary to outright deny the existence of a unique Ukrainian nation and question the sovereign borders of Ukraine. Within these papers, President Putin argues that upon the territorial dissolution of the Soviet Union, all successor states should have received the exact territory with which they have entered the Union on 1922. This statement obviously is aimed at giving legitimacy to the annexation of Crimea since in 1922 the Peninsula indeed was part of the Russian Empire. What is a little more contradictory, so were all five Central Asian states, referred to back then as Russian Turkestan (Sz. Bíró, 2023, pp. 110-115). The statement, alongside with repeated attempts at recontextualizing history, however outlandish, accentuates well the geopolitical claim the Russian President decidedly holds over Ukraine. The over-romanticized picture of a unified 'smaller and greater Russian nation' that have no cultural difference between them is also pointing to a historical claim of Russia on the Ukrainian territories, rather than the 'support and protection of Russian citizens', as it was claimed in the beginning of the conflict. Ultimately, it is clear that, through the aiding hand of the 'Russian Military and Historical Committee' (own translation, Russian: Rossiyskoe Voenno-Istoricheskoe Obshchestvo), a government organization led by the previous Russian minister of culture, Vladimir Medinsky, the Russian leadership aims to control the narrative of history, especially within its borders and sell the war against Ukraine as a continuation of the Great Patriotic War (Sz. Bíró, 2023, pp. 118-122).

Preceding the attack on Ukraine on February 24th, 2022, Putin officially recognized the separatist parts of the Donbas region as the sovereign states of the Luhansk People's Republic,

the Donetsk People's Republic, Zaporozhye and Kherson. In his speech on February 21st, he underlined the imminent danger of a Ukrainian blitz war, similar to that in Crimea, attempting to silence the voice of the Russian people standing up for their right to freedom. He also warned of the Ukrainian neo-Nazi threat and the danger posed by the West installing military systems near the Russian border. Furthermore, he warned of Ukraine's apparently pending nuclear programme that would endanger not only Russia, but the rest of the world as well. (Putin, 2022). Thereby, the casus belly was established on the Russian side and despite every attempt from world leaders to intervene in the escalations, on the morning of the 24th of February Putin announced the 'special military operation' in Ukraine (Sz. Bíró, 2023, pp. 161-168). The date itself holds special significance that ties in well to the historical reconstruction of the image of Russian military glory: the day is celebrated across Russia (as well as Belarus and some Central Asian countries) as the Defender of the Fatherland Day, commemorating the 1918 mass draft to the Red Army during the Russian Civil War (originally called Red Army Day). Perhaps due to the well-functioning propaganda machine of the Russian Federation, the attack ('special military operation') on Ukraine was widely supported by the Russian population as well, at least according to official data (Sz. Bíró, 2023).

Following the Russian attack on February 24th, things developed quickly. Ukrainian President Zelenskyy declared martial law and closed the Ukrainian airspace, asking the international community to designate it as a no-fly-zone on the same day and while surviving several attempts on his life in the following week, he led the Ukrainian military to rebut Russian invasions of Kyiv, Kharkiv and Mariupol, the three major targets of the early stages of the war. Without attempting to give a detailed and holistic account of the actions of the war, by April 2022 one thing was crystal clear. Russia was in for a longer fight with Ukraine, even though Russian officials only admitted to as much in December 2022. Although resolutions of the UN SC to take substantial action with respect to the Russia–Ukraine war were vetoed one after the other, the UN General Assembly did pass a resolution to condemn the Russian attack already in 2022 and continues to do so at least every year since. Russia's membership in the UN Human Rights Council was suspended and later they removed themselves from the jurisdiction of the European Court of Human Rights as well (Walker, 2024). NATO also reacted to the escalating war in Europe by accelerating membership discussions with Sweden and Finland, both of which have become full members of the organization by the spring of 2024. While Ukraine receives widescale financial and humanitarian support, as well as tariff exemptions on (some) exported goods from the European Union and the USA, both have also implemented a wide array of

financial, import, export and travel sanctions on individual and state level towards Russia, Belarus and the separatist regions controlled by Russia.

Rounding on its third year, the Russia–Ukraine War has revealed deep antagonistic differences between the Global East and the Global North currently standing up behind Ukraine. It has uncovered a true testament to the Russian Eurasianist ideology that considers the territory of Ukraine as its part, whether they like it or not. For Russia, losing this war would mean an ever-larger fall from previous glory, especially due to the heavy reflections of historical days that served as the pedestal for aggression in Ukraine. Following the months of the War, economic and political allies of the Russian Federation were very careful with their statements concerning the Russia–Ukraine War, however officials of countries such as Kazakhstan has reconfirmed their support towards international alliances in reflection to statements from Minsk and Moscow leadership on, for example, nuclear escalation. Therefore, the notion of a Russia-led Global East seems to drift marginally further away by the day (Dadabaev and Sonoda 2022). This will be especially interesting in the case of policy making in the Eurasian Economic Union, a purely and vigorously economic integration that encapsulates Kazakhstan and Kyrgyzstan, two countries that, if according to President Putin’s statement of February 21st, 2022, should not exist in their own right on their sovereign territories. On the bases of regarding the conflict as that between East and West, Euro-Atlantic and Eurasian, researchers of the field argue that the Russia–Ukraine War marks the beginning of a second Cold War (Cadier 2024, Karaganov 2018, Kluczevska 2024) that will restructure power in Eurasia and the integrations within, allowing for a higher influence of the Global East in geopolitics.

Naturally, the War heavily impacted the economies of both fighting parties and whilst the economic status of Ukraine does not strictly fall under the scope of this paper, taking a quick look at the metrics, we see that the Ukrainian population is steadily decreasing, currently enumerated at somewhat above 33 million, the Real GDP expressed as a percentage of that of the previous year (year-to-year) seems to have recovered from a -28.8% recession in 2022, to a 3% growth rate in 2024, while the gross debt position of the country as a percentage of GDP nearly doubled, it rose from 48.92% in 2021 to 95.59% in 2024 (IMF, 2024). In short, the numbers suggest that while the Ukrainian economy is mostly stable, it is generally dependent on foreign aid and is in a big proportion sustained by loans. It is undoubtedly important to note that both Ukraine and Russia score in the upper registers of the Fragile State Index, a metric concluded through reviewing factors that contribute to weakening of governmental stability of states, such as external intervention, state legitimacy or human flight and brain drain. The leaders of the

subsequent list based on this Index are therefore those with the highest scores and are considered not only fragile, but outright failed states. For reference, the leader of the list, Somalia, that is widely considered a failed state, holds an FSI of 111.9 (FSI, 2023). Ukraine and Russia are currently the 18th and the 53rd, respectively. Russia is in the High Warning category with an 80.7 FSI and Ukraine in the Alert category with an FSI of 95.9 (FSI, 2023). To compare, prior to the destabilizing effects of the war, according to 2021 data, Russia was 74th on the list of fragile states with an FSI of 73.6, while frighteningly, Ukraine ranked 91st with an index value of 69.8 (FSI, 2021). Overall, since the start of the war in 2022, Ukraine slid 73 positions closer to the top of the list, which is, although just one of many metrics, is not great news with respect to the future resilience of the country as a whole. According to the publisher of the FSI, the Fund for Peace, countries that have an FSI score of 90 or higher are at risk of failure.

4. THE EURASIAN ECONOMIC UNION

The Eurasian Economic Union is the young successor of a long line of attempts to synchronize foreign trade between members of Eurasia. Structurally speaking, it inherited many of its operational characteristics from the European Union and has strikingly similar structural Units, too. The main difference is that due to the presidential nature of the political systems in most member states (Armenia being the exception), the decision making and legislative branch of the EAEU operates without a parliamentary institution in place. The direct representation of the people thereby is not a factor in this integration.

The EAEU came into existence on January 1st, 2015, upon the entering into force of the Eurasian Economic Union Treaty, signed by heads of Belarus, Kazakhstan and Russia on May 29th, 2014. However, the notion to re-coordinate nations of Eurasia under a common integration dates back to the very dissolution of the Soviet Union. The aim to minimize losses suffered as a result of the dissolution and maintain cooperation over trade routes, railways or energy grids that dated back to Soviet times was of significant importance to maintain economic stability of the successor states. The first attempt at managing this ‘civilized divorce’ was the CIS itself and albeit the integration had no ambition to move towards a federative cooperation amongst member states, it was built on a very loose legislative foundation. Member states could disagree on virtually anything in the name of finding common resolutions peacefully. Therefore, even if the CIS acted as the depository of all notions regarding any integration amongst member states of the Global East, it was not really moving member states towards actually integrating in any shape or form (Vinokurov, 2018, pp. 1-9).

The first specific mention of an Eurasian Union dates back to 1994, when, in a series of speeches, President of Kazakhstan, Nursultan Nazarbayev, defined a double direction of development for the post-Soviet states: one was nation building and the other, the need for integration. He also highlighted the importance of cooperation and a deep harmonization between these economies, as well as the need for collective security and mutual protection. The first is what the EAEU institutions are working towards today and the second also came to life in the form of the CSTO. In his Moscow speech (1994), Nazarbayev stressed the need to diverge from the ideas and principles of the CIS in building the Eurasian Integration and strongly underlined that despite cooperation through region integrations is of utmost importance, some matters assume the non-interference of counterparts. Matters such as sovereignty, political structure as well as domestic and foreign policy are, in his words, indivisible from statehood and thus remain inviolable by even the closest of allies (Vinokurov, 2018, pp. 3-4).

Throughout the 1990's and 2000's there were several false starts towards a deeper economic integration in Eurasia, however these attempts were somewhat void of meaning, chiefly due to either very limited commitments by the member states, or the decisions made within these circles were later not implemented. In 1995, Russia, Belarus and Kazakhstan created the Customs Union that was supposed to, as the name suggests, move the countries towards a harmonized customs practice and a united customs territory. Although the three countries remain at the core of integrative developments in Eurasia, this particular integration was not successful in inching the three closer together. 1997 saw the foundation of the Union State of Belarus and Russia that was mentioned earlier on in this paper. Although the level of economic and political harmonization originally designated by this integration was swiftly abandoned along the lines of sovereign governance, its chief achievement was the abolishment of border control similar to that of the Schengen area. In 1999, Belarus, Russia and Kazakhstan, complemented with Kyrgyzstan and Tajikistan revisited the idea of the Customs Union and signed the Treaty on the Customs Union (CU) and the Single Economic Space (SES). This step can be regarded as more of a reconfirming of willingness than anything else. The SES was revisited later on in 2003 by Russia, Belarus, Kazakhstan and Ukraine, but due to the events of the Orange Revolution in 2004, the ideas never came to fruition (Vinokurov, 2018).

In 2000 Belarus, Russia, Kazakhstan, Kyrgyzstan and Tajikistan agreed that more intensive integration is required and before the year was over, they decided on the establishment of the Eurasian Economic Community (EurAsEC). The EurAsEC bore deep similarities to the CIS, however it abolished the free adoptability of decisions and resolutions by member states

and, on paper, introduced a weighted voting system to replace the practice of consensus voting. Even though EurAsEC was unable to deepen the integration of member states multilaterally, it was the trailblazer to the EAEU and saw a vast number of bilateral agreements between its five member states. In a roundabout way, it did contribute to the deepening of the integration, even if not how it was originally intended (Vinokurov, 2018, 2024). The integration was tasked with economic coordination primarily. It was intended to find common solutions to issues such as but not limited to coordinated restructuring of individual economies, joint socio-economic development programs, common payment system, common conditions for foreign investment, common energy market or sharing key R&D findings. The EurAsEC was even granted observer membership status in the UN in 2003, thus the Eurasian integration gained recognition in the eyes of the international community (Yesdauletova and Yesdauletov, 2014). The institutions of the EurAsEC developed slowly, chiefly due to prolonged and unfruitful negotiations with Ukraine, an indeed painful loss from the integrations' perspective. Nevertheless, rise in oil prices boosted the economic development of Kazakhstan and Russia, which through mutual trade and investments, as well as labor migration contributed largely to the bottom-up integration of EurAsEC member states (Vinokurov, 2018). The economic growth in the region warranted the establishment of the Eurasian Development Bank in 2006 by Kazakhstan and Russia with USD 1.5 billion capital and tasked with providing financial support for common economic development programs in the region (Vinokurov, 2018).

The tipping point that set the countries on the path to substantial integrational process was the reactions given to the global economic and financial crisis of 2007-2009 that heavily affected countries of the Global South. To mitigate the devastating effects of the crisis on domestic economies, presidents of Russia, Belarus and Kazakhstan pledged to move towards a free circulation of goods and services in mutual trade and the creation of amicable conditions for third-parties to invest and trade with them. Despite widespread skepticism, the three presidents (Medvedev, Lukashenko and Nazarbayev) signed the Joint Declaration of the Formation of the CU in December 2009. Thereby on January 1st, 2010, the Common Customs Tariff entered into force and as a result the three countries implemented many changes to their customs tariffs. With this action the CU is regarded as the first truly supranational integration of the post-Soviet space (Vinokurov 2018). The formation of the CU (for real this time) paved the way to revisiting the idea of a Single Economic Space (SES) that came into effect in the beginning of 2012 and passed 17 agreements in total, broadening harmonization in several fields of economic

conduct. The complete list of agreements signed by the CU and SES since January 1st, 2012, are shown in Figure 7.

Box 1.1 List of Single Economic Space Agreements Enacted Since 1 January 2012

1. Agreement on Common Principles and Rules of Competition
2. Agreement on Common Rules of State Support for Agriculture
3. Agreement on Common Rules for Providing Industrial Subsidies
4. Agreement on Regulation of Access to Railway Transportation Services, Including the Fundamentals of Tariff Policy
5. Agreement on Trading in Services and Investments in Member States of the Single Economic Space
6. Agreement on Common Principles of Regulation in the Defence and Protection of Intellectual Property
7. Agreement on Common Principles and Rules of Technical Regulation
8. Agreement on State (Municipal) Procurement
9. Agreement on the Legal Status of Migrant Workers and Their Family Members
10. Agreement on Cooperation to Combat Illegal Labour Migration from Third States
11. Agreement on Coordinated Macroeconomic Policy
12. Agreement on Coordinated Principles of Currency Policy
13. Agreement on the Creation of Financial Market Conditions to Ensure Free Movement of Capital
14. Agreement on Common Principles and Rules of Regulation of the Activities of Natural Monopolies
15. Agreement to Ensure Access to Services of Natural Monopolies in the Power Industry, Including the Fundamentals of Price-Setting and Tariff Policy
16. Agreement on Rules of Access to Services of Natural Monopolies in Gas Supply Using Gas Supply Systems, Including the Fundamentals of Price-Setting and Tariff Policy
17. Agreement on the Procedure for the Organization, Management, Operation, and Development of Common Markets for Oil and Oil Products

Figure 7. SES agreements implemented after 2012
(Vinokurov, 2018)

Following Russian economic pressure on its zone of influence to reorient countries sympathizing with the EU towards the newly blooming Eurasian economic integration, the years after the establishment of the SES were filled with determination. Determination of the three countries that serve as the core of the integration to deepen ties and consolidate the supranational bodies of integration. While preparation and action planning towards establishing the Eurasian Economic Union as we know it was underway, Russia became more and more vocal about their new direction in geopolitics: the Greater Eurasian Partnership (GEP). The initiative entails a pan-Eurasian cooperation in economics, security and foreign policy. Putin referred to the GEP on several occasions as the integration of integrations that would, whilst naturally respecting the sovereignty and cultural heritage of nations across the geographical Eurasia, unite countries based on their shared civilizational heritage of Eurasianism and rise as a new center of global power. As it happens, Ukraine and the South Caucasus were amongst the main target areas of GEP, the former being of geopolitical significance as a non-EU state in Europe, the latter being in the key bridge area of access to the West Asian states. As part of this preemptive geopolitical positioning for the not yet existing EAEU, Russia threatened both Ukraine and Armenia with severe sanctions in case of non-compliance. For Armenia, it worked, for Ukraine it did not. Armenia, until the very recent times remained the political and economic ally of

Russia, whilst the situation in Ukraine as a result of this particular economic pressure ignited the fuse that led to war between the two countries as accounted in the previous chapter. Having seen the pushback of the Ukrainian people to become members of the EAEU, Russia protected its interest in Crimea through annexing the peninsula and joining it as the new federative unit of the country under the name of “Novorosiya” in domestic legislation. Soon after, the Treaty on the Eurasian Economic Union (the Treaty) was signed in Astana on May 29th, 2014, by CU and SES leadership, consisting at that time of Presidents Putin, Lukashenko and Nazarbayev, unifying measures taken and agreements made within the previous stages of integration and officiating the legal entity of the integration. By the end of the year, Association Agreements were signed with both Armenia and Kyrgyzstan, both of which joined within a month of the enactment of the Treaty on January 1st, 2015.

The Treaty itself is a generously worded document of around 700 pages, where about a 100 constitute the Treaty and the rest are appendices. Without aiming to comprehensively attest to the contents of the Treaty, it is of significance to note that the main text can be divided into four parts. The first part establishes the legal person of the union as well as the operative, jurisdictional and legal framework of its internal operation. The second accounts for the functioning of the Customs Union within the framework of the EAEU, establishes common external and internal tariffs, enumerates monopolies, uniformizes technical standards as Eurasian Compliance and defines the framework of foreign trade. It is noteworthy that trade in investments and services with third parties remain domestic jurisdiction of member states and are thus not regulated on a supranational level. The third describes the operation of the Single Economic Space within the EAEU and recites the broadest possible extent of agreements between member states. It also sets forth a macroeconomic benchmark for sustainable economic development, requiring three things: the annual consolidated state budget deficit can be no more than 3% of GDP per annum; the public sector cannot account for more than 50% of GDP per annum; and annual inflation in any member state should not surpass the lowest inflation rate of the year among member states by more than five percentage points. The fourth holds transitional and concluding provisions, lists the immunities of EAEU officials and sets the working language of the EAEU as Russian (Vinokurov, 2018).

The structure of the EAEU is similar to that of the European Union. In accordance with the provision of Article 8 of the Treaty, the EAEU has four bodies: the Supreme Eurasian Economic Council (Supreme Council, SEEC), the Eurasian Intergovernmental Council (EIC), the Eurasian Economic Committee (EEC) and the Court of the Eurasian Economic Union (the

Court). The first three carry out decision-making and subsequent execution of the decisions, while the Court is responsible for judiciary measures. Chairmanship of the SEEC, the EIC and the EEC is determined on an annual rotational basis, in succession of the alphabetical order of the member states according to the rules of the Russian language.

All EAEU strategies and decisions are guided by the principles agreed upon by the Supreme Eurasian Economic Council. Members of the Supreme Council are heads of member states. Currently (2024), it is composed of Prime Minister Nikol Pashinyan of Armenia, President Alexander Lukashenko of Belarus, President Kassim-Jomart Tokayev of Kazakhstan, President Sadyr Zhoparev of the Kyrgyz Republic and President Vladimir Putin of Russia. As Armenia holds chairmanship of the decision-making and executive institutions in 2024, the Supreme Council is chaired by the Armenian Prime Minister. The Supreme Council meets at least once a year, with the possibility to call for extraordinary meetings by any of the members. The SEEC is responsible for the strategic decision-making of the EAEU, reviewing fundamental matters impacting the future prospects of the integration and determining the principal directions of economic development and common economic foreign policy. Any resolution has to pass with consensus, meaning the agreement of all five states is necessary for formulating resolutions in this body. In case of conflict, the decisions of the Supreme Council overrule the decisions of both the EIC and the EEC. It is important to note that the decisions of the Supreme Council are not directly and automatically binding to the member states. These decisions must be entered into the domestic legislation of member states, thus leaving directives somewhat adaptable to national interest.

The next unit of the EAEU is the Eurasian Intergovernmental Council, consisting of heads of governments of the five member states. Currently (2024), it is composed of Prime Minister Nikol Pashinyan of Armenia (due to the parliamentary nature of the Armenian Republic, PM Pashinyan sits in both higher councils of the EAEU), Prime Minister Roman Golovchenko of Belarus, Prime Minister Olzhas Bektenov of Kazakhstan, Prime Minister Akylbek Zhaparov of the Kyrgyz Republic and Prime Minister Mikhail Mishustin of Russia. Similarly to the Supreme Council, decisions are made through consensus and the chairmanship is held by the Armenian counterpart in 2024, to be succeeded by Belarus in 2025. The EIC meets at least twice a year. The EIC carries out partly decision-making, partly executive functions in specifically annotated ten functions, such as approving draft budgets of the EAEU, ensuring and monitoring compliance of member states with the EAEU Treaty and the decisions adopted by the SEEC, deciding

on unresolved issues of the Eurasian Economic Committee, reviewing proposals to cancel or amend previously adapted decisions, etc. It may also revoke decisions adopted by the EEC.

The Eurasian Economic Commission is the fundamental regulatory body of the EAEU. It was incorporated into the EAEU as a whole, retaining continuity of operation since 2012 and covering a wide spectrum of commonly agreed spheres of interest such as but not limited to regulation of foreign trade, protection of intellectual property, sanitation and veterinary regulations, the regulation of drugs and medical industry, consumer rights, energy market and so forth. The primary objective of the Commission is to achieve further economic integration and maintain economic growth within the EAEU. In its decision making, there are binding and non-binding recommendations to member states. In this sense the EEC has the power to repel resolutions of member states that contradict the laws and principles governing the EAEU, a precedent to which was set early on in 2012 against Russia (Vinokurov, 2018, pp 45-46). General leadership of the council is provided by the Council of the Commission which includes deputy-heads of governments of each member state. Chairmanship of this Council also rotates alphabetically, parallel to those previously mentioned. Their operations are aided by the EECs main executive body, the Board of the Commission which consists of representatives of member states, specialized in a sub-topic of interest to the integration. Multiple hierarchical levels can be found in the EEC, as 24 departments and 20 advisory committees operate on key areas of integration. Besides its internal modus operandi, the EEC cooperates closely with national governments of member states as well as representatives of the private sector and key foreign partners.

4.1 Directives of international relations

For the purposes of this analysis, we will review the strategic directions of decisions adopted by the Supreme Council on the matter of foreign affairs of the EAEU as a whole. Albeit the EAEU is an economic integration, it is curious to see what directions the heads of member states unanimously decide upon, when they desire to set the hierarchy of priorities in expanding relations with third countries and other intergovernmental entities. For this purpose, we will conduct a primary, comparative review of first, the Decision of the EAEU Supreme Council number 17. (December 9th, 2022, Bishkek) regarding the General Directions of International Conduct of the EAEU in 2023 (for further reference 17/2022) and second, Decision of the EAEU Supreme Council number 27. (December 25th, 2023, Saint Petersburg) regarding the General Directions of International Conduct of the EAEU in 2024 (for further reference

27/2023). Through comparing these Decisions, we seek to uncover mainstreams of EAEU foreign policy and account to potential shifts.

As a foreword to the analysis, I would like to emphasize, that the stylistics and phraseology utilized in both Decisions betrays a strong influence of the Russian rhetoric on these final agreements, that supersedes the natural characteristics of the Russian language. Already, in the very beginning of both documents, they use phrases such as “the nearest neighborhood” (in Russian: ‘blizhnee zarubezhie’), which is traditionally not the point of view of any other EAEU member state besides Russia. Similarly, the idea of the GEP (in Russian: ‘Bolshoe Evroaziiskoe Partnerstvo’) is also widely part of speeches and papers of primarily Russian origin. With that in mind, let us see what changed in the goal setting of EAEU in foreign affairs.

In general terms, the EAEU is continually committing itself to fulfilling pre-agreed deepening of cooperation within the integration to achieve goals laid down in the EAEU Treaty. The aim of the Decision of 2023 (17/2022) appropriates a deeper focus to enhancing the performance of individual member states on the global market and sets out to achieve international recognition by other integrations as a reliable and predictable economic partner. In comparison, the Decision of 2024 (27/2023) seems to have switched focus to bettering economic conditions and standard of living within member states of the EAEU and streamlining the establishment of an internal market of not only goods, but services and capital as well, which would in fact mean relinquishing items of domestic jurisdiction to the supranational level. So, the forewords of the documents already showcase that while in 2023 the EAEU was seeking recognition and alliances, in 2024 it seems to have turned its focus more inward and proposes to accelerate the deepening of the integration. In both documents, tightening relations with member states of CIS with the potential of accession of these states to observer status in the EAEU is amongst the first priorities, granted, while 17/2022 only offers the prospect, 27/2023 specifically underlines the requirement of establishing a stable and mutually beneficial method of cooperation between the EAEU and its observer states. The distinction is especially interesting, seeing as the list of observers to the integration did not change since 2020, Moldova was granted the status in 2018 and Cuba and Uzbekistan in 2020. Perhaps, this is a reaction to the more recent decisions of Moldova to withdraw from the CIS by the end of the year and the subsequent fear of losing another European geopolitical bastion from the Eurasian integration.

Strikingly, both analyzed recent strategic documentation adopted by the Supreme Council of the EAEU present the Greater Eurasian Partnership (GEP) as a target of utmost priority in foreign affairs, mentioned as the second point in 17/2022 and third in 27/2023. The GEP is a

Russia-initiated geopolitical goal that sets to – through tightening relations with other integrations – create a harmonious Eurasia in terms of economics and trade. Statements of President Putin differ in terms of allowing any coordination or cooperation with the European Union, however in recent statements, the consensus seems to be the standing offer for any European country, EU member states and non-EU states alike, that ‘desires autonomy’ to join the EAEU as a viable alternative of economic integration. This uncertainty is also well represented in the Decisions. While in 17/2022 the list of international organizations that the EAEU would potentially ally itself with in the effort to create the GEP contains the SCO, ASEAN, EU and BRICS in this order, by 27/2023 the list is rid of the European Union as a potential associate. The GEP as a directive of international attitude has somewhat of a dual meaning, while proposing coexistence with the Chinese Belt and Road (alternatively: One Belt One Road) initiative, it also serves as a counterbalance to the Chinese, reiterating the importance of Russia in the Eurasian region and restating itself a regional power with claims on its zone of influence. While Russia clearly envisions propelling the GEP through the EAEU, this may lead to turbulence within the integration (Shakhanova and Garlick 2020).

Besides the heightened importance of tightening cooperation with observer states, both documents enlist the same path when it comes to collaboration with international organizations, they list every single one, but the EU. One constant aspect is that to reinforce and reaffirm recognition, the EAEU seeks to obtain Observer status in the UN GA. In terms of bilateral relations, Hungary and Greece are the only EU member states mentioned on the list of third countries with a deep, well established cooperation with the EAEU, enjoying the most preferential trade agreement constructions, amongst what is mostly a list of South American, South-east Asian and West Asian countries. The deepest direction, however, is enhancing further cooperation with China and support them in the Belt and Road Initiative. Both documents list Vietnam, Singapore, Iran and Serbia as states to potentially enhance cooperation with through preferential trade agreements, although special agreements are already in force between the EAEU and Singapore and the EAEU and Iran.

One last interesting piece of information could be that 17/2022 (p. 25) opens the possibility of extending economic cooperation in form of concluding free trade agreements to Egypt, India, Israel and Iran adding that ‘The reinforcement of this direction is especially timely in view of application of restrictive trade and other measures by the partner states of the Union, brought forth by the economic effects of the pandemic and the intensification of sanction policies towards individual member states’ (own translation from Russian original text). Although

the comment is not part of 27/2023 anymore, the pursuit of free trade agreements with the listed third countries is an observable trend, in view of the concluded free trade agreement with Iran and the negotiations of the same being underway with Egypt (EEC News, 2024). Besides, the comment is a straightforward recognition of the economic impact of US-EEA sanctions imposed on Belarus and Russia as a result of the Russia–Ukraine War on the Eurasian Economic Union. Through this, the pivot of the EAEU’s intentions towards strengthening ties with the Global South and the complete removal of the EU as a potential strategic economic partner is clearly understandable.

4.2 Directives of macroeconomic goals

Upon reviewing the general directions of macroeconomic development within the EAEU, we will go once again directly to the source. The Decision of the EAEU Supreme Council number 26. (December 25th, 2023, Saint Petersburg) regarding the General Directions of Macroeconomic Policy of the EAEU member states in 2024-2025 (for future reference: 26/2023) will serve as the basis of our short analysis.

The document underlines that the events of 2022-2023 shocked the world economy, interrupting global supply chains of grain, increasing the threat of energy shortages, resulting in high inflation and rapid increase of consumer prices. Of course, the ‘events’ that it refers to are on one hand the COVID-19 pandemic and the unsuccessful economic recovery from its effects and the sanction politics against certain member states that disrupt global trade. As a common denominator, the document does not acknowledge the Russia–Ukraine War at all in its analysis or the subsequent action plan for the EAEU. It is not surprising, since from a Russian perspective, the War itself does not constitute any illegitimate action, is scarcely even recognized as such. A point of view shared loudly by Belarus and left without comment from Kazakhstan, Kyrgyzstan and Armenia. So, with two for and three abstentions, the EAEU’s consensual point of view is that the ‘special operation in Ukraine’ or as the War is otherwise referenced, the ‘situation in Ukraine’ is not a factor that should be named in the context of economic analysis.

In terms of macroeconomic trends, the Supreme Council, on the advice of the EEC concludes, that international shock factors will have a lessening effect on the economies of the member states, reinstating an estimated 2.4% growth in GDP in the EAEU in 2024, that will rise to an estimated 3% in 2025. It also predicts that the growth of national economies of Kyrgyzstan and Armenia will slow on the account of decreasing positive trans-border effects that picked up in previous years, such as migration influx and the heightened number of remittances. In the medium run, the economic growth of these countries is estimated at around 4.7-5.0% and

7% respectively. In case of Kazakhstan, the opposite is prognosticated. The decrease of inflation, increase in investments and the improving monetary and credit conditions will propel a more rapid growth in the economy that is estimated to reach 5.0-5.6% in 2024 and 2025. With respect to Belarus and Russia, the restructuring of financial and trade connections now allows for restoring business and consumer processes, however the decreased amount and value of exports, moderate dynamics in the income of the population, as well as tightening economic sanctions pose a risk to depress economic growth in the medium run. According to the estimates, the economic growth of Belarus will accelerate to about 3.8% in 2024, while increase by almost a third, to 6% in 2025. For Russia, the prognosis is flat for both 2024 and 2025, maintaining a growth of 2.3%.

The document establishes the amount of investment flowing into the industrial sector of the economy as the most influential factor on the dynamics of macroeconomic tendencies in the EAEU. The outflow of capital from the EAEU as well as limited access to foreign financial markets make mutual direct investments amongst member states of utmost importance. In light of these outside threats, it is important to continuously commit to the establishment of a common internal market, within which the exchange of knowledge and technology would be safeguarded by all member states. Technological advances are mentioned as the first step to make the EAEU less dependent on outside forces, therefore enhancing research and development in the industrial, agricultural and infrastructural segments are named as the starting point to make the integration more self-sufficient. The general enhancement of digital infrastructure is highlighted in context of truly implementing the single EAEU market and with it the ‘four freedoms’. Similarly to the system of the EU, this would guarantee the free movement of goods, services, capital and labor within the EAEU region, which is one of the integrational goals set by member states in the EAEU Treaty.

5. CASE STUDIES OF EAEU MEMBER STATES

Having reviewed the general directions of development of the EAEU, it is time to dive further into specificities of the five member states. Besides a more in-depth overview of geopolitical influences on each country, we will look at the macroeconomic position and prognosis of the member states aided by expert reports of the Eurasian Development Bank.

Generally speaking, the member states of the EAEU appear to successfully deepen their economic interconnectedness on a supranational level. While member states of the EAEU (besides Belarus) have adopted a sort of no comment policy on Russia’s actions in and against

Ukraine, they are pertinent in the continuous deepening of the economic integration and strengthening their domestic economies as well as that of the EAEU as a whole.

As a common consequence of the Russia–Ukraine War, the EAEU decided not to publish raw economic data after February 2022, therefore there is little possibility to assess the economic performance of the individual member states through analysis of primary data. However, secondary data published by the EDB Macroeconomic Outlook for 2024-2026 collects and reviews key macroeconomic indicators country by country. Figure 8. shows a parallel diagram of the GDP growth rate by EAEU member state in 2024, as projected by the Eurasian Development Bank. The EDB was established in 2006 by Kazakhstan and Russia and has a total of six member states: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan. For the purposes of the case-by-case analysis, we will not take into account the data concerning the Tajik economy, nor will summarizing data be used, describing metrics for the EDB as a whole.

Comparative to the prognosis outlined in the 26/2023 Supreme Council Decision, the

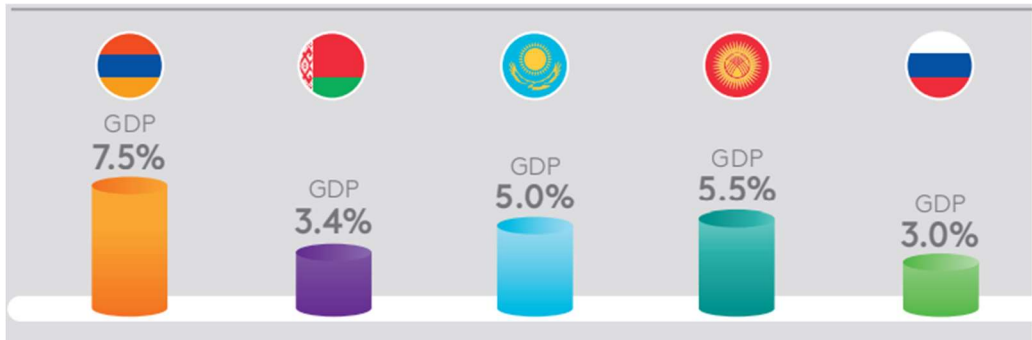


Figure 8. Annual GDP growth rate of EAEU countries in 2024 (estimate of EDB, 2024)

growth rates of per-country annual GDP are in most cases somewhat higher according to the EDB calculations. The exception is Belarus, where we can see a -0.4% difference between the SEEC and EDB prognoses, whilst Kazakhstan shows the same value in both cases, Armenia and Kyrgyzstan show +0.5% in economic growth according to the EDB, and Russia +0.7%, which is a substantial difference.

5.1 Russian Federation

The Russian Federation is a key driving force in the establishment of a Eurasian integration. Since losing direct territorial control over their traditional zone of interest (the successors of the USSR), the foreign policy of the country has circulated around reaffirming their patronage over the former states of the Soviet Union. The grandiosity of Russian rhetoric regarding foreign policy is rooted in reliving historical glory, the days when Russia was an unquestionable center of global power. Instances reflecting the growing insecurity of the country in this respect are

littered across the 21st century, in case of for instance Georgia, Armenia or Ukraine. As evidenced by the internal attempts to reframe historical facts and external attempts at achieving the GEP through the EAEU for one, Russia's standing as a power of global significance stands on shaky ground. Its attack on Ukraine very literally divided the world between those condemning Russia and those not saying anything specific on the matter. Part of the latter category, among others, is China, which for the past decade gradually increased its economic relevance in Central Asia, entering markets that Russia pulled out of. Russia and China therefore, as the two great powers of the Eurasian region are frozen in a tug-of-war of mutual cooperation and extending zones of interests at the expense of the other. This can be clearly seen through the similarities and differences of the Belt and Road Initiative and the GEP, the chief difference being whose idea comes out on top (Shakanova and Garlick 2020).

As a foreign policy and diplomatic direction, the GEP may pose problems within the EAEU. First, the integration is not a political one in nature, nor does it attempt to be. Coordinating economic directions supranationally took the states of the Global East more than two decades, as is. Second, if the Russian Federation would push for fulfilling its own geopolitical agenda through the EAEU (as it already to some extent does), member states of the integration such as Kazakhstan or Armenia would take countermeasures against allowing further meddling in their foreign policy (Chitadze 2023). For now, the geopolitical situation seems at balance, although most of the post-Soviets bordering Europe are drifting or have drifted definitively out of Russia's zone of influence.

But how did the war effect the Russian economy? The severe sanctions imposed by the international community made it clearly necessary for the Russian economy to pivot towards the EAEU and rely in domestic self-sufficiency. Russia's GDP growth currently is projected at a moderate 3% in 2024, supported by strong domestic demand and rising wages, which have offset some effects of international sanctions. Business activity has remained resilient, especially in sectors oriented towards domestic consumption, although inflationary pressures persist, with a year-end forecast of 5.8%. On Figure 9. we see a timeline and forecast regarding Russia's economy, compiled by the Eurasian Development Bank, that serve as the basis of this macroeconomic analysis.

Indicator	2022	2023	2024F	2025F	2026F
GDP in constant prices (% growth YoY)	-1.2	3.6	3.0	1.1	1.6
Consumer price index (% growth YoY at the end of the year)	11.9	7.4	5.8	4.7	4.1
Key rate (% the year's average)	10.6	9.9	15.8	12.5	7.9
Russian rouble to U.S. dollar exchange rate (the year's average)	68.5	85.2	92.8	96.7	98.4

Figure 9. Key macroeconomic indicators of Russia (EDB, 2024)

The Bank of Russia has implemented tight monetary policies to control inflation since the start of the War, which could achieve a stabilizing effect and restrain inflation to 4.7% by 2025. The key interest rate is expected to hold at approximately 15% in 2024 and only decrease gradually in the following years.

The Russian ruble is projected to remain volatile, averaging around 92.8 RUB/USD in 2024, influenced severely by energy market dynamics and geopolitical risks. While oil and gas remain vital export revenues, a shift towards economic diversification is underway in the country, through increased government investment in technology and manufacturing. Russia's fiscal strategy includes supporting domestic industries through import substitution and bolstering self-sufficiency, a point that they represent ferociously within the EAEU as well. However, limited access to foreign capital and advanced technology as a result of international response to their continued aggression in Ukraine may have a large impact on the sustainability of economic growth, especially if the current sanctions remain in place against Russia. Additionally, the economic outlook of the country will heavily depend on global demand for energy exports and the capacity of domestic industries to fill gaps left by restricted international trade (EDB 2024).

The removal of Russia from the SWIFT banking and payments system seems to have had a deep cutting effect on its financial standing. During the recent summit of the BRICS held in October 2024 in Kazan, President Putin proposed the establishment of 'Brics Bridge', a similar system of virtual currencies that would serve to circumvent entirely the USA-dominated SWIFT system. The proposal came hand in hand with that of the establishment of a new stock exchange for the countries of the integration. As further common directions with BRICS nations and the Global South, the idea of shared investment platforms and a unique grain exchange was also floated and incorporated in the resolution of the summit (Economx 2024). This, combined with the preceding geopolitical and economic factors discussed paves ways in several directions in

which Russia searches for allies and new economic partners to salvage its international standing and reputation as a global power.

5.2 Republic of Belarus

Today, Belarus is one of the few supporters of Russia in its war against Ukraine, joining countries such as the Democratic People's Republic of Korea, Mali, Eritrea, Nicaragua and occasionally some others. Interestingly, it is the only member of any Russia-allied integration (EAEU, CSTO, CIS, SCO etc.) to loudly agree with the Russian position regarding the continued aggression, voting against any and all UN GA resolutions that have to do with the topic of the Russia–Ukraine War. (UN 2024) However, it is important to note that upon the initial escalation of Russia–Ukraine relations in 2014, President Lukashenko was not so keen to support their neighbor in their endeavors to undermine the existence of distinct Slavic nations in Eastern Europe. Around the annexation of Crimea, the Belarusian administration has, on multiple occasions, reiterated that the people of Belarus are not Russian. What is more, they have one-sidedly reinstated the Belarus–Russia border for a short period during the times of growing Russian aggression. A border, which was previously dismantled as part of agreements between the two countries and was a first step taken towards a united, federative state between the two in the Union State. It was also around this reinforcement of the Belarusian national identity that state officials requested the international community to refer to the country and its people as Belarus and Belarusian and in all communications refrain from using the term ‘White Russian’, which was a widespread name for the country across Europe (Swedish: Vitryssland, Dutch: Wit-Rusland, German: Weißrussland, Hungarian: Fehéroroszország) (Euronews, 2020). Belarus also has to this day not recognized Abkhazia and South Ossetia as sovereign states and at first, until 2021, it did not recognize Crimea as part of the Russian Federation either. The tides turned in 2020, when sudden upheaval of Belarusian internal affairs almost unseated President Lukashenko, who was only successful in keeping his seat thanks to Russian intervention. This marked the turning point in Russia–Belarus relations and by today, cooperation between the two countries could not be greater (Masters 2023).

Belarus played a vital part in Russia's attack on Ukrainian territories in February 2022. Missile and drone strikes, air raids and ground operations were launched from the territory, including the offensive against Kyiv in the early stages of the War. It also was a key component in the supply chain of the front, providing technical medical and training assistance to Russia. Whilst Belarusian leadership made numerous statements promising not to join the war with troops, it did however invite the deployment of Russian tactical nuclear weapons to its territory,

over which, ultimately, Moscow has operational control (Engval et al. 2023). According to statements in the beginning of 2024, the weapons are there for strategic deterrence, to prevent any potential attack on Belarus (NTI 2024). Since 2022, Belarus was severely sanctioned by the international community, introducing travel bans, limiting export and import, removal of the country from the international banking system SWIFT, et cetera.

Coming to the economic aspect, Figure 10. shows the timeline of variations in key macroeconomic indicators of Belarus, as compiled by the EDB. According to this, Belarus is expected to see a modest GDP growth rate of 3.4% in 2024, spurred by high domestic demand, particularly in consumer sectors, and increased exports to Russia. The Belarusian economy continues to benefit from a close economic relationship with Russia, which has offset some impacts of international sanctions that it was subjected to due to its close alliance with the Federation. The retail sector is expanding with a 12.1% increase in sales, and real wages grew by 13.5% year-over-year in early 2024. Despite these growth factors, inflation remains a concern, projected at 6% in 2024, with significant pressure stemming from government-regulated pricing policies.

The National Bank of Belarus has kept the refinancing rate stable at 9.5%, maintaining

Indicator	2022	2023	2024F	2025F	2026F
GDP in constant prices (% growth YoY)	-4.6	3.9	3.4	1.1	1.3
Consumer price index (% growth YoY at the end of the year)	12.8	5.8	6.0	6.8	7.7
Refinancing rate (% per annum, the year's average)	11.5	10.1	9.5	9.5	9.5
Belarusian rouble to U.S. dollar exchange rate (the year's average)	2.62	3.00	3.27	3.43	3.58

Figure 10. Key macroeconomic indicators of Belarus (EDB 2024)

monetary conditions to manage inflationary risks in the medium term. The Belarusian ruble is forecasted to depreciate slightly, with an average exchange rate of 3.27 BYN/USD due to anticipated trade imbalances. A decline in export prices could also impact the foreign trade balance, as the competitive pressures in key export markets like Russia are likely to intensify. Structural constraints, including a shrinking workforce, limit Belarus's growth potential, and the country faces high exposure to changes in Russia's economic performance, particularly in energy sectors. These factors highlight the need for economic diversification in Belarus, otherwise the economy of the country will continue to be reliant almost exclusively on outside factors (EDB 2024).

5.3 Republic of Kazakhstan

As a result of the Russia–Ukraine war, the relationship of Kazakhstan and the Russian Federation can be described as chilly at best. Although the two countries are closely allied economically and Kazakhstan remains one of the pillars of the EAEU, the aggressive foreign policy of the Kremlin resulted in the Kazakh leadership (first Nazarbayev, now Tokayev) distancing themselves politically and ideologically. Following the events of the Crimean Peninsula in 2014, President Putin in a speech spoke to the fragility of the Kazakh state, stating that Nursultan Nazarbayev can only govern the country for so long and since there is no historical Kazakh state, the guiding hand of Russia will be generously offered to aid the country on its path ahead (Michael 2014). The speech provoked vast surges of Kazakh nationalism, the reiteration of Kazakhstan’s national sovereignty and the utmost value of its independence. At a certain point, Nazarbayev even threatened to withdraw from the EAEU, finding the overwhelming Russian influence on the integration to butcher his original vision for the integration, grounded in practical Eurasianism (Vinokurov and Libman 2024). Furthered by the large proportion of ethnic Russians living on the territory of the country, Kazakhstan saw the need to protect itself from on the one hand economic and political isolation by Russia and on the other, a potential campaign on its territory to ‘protect Russian citizens’, not unlike the world saw in many previous cases (Nurgaliyeva 2016). Even though the position of President Tokayev was unstable during the events of Bloody January in 2022 and required outside stabilizing measures in form of CSTO military intervention, the Kazakh position remained strong along the above lines. Contrasting to the consequences of a similar situation transpiring in Belarus, Kazakhstan did not slide closer to becoming a protectorate of Russia. If anything, any such prospects got further away.

Along the lines of pro-independence thinking, Kazakhstan rejected any possibility of providing military aid to Russia in the War against Ukraine of any sort, including by contributing troops through the CSTO (Gyene 2023). In his recent meeting with German Chancellor Olaf Scholtz in September 2024, Tokayev said that “It is a fact that, from a military standpoint, Russia is invincible.”, but regardless, peace should be the first and foremost priority of all parties involved. Even though he did not comment on Russia’s actions in any further manner, he expressed deep sympathies to the people of Ukraine and their culture.

As a direct result of the war, Kazakhstan saw an influx of Russian immigrants fleeing conscriptions that consequently resulted in economic challenges arising in the country. Not only did consumer prices skyrocket, as a result of international sanctions against Russia, Kazakhstan

suffered the consequences in the form of skyrocketing inflation, high energy prices and parallel energy shortages and the decreased investment sentiment in the region. As a counterbalance of the shrinking Russian economy, China arose as an alternative economic partner for Kazakhstan. (Gyene, 2023) The two countries started cooperation on the Belt and Road Initiative of China as well and according to recent media surveys, the people of Kazakhstan feel generally positively about China, albeit some see a continuation of Sino-Soviet relations within it and thus have a more controversial standpoint towards the tightening economic relationship (Slamgazhy et al., 2024).

In the above context, let us take a look on the economic aspect. The basis of this macroeconomic analysis of Kazakhstan is represented on Figure 11., as usually, it is also a compilation calculated by the experts of the EDB.

Indicator	2022	2023	2024F	2025F	2026F
GDP in constant prices (% growth YoY)	3.2	5.1	5.0	5.5	5.5
Consumer price index (% growth YoY at the end of the year)	20.3	9.8	8.3	6.3	4.8
TONIA rate (% per annum, the year's average)	13.9	16.4	13.4	9.4	7.5
Kazakhstan's tenge to U.S. dollar exchange rate (the year's average)	460.5	456.3	447.1	455.4	473.3

Figure 11. Key macroeconomic indicators of Kazakhstan (EDB 2024)

Kazakhstan's economy is projected to grow by 5% in 2024, maintaining momentum from the government's aggressive investment strategy, an aim to compensate for the drop in foreign investment influx to the country. The strategy includes 400 new projects across sectors like manufacturing, agriculture, and energy. The construction sector, especially in regions such as Astana, remains a primary growth driver. Inflation is anticipated to decelerate to 8.3% by the end of 2024 as the government revises utility tariffs and the National Bank of Kazakhstan (NBK) continues its cautious monetary easing cycle, with the base rate projected to drop from 15.75% at the start of 2024 to 13.5%.

Kazakhstan's current account deficit narrowed significantly in early 2024, bolstered by increased export revenues from energy and metals, though OPEC+ restrictions on oil production may limit additional gains. The national currency, tenge is forecasted to average 447 KZT/USD, showing resilience amid global volatility, though external pressures remain a factor

in the future exchange rates. As inflation stabilizes further, economic activity in Kazakhstan is expected to increase, with GDP growth forecasted at 5.5% in 2025–2026. However, reliance on commodity exports exposes Kazakhstan to risks associated with global price fluctuations, and fiscal policy will play a crucial role in balancing these risks by promoting diversification and supporting industrial development (EDB 2024).

5.4 Kyrgyz Republic

The Kyrgyz Republic has maintained very close relationship with Russia. Throughout decades of political turmoil and imbalances in regime stability, leaders of Kyrgyzstan were enthusiastically proclaiming themselves pro-Russian. The Kyrgyz state is generally underdeveloped in terms of institutionalized central power and the country is highly dependent on relationships between different regionalized clans, that have historic relations rooted in the nomad period of the nation. Thanks to this, presidents elected to office were on three occasions removed from office through violent riots that pushed the country on the brink of civil war (Gyene, 2022). Also, it is precisely this deep rooted familial approach to foreign policy that maintained a Russia positive attitude from the Kyrgyz people. Even though younger generations are growing up critical of practices and alliances of the past, the profound info-dumping of shared historical glory between Kyrgyzstan and Russia have to this day have a grip on the society. Having grown up partly in Kyrgyzstan, I personally can attest to the intensity of Russian symbols all around, almost reminiscent of the Soviet days. Culturally, although very unique and strong, Kyrgyzstan has adopted a lot from Russia. For example, the Kyrgyz language itself, despite being an old Turkic language, relies heavily on Russian to supplement contemporary words (e.g. newspaper, Russian and Kyrgyz: gazeta) that would describe concepts introduced after the country was made part of the Russian Empire. Similarly, remaining with the language for a moment, the written picture of Kyrgyz is also quite talkative: they use an extended character set of the Cyrillic alphabet, that has little variation from Russian in terms of pronunciation, but contains distinct vowel characters for the “oe” and “ue” sound which are not at all part of the Slavic set of sounds. In most Kyrgyz public schools, Russian is the primary language of education, while the national language is taught from first grade as a second language. Similarly, the clerk at the bank, the waiter at a restaurant, the official at the post office, all will address anyone who comes in in Russian first. All this reminiscing stands merely to underline that the Kyrgyz society as a whole is deeply interconnected with the Russian language and culture.

Despite strong nationalist tendencies therefore, Kyrgyzstan is the good example of Russia’s vision for the “nearest neighborhood”. With respect to the War, the only Central Asian

country that took a public stance by Russia was President Zhaparov, who has in his post to Facebook legitimized Russia’s recognition of the PR of Donetsk and PR of Luhansk. Notably, this preceded the actual attack, even if by a few days only (Gyene, 2023). After this however, Kyrgyz leadership adopted a no comment position highly similar to that of the other Central Asian states. This “strategic silence” might be due to a need to balance between maintaining good relations with Russia, while keeping the option for cooperation with the Global North open. (Dadabaev and Sonoda, 2022) In the beginning of March 2022, Zhaparov in a statement said “The situation in Russia and Ukraine has a negative impact on all countries of the world. In short, the situation is difficult in the areas of trade, economy, security and cooperation at the global level. Everything escalates sharply. We are a small republic. We cannot influence to stop the war. Therefore, we have to adhere to neutrality.” (24.kg, 2022)

Switching to the economic aspect of this case study, Figure 12. will aid us in looking at the current state and future of the Kyrgyz economy.

Indicator	2022	2023	2024F	2025F	2026F
GDP in constant prices (% growth YoY)	9.0	6.2	5.5	5.3	4.1
Consumer price index (% growth YoY at the end of the year)	14.7	7.3	4.3	6.9	6.5
7-day REPO rate (% per annum, the year’s average)	12.1	11.4	11.0	10.7	10.7
Kyrgyzstan’s som to U.S. dollar exchange rate (the year’s average)	84.1	87.9	89.4	92.6	94.9

Figure 12. Key macroeconomic indicators of Kyrgyzstan (EDB 2024)

Kyrgyzstan is projected to sustain robust GDP growth at 5.5% in 2024, driven by high household consumption and strong export performance, particularly in metals. The Kyrgyz economy is also experiencing rising domestic investment in construction and services, bolstered by favorable credit conditions, as the National Bank maintains a relatively low policy rate. Inflation is expected to reach 4.3% by the end of 2024, reflecting stabilizing currency exchange rates and reduced costs of imported food and energy.

Kyrgyzstan’s Som is projected to stabilize at around 89.4 KGS/USD in 2024, supported by steady remittance flows and trade, although external shocks, such as fluctuating global commodity prices, could affect this balance. While domestic consumption continues to drive growth, fiscal challenges persist, with a focus on increasing public investment in infrastructure

to stimulate long-term growth. Kyrgyzstan's economic outlook benefits from regional trade agreements, yet dependency on remittances and limited industrial diversification pose risks. Maintaining inflation within the target range will require continued fiscal discipline and gradual monetary adjustments to support sustainable economic growth (EDB 2024)

5.5 Republic of Armenia

Historically, Armenia remained the most closely allied Caucasian state with Russia. The country enjoyed the favor and military support of the Russian Federation in its conflict with Azerbaijan over the territories of Nagorno Karabakh. In November 2020, the second Karabakh war ended through a trilateral ceasefire that was largely thanks to Russian mediation between the parties and established a substantial Russian military presence in Armenia in the form of a peacekeeping mission. After the outbreak of the Russia–Ukraine war in February 2022 however, the watchful eyes of the Federation turned away from the Caucasus, allowing Azerbaijan to further military presence in the disputed regions in September 2022, claim considerable parts of the Nagorno Karabakh territory and block Armenia's access to the region. As the armed conflict renewed and progressed, Armenia, heavily dependent on Russian support in keeping the region has expressed its growing displeasure regarding its inaction and withdrawal of peacekeeping troops stationed in the country in favor of transferring them to the Ukrainian front. Similarly, Armenia's standing towards the CSTO soured considerably, following the integrations non-committal to a pro-Armenia stance on the matter of Nagorno Karabakh. As a result, rather than sticking with traditional allies, pro-EU voices gained traction in the country, so much so that in January 2023, the EU Mission to Armenia was established to enforce the Armenia-Azerbaijan border, after Armenia rejected a similar offer from the CSTO. (Engval et al. 2023) In September 2023 however, a renewed Azeri offensive on Nagorno Karabakh pushed the majority of the remaining Armenian population to flee the region and by the end of the year, Azerbaijan gained full control of the region. As of January 1st, 2024, Nagorno Karabakh is officially a region of Azerbaijan. The dispute is no more.

Currently the relations between Armenia and Russia are deteriorating fast. The 'betrayal' by Russia and the Russia centered military alliance resulted in the country's withdrawal from both CIS and CSTO, while seeking tighter relations with the European Union. In the beginning of the 2010's, Russia threatened economic sanctions against Armenia, should they chose to turn towards the European Union. The Russian 'sticks' policy at that time contributed vastly to Armenia's current membership in the EAEU. In a speech delivered at the 2023 meeting of the Supreme Council, Prime Minister Nikol Pashinyan stressed the importance of deepening

economic integration of the EAEU member states, but warned against assigning political, or geopolitical agenda to the integration. Actions of Armenia suggest, that being part of a politicized EAEU would not be acceptable (Pashinyan, 2023)

Over to the economic snapshot, on Figure 13. we can see a forecast of key macroeconomic indicators with respect to Armenia. Armenia's economic growth is forecasted at a solid 7.5% in 2024, led by significant expansion in industrial activities, particularly the processing and export of gold, as well as a steady rise in construction fueled by mortgage lending. The Armenian economy has benefitted from a strong performance in domestic sectors, with industry, construction, and trade contributing to growth. Inflation is expected to tick up to 1.5% by the end of 2024, a manageable increase due to easing global commodity prices and the Armenian dram's recent appreciation against the U.S. dollar and the Russian ruble.

Indicator	2022	2023	2024F	2025F	2026F
GDP in constant prices (% growth YoY)	12.6	8.7	7.5	4.2	4.9
Consumer price index (% growth YoY at the end of the year)	8.6	-0.6	1.5	2.5	2.0
IBL rate (%, the year's average)	9.0	10.0	8.3	6.7	6.0
Armenian dram to U.S. dollar exchange rate (the year's average)	436	392	396	398	399

Figure 13. Key macroeconomic indicators of Armenia (EDB 2024)

With inflation projected to stabilize around 2.5% by 2025, the Central Bank of Armenia is likely to further reduce its refinancing rate, currently expected to reach 7.5% by the end of 2024. Armenia's fiscal policy remains expansionary, with public spending set to reach 28.7% of GDP, bolstering domestic demand. However, external risks could impact growth, particularly if global economic conditions deteriorate, affecting exports and remittances. The dram's strength may also hinder competitiveness in export markets. Additionally, Armenia's economy is susceptible to sectoral concentration risks, especially within the gold processing sector, as sustained growth will require diversified industrial expansion (EDB 2024)

6. CONCLUSION

Having looked at the turbulent relationship of member states of the Eurasian Economic Union, one thing can be said for certain. The geopolitical significance of the Global East is more prominent than ever before. As a consequence of the Russia–Ukraine War, the region is experiencing

dual trends, on the one hand gaining economic momentum through the deepening economic integration, on the other hand suffering the severe economic consequences of the sanctions imposed on Russia (and Belarus), the engine of said economic integration.

Due to being cut off from trade with the Global North, Russia is seeking deeper alliances with its counterparts within the EAEU. This trend, however, is met with mixed reactions. Although there is no outright criticism of Russia's actions, member states, other than the de facto Russian protectorate of Belarus, adapted a policy of "strategic silence", confirming to Russian pseudonyms for the War, such as "special operation in Ukraine", but expressively refusing any potential involvement in support of Russia. This silence speaks louder than any statement in confirming the delicate position of the states in view of this international crisis that is happening between two of their previously close allies.

Commitments towards further economic harmonization and working towards establishing an EAEU internal market have not changed. The objectives set forth in the EAEU Treaty remain central to the economic development of all five nations. However, there is increasing fear of politicization of the integration by the Russian Federation, which notion is met with outright rejection on the part of both Armenia and Kazakhstan. The EAEU, although not meant to advance political harmonization of the member states, became the driver to the Russian geopolitical vision of GEP, which, despite collisions with national statements, is time and again incorporated in strategic decision making on the highest level of the integration.

Regarding geopolitical influence, the Russian grip on Armenia and Kazakhstan is definitely slipping, on Kyrgyzstan it remained unchanged in general, while on Belarus it locked with an iron fist. Armenia seeks closer relations with the EU, while Kazakhstan is experiencing a rise in Chinese investment and high-level collaboration between the two in context of infrastructural projects of the Belt and Road Initiative. Whilst the five remain connected by the EAEU, it is the purely economic nature of the integration which allows for its functioning. In case of notions of politicizing the EAEU gain traction, it will land on the long list of failed attempts at resynchronizing economic relations in the region.

At this time, the notion of a pan-Eurasian integration seems inaccessible. The idea behind the GEP, the integration of integrations, is on countless occasions synonymous with the Russian desire to return to its former power position. It seems to erode into an arm-wrestling match with China, which makes it innately political in nature and as such not acceptable for many current partners of the Federation.

As the bloodletting continues both in economic and very physical terms, the Eurasian Economic Union faces multitudes of challenges to overcome. As China seeks to expand its economic sphere of interest, it will necessarily collide with that of Russia. Only the future will decide if there will be a singular power emerging in Eurasia and if yes, who will it be.

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