

# Common Economic Space Enters Into Force

By [The Moscow Times](#)

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Nazarbayev visiting the troubled oil region of Mangistau in December.

ALMATY, Kazakhstan — Prime Minister Vladimir Putin has a vision for a Soviet Union-lite he hopes will become a new Moscow-led global powerhouse. But his planned Eurasian Union won't be grounded in ideology: This time it's about trade.

The concept of regional economic integration may be losing some of its allure in Europe, where a debt crisis is threatening the existence of the euro zone. But some countries across the former Soviet Union, still struggling economically 20 years after becoming independent, are embracing Putin's grand ambition.

Russia has moved one step toward this goal under an agreement with former fellow Soviet republics Belarus and Kazakhstan that as of this year allows the free movement of goods and capital across their common borders.

As Putin envisions it, the still hypothetical union will eventually stretch from the eastern fringes of Central Europe to the Pacific Coast and south to the rugged Pamir Mountains abutting Afghanistan.

The drive to somehow reform at least a husk of the Soviet Union has been around since 1991. The Commonwealth of Independent States, which loosely brings together 11 of the original 15 republics, was an early attempt that never amounted to much more than a glorified alumni club.

It was Kazakhstan's President Nursultan Nazarbayev who first raised the notion of a Eurasian Union in the early 1990s, but the idea was too premature for nations busy forging their own delicate statehoods.

Putin was president from 2000 to 2008 and intends to regain that position in a March election. A wave of protests that began after fraud-tainted parliamentary elections in December is posing the first serious challenge to Putin's authority, but his hold on power still seems secure.

In anticipation of a new six-year term as president, Putin has made forming a Eurasian Union by 2015 a foreign policy priority. He is promoting the union as necessary for Russia and its neighbors to compete in the modern global economy. His broader goal is to restore some of Moscow's economic and political clout across the former Soviet space and thus strengthen Russia's position in the world.

If the poorer prospective members are clamoring for Putin's union so as to become Moscow's financial beneficiaries, as was the case under the Soviet Union, they may be sorely disappointed. Russia has in recent years taken a more pragmatic line when extending its largesse and that stance is expected to remain largely unchanged.

"Some years ago, Russia came to the position that assistance to former Soviet republics should be monetized," said Ivan Safranchuk, an associate professor at the Moscow State Institute of International Relations.

Safranchuk said this meant that Moscow issued lines of credit and then sold countries oil, gas, electricity and military hardware at discount prices.

That strategy has brought Russia closer to gaining control over energy infrastructure in Ukraine, Belarus and Kyrgyzstan. While giving Moscow economic leverage over its former subjects, this approach has precluded the exorbitant spending pressure that helped bankrupt the Soviet Union.

The agreement to form a "common economic space" that went into effect Jan. 1 gives Russia up to 30 million new customers in Belarus and Kazakhstan, while these countries gain greater access to Russia's market of more than 140 million people. The risk to Russian manufacturers is the relatively lower cost of production in the other two countries, which could potentially drive them out of business.

Kyrgyzstan and Tajikistan, both economically struggling nations in Central Asia, may be the next to join the free trade club. Kyrgyzstan's former President Roza Otunbayeva said

before stepping down in late October that she saw her nation's fate as inevitably linked with the Eurasian Union.

"The natural flow of the workforce, services and movement of capital is of course all directed to Russia and Kazakhstan," she said.

Current President Almazbek Atambayev has made it clear that he sees the fate of Kyrgyzstan, which hosts a U.S. air base that acts as a crucial transportation hub for military operations in Afghanistan, as very much tied to Russia.

Neighboring Tajikistan, whose long and porous border with Afghanistan keeps many a security analyst awake at night, has proven a more recalcitrant partner and was recently embroiled in an unseemly diplomatic spat with Russia. But with more than an estimated 1 million Tajik migrants currently working in Russia, the lure of a border-free future could be too compelling to refuse.

Other potential members of the Eurasian Union in the Kremlin's sights appear more wary about what this means for their sovereignty.

Ukraine, which has flirted uncertainly with membership, fears it could further jeopardize its future economic and political engagement with Western Europe.

Others, such as Armenia, have proven positively cool on the idea, while Georgia under President Mikheil Saakashvili will likely always be hostile to anything coming out of Moscow.

Dmitry Trenin, director of the Carnegie Moscow Center, cautioned against talking up the prospect of the Eurasian Union as a political project.

"I see absolutely no wish on behalf of the Kazakhstani leadership to give up their sovereignty, and I see the Belarussian people not wishing to become part of Russia," he said.

Still, Russia's neighbors may have reason to fear Kremlin attempts to restore political domination.

Shortly after Putin came to power, the Foreign Ministry spelled out Russia's strategic vision in no uncertain terms. The document, which dates back to 2000, argues for promoting policies that "best serve the interests of Russia as a great power and as one of the most influential centers in the modern world."

The theme was recently reprised in campaign literature for Putin's United Russia party, which claimed that the "new union will allow our country to become another pole of influence in the modern, multipolar world."

Trenin said so far that fears of renewed Kremlin domination were ungrounded, noting that Kazakhstan and Belarus only increase the reach of Russia's markets by one-fifth in terms of population. "That's fine, but it doesn't make you a powerhouse," he said.

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