

# EURASIAN CUSTOMS UNION – ANALYSES AND PERSPECTIVES

Brindusa-Nicoleta PINCU\*, Adrian-Daniel STAN\*\*

**Abstract:** *In the era of Globalization the process of integration is speeded and taken to a different level. After the EU model, we are facing now with different entities trying to copy this model and adjusting it to their needs. Such a project is the Eurasian Customs Union, a project which has only recently come into being. The present paper will analyze the driven forces behind this and its capacity to fully function as a customs union before the year 2020- the time limit set by the Russian President Vladimir Putin.*

**Keywords:** customs union; integration process; international trade; free trade area; customs tariff

## INTRODUCTION

The Eurasian Customs Union formed by The Russian Federation, Belarus and Kazakhstan was established in 2010 and it is, from a territorial standpoint, the biggest in the world. This union is committed to abolish the non-tariff barriers among its members, thus establishing a common external tariff and a common customs code.

There are a few aspects that we need to take into account when we analyze about this project:

a) the Russian Federation decides the directions for the further developments  
b) The Eurasian Economic Commission, the only regulatory body of the customs union, has been declared the only representative body of the Member States when it comes to discussing aspects such as commercial policy at a regional and global level (This Commission is the single supranational institution of the Euroasian Customs Union).

c) In spite of other aspects, we still cannot talk about a true customs union. The Member States still use protectionist measures, as they do not trust the transfer of authority to Eurasian Customs Union and have still too many exceptions to the rules. Thus, Moscow will have to make serious efforts to build the trust amongst the Eurasian Union members.

d) The Members of the Eurasian Customs Union agreed to implement the commitments taken by Russia in front of the World Trade Organization (WTO) as Russia is member of the WTO starting from August 2012, but no one can

---

\* Department of Cultural Diplomacy, Babeş-Bolyai University, Cluj-Napoca, e-mail: [brindusa.pincu@gmail.com](mailto:brindusa.pincu@gmail.com).

\*\* Department of Contemporary History and International Relations, Babeş-Bolyai University, Cluj-Napoca, e-mail: [adrian.stan@ubbcluj.ro](mailto:adrian.stan@ubbcluj.ro).

guarantee the fact that Belarus and Kazakhstan will undertake the same commitments.

e) The Member States have agreed to align their standards to those of the European Union (EU) and also to international standards promoted by WTO, but above all, the local standards are prevailing.

Russia would like that Ukraine would become a future member of the Customs Union, but Kiev's leadership has yet to decide between this Euroasian Customs and the European

Given these issues, the EU must make an effort to face its fears and pre conceived ideas towards Russia and ex-soviet space. For some EU Member States, this Customs Union promoted by Moscow is just an attempt for Russia to re-build its empire, despite the fact that pro-Russian analysts emphasize and focus on the fact that Belarus and Kazakhstan had joined willingly and that the practical side of this project should be the highlighted (Dragneva, Wolczuk, 2013).

In order for the EU to refer clearly to this new Russian project, firstly it should treat Ukraine separately from its relationships with the states that are already members of the Customs Union and re-define its policies towards the ex-soviet space. The EU needs to further analyze the particularities and specifics of its Eastern Neighborhood and to be aware that its integration project does not always apply to the ex-soviet space (Schumlyo-Tapiola, 2012).

While the European Union remains a desired and attractive model, a gravity center for some of its neighbors (here we are referring mainly to the Central Asia states), for others Russia can be a better option. Russia has always emphasized the economic character of this customs union and in the spring of 2012 has invited the EU to formal recognize this new entity and to discuss with Eurasian Economic Commission the issues that regulate the trade relations between the EU and Russia.

Although Brussels encourages the economic integration projects, the EU as a whole is very cautious when these projects appear in its Eastern Neighbourhood, reason for which the debate upon Russia's project is barely at the beginning. Lately the EU has expressed its concern with regard to this Customs Union because, for Western Europe mainly, it is not clear which are the true intentions behind this project. Is it an integration project or is it just a pretext of Russia to control the territory of the former USSR? What impact may this project have on its region and on the EU?

To all of these questions the analysts that come from the ex-soviet state as follow: if the EU will let behind the historical and emotional past when they refer to the former USSR, it will manage a lot better the relation with this area and will not be so quick as to suspect Russia of any hidden interests (Vinukurov, Libman, 2012).

## 1. WHAT IS EURASIAN CUSTOMS UNION?

Even in the '90s, Russia has advocated for different integration projects, among which the best known is the Community of Independent States. This project is very flexible in terms of commitments on behalf of its members and the results

were vague. After two decades, the summits for the state heads are still on going. In reality, it is a rather irrelevant project, taking into consideration that the vast majority of the states opt out from this construction. There is no trust among the Member States as they have different economic, political and security priorities (Schumylo-Tapiola, 2012).

After a series of unsuccessful attempts for a wider integration, three members of the Independent States Community –Russia, Belarus and Kazakhstan– have reached an agreement which resulted in the creation of a customs union, launched in January 2010.

The aims of this union were ambitious because it proposed the establishment of non-tariff barriers among its members, a common external tariff and a common customs code. Also, another Agreement was signed aiming to create a Common Economic Space within the Euroasian Customs Union which offered the basis for a free trade regarding the services, labor force and capital movement, as well as for a coordination of monetary policies, customs, taxation and competitive common policies. In spite of all these agreements, it is not likely for these to be implemented in the nearest future.

### **1.1. The reasons for establishing a customs union**

For Western observers, this customs union is nothing but another purely political initiative, a further attempt of Russia to build its empire. A few hypothesis were advanced regarding this project. The majority of analysts consider that the project was created to postpone the negotiations between Russia and WTO, especially because Russia proposed a block enlargement, which meant that the whole customs union should negotiate as a block with the WTO, proposal that was rejected immediately.

Other voices affirm that Russia has initiated the customs union project because she wanted to counterbalance the Eastern Partnership launched by the EU in 2009 (Agbodejobi, 2012).

In reality, this project is far more complicated. Mainly this is the product of geopolitical and Russian leadership considerations that to a certain extension corresponds to those of the other two member states. We need to take into account the fact that geopolitical considerations range from personal ambitions of state leaders to practical and tactical matters.

### **1.2. Russia`s intentions and rationality**

When we take into consideration Russia`s intentions towards the customs union we refer in firstly to the aspect of regaining its control of the neighborhood (Van Vooren, 2012). It is obvious that this project of customs union revolves around Russia and that she tries to further consolidate its position in its neighborhood. From Moscow`s perspective, this aspect is just following a natural course of its external policy. We must not fall into the trap of Russian rhetorics without being aware that it is very difficult for all ex-soviet states to reunite under

the same umbrella, because each of them has its own agenda. Only three of them considered that their priorities are compatible and decided accordingly to establish the Eurasian Customs Union.

Another argument towards establishing the Eurasian Customs Union is the fact that Russia did not have any serious rival in the area controlled in the past by the USSR. Many political analysts argue that Russia does not have a mighty plan of reconstructing the soviet production lines. Moreover, Russia aims to create cohesion in its neighborhood, to extend her own terms and conditions and to gain access to its neighbors resources. In other words, this project would rather be a commodities exchange than an economic model (Schumylo-Tapiola, 2012). Practically, Russia seeks to limit the re-exporting of cheap goods from the EU to China through Belarus and Kazakhstan, thus controlling the exports of raw materials to the EU via Belarus.

Russia wants to be an equal partner on the international relations arena and that is why the customs union represents more than a battle for resources; it means having an impact upon the global position of Russia. To many of the Russian political elite, the Customs Union is a precondition to achieve this status. Russia has the misconceived idea that Brussels would support a customs union from Lisbon to Vladivostok. (Schumylo-Tapiola, 2012).

We must not forget that for the Russian Federation the Customs Union is another means to counterbalance a rapidly developing Asia. It is not a mystery that Russia does not feel comfortable with a powerful China that consolidates its position in Central Asia. The Customs Union is a means of protecting Russia from China, using a buffer zone formed by Kazakhstan, Kirgizstan, and Tajikistan, as potential members. Moscow is not convinced that Beijing seeks a pragmatic exploitation of natural resources from Central Asia with no interest in dominating the region and exploit its own economic model.

### **1.3. Considerations of Belarus and Kazakhstan**

Belarus has always had tight connections with Russia, as the first customs union between these two took place in 1996, and Kazakhstan has never hidden the fact that its interests towards achieving a Euroasian Customs Union are rather high. Both states are governed by the former socialist elite (Lukashenka is the president of Belarus for the last 10 years now, and Kazakhstan has the same president ever since its independence) which follows Moscow's model but without this being imposed. These two countries hope for an equality status within the Union, but they are obviously conscious of the fact that their decision was a political one. Russia promised them substantial gains as a result of the elimination of tariffs barriers and cheaper gas.

For Lukashenka the Customs Union is a means to insure the survival of its political regime. He needed financial support to restore the social contract with the population due to the situation created by the economic and financial crisis. Also, Russia's threat with establishing tariff barriers has been the decisive factor to join the Customs Union. (Tarr, 2012) Without financial support from the International

Monetary Fund (IMF) and the EU, Lukashenka was forced to accept the Customs Union proposed by Russia.

In the case of Kazakhstan the situation is much different. Nazarbaev isn't facing the same problems like Lukashenka. The natural resources of Kazakhstan keep the economy functioning even during the crisis, and its policies are supported by the people. For him, the decision to join the Customs Union was made only taking into consideration internal reputation and external prestige. Another reason was the need to counterbalance the power of China, which presence in Kazakhstan raised lately. Business men, together with country`s elite have expressed their worries towards this project, but Nazarbaev has justified his position using the following arguments:

- the possibility of a wider access to Russian market
- a better Russian investment flux
- consistent budget revenues
- better transit routes for Kazakhstan`s exports to the EU.

## 2. SUPRANATIONAL CHARACTER. THE EURASIAN ECONOMIC COMMISSION

Previous integration attempts of the ex-soviet space show that supranational institutions have existed only on paper, but in fact the decisions were taken by the member states. This is the case of the Independent States Community and Eurasian Economic Community (Schumylo-Tapiola, 2012).

In November 2011 within the Supreme Eurasian Economic Council, composed of chiefs of state of the three member states, a treaty was signed to create an institution to regulate the Customs Union and the Common Economic Space. That moment was the birth of Euroasian Economic Commission. This institution replaced the Advisory Commission of Customs Union and started to function in February 2012.

The Commission is responsible with the implementation of agreements within the Customs Union and of the common economic space, and with the evolution of these two projects. The functioning of these projects is governed by the functioning treaty and the Supreme Council. Its headquarters is located in Moscow, but there are pressures for its movement to Astana. The Commission consists of two bodies: the Commission`s Council (with 3 members, the Presidency belongs to Belarus) and Commission`s Board (with 9 members, its Presidency belonging to Russia).

The Eurasian Economic Commission is seen as a ministry of the Customs Union, and its decision must be taken independently of member states national interests. Its members (the staff and its bodies members) are hired by the Commission and should not be influenced by there founding states. (Vinokurov, 2012).

## 2.1. The legislative procedure within the Commission

The first stage is represented by the analysis of the legislative proposal by the Commission departments, after that it is submitted to member states commentaries. After its revision by the responsible departments, the proposal is sent to the Commission's board and to the Council. At the Council level the decisions are reached with through consensus, each country having just one vote. The third phase is highly important because the legislative proposals are approved by the Supreme Council. The fourth phase means implementing the decision. After its approval the proposal has a mandatory character to all member states.

## 2.2. Commission's Problems

First of all, when we talk about the Commission's lack of authority within the Customs Union, this question can be surpassed once this body will further grow and develop. The fact that the decision making process is guided by the three member states and not by the Commission as an independent body, it is yet again an issue that we need to address. This aspect could change if the political will for integration will prevail in front of national interests. (Mankoff, 2012)

Accepting Commission's authority by Russia is the vital point for the project of Customs Union to be successful towards the long desired integration and the Commission's staff must make further efforts to detach from the national interests of the represented states. If these differences will be addressed is highly possible for the Eurasian Customs Union to take shape and to receive recognition at least at a regional level (Darden, 2009).

By far, the most pressing problem of the Commission is represented by the fact that this institution does not have the recognition outside the Eurasian Customs Union. In order for the Commission to become an actor on the regional/global arena it is necessary for this Union to be recognized at least by the WTO, and this recognition will depend on Belarus and Kazakhstan joining. Both states have accepted to be guided by the WTO regulations when they signed the constitution act for establishing the Customs Union. That means that Russia's commitments to WTO and its regulations would become an integrative part of the legal framework of the Customs Union. In such a way the Commission will benefit from a sort of credibility on behalf of the EU, if it ensures the total implementation of WTO regulations within the Customs Union.

## 3. ECONOMIC AND COMMERCIAL INTEGRATION - A FEW ASPECTS

According to Western economists it is obvious that the Eurasian Customs Union cannot pretend that it has all attributes belonging to a construction of such type. We mustn't forget that important steps towards integration have been made, but the national interests and the economic protection mechanisms should prevail. Above all that the degree of integration is low due to the lack or incomplete standards convergence.

### 3.1. The commerce within the Customs Union

According to statistics the intra-union commerce has grown both in 2011 and in 2012. It is well-known that Russia owns the largest finance capital due to its energetic resources which represent 45% of the intra-union commerce. Belarus focuses its exports towards the Customs Union, while Russia and Kazakhstan continue to focus on three directions, more exactly: The Community of Independent States, European market and China's market.

The tariffs imposed within the Customs Union don't have a contractual character, which means that they aren't established by the WTO, thus being changed whenever the Member States desire. Moscow insisted that free intra-union trade to be made of goods produced by Member States, having suspicions that Belarus would resell goods that come from the EU (Intra-union commerce is not without suspicions especially regarding the Russia-Belarus relationship. These two states are involved into the so called "commercial wars" and Kazakhstan would have the same policy when it deals with goods coming from China.

Also in terms of intra-union commerce there is an open debate around limitations and boundaries for this process, and how these limits will be implemented while there are no boundaries among Union's members? We must bear in mind that Russia restricts Belarus's exports because of the Free Trade Area with the EU and because of low sanitary standards (these problems could disappear in 2017 once Belarus will eliminate the Free Commercial Area, in order to comply with the Common Economic Space, but the sanitary standards need to be homogenous for every state).

### 3.2. The common external tariff

Starting from 2010 there have been discussions regarding the establishment of a common external tariff, based mainly on Russia's external tariffs before its negotiations with WTO. This tariff would have a limited impact on Moscow and also on Minsk which harmonizes its tariffs with Russia. The most affected state by the external tariff is Kazakhstan because its tariff rates have doubled ever since it joined the Customs Union, and the tariff variation has grown substantially.

It should be mentioned that some tariffs are not harmonized-Russia and Belarus don't have exceptions, but Kazakhstan practices its own tariffs to many of the goods and applies a tax reduction for imported goods (OECD, 2013). Moreover, Customs Union members can grant exceptions by imposing import and export exemptions as long as the Eurasian Economic Commission and the other states give their approval.

Russia's accession to the WTO brings new changes in the common external tariff and it is not sure if Belarus and Kazakhstan will implement the commitments made by Russia with the WTO.



### 3.3. Customs Code

In 2010 the Customs code issue was raised. This code was adopted in 2010 but came into force in 2011. This code regulates the customs procedures together with the control and payment of goods that are sent outside the Customs Union.

An important aspect here is the residual income distribution issue, taking into consideration that the vast majority of it belongs to Russia, due to oil and petroleum products that came from Russia and have a special regime. Moreover, Belarus and Kazakhstan agreed that 100% from the residual earnings from the crude oil exports that comes from Russia, would be redirected to Russia.

### 3.4. Commercial facilities

When we talk about commercial facilities we refer mainly to borders and to the elimination of non-tariffs barriers. The borders are eliminated within the Customs Union, but this upgrade doesn't mean that the Russian project is free of difficulties. Belarus is accusing Russia of restoring its customs control zones; also Russia is accused because of its deficient border management that forces the other two states to open their borders. Likewise commercial operators in Belarus and Kazakhstan are complaining about the mistreatment applied to their goods by the Russian customs authorities.

The elimination of non-tariff barriers was firstly discussed in 2010 when the three member states agreed upon unifying their technical standards. Immediately afterwards the agreement was signed and then approved by the national Parliaments of the three member states. Once the new regulations will be implemented, the national ones will cease to function, but the implementation of new regulations is rather slow.

The technical standards that need to be harmonized are rather divergent, the main barrier being the fact that the decision making process is still dominated by those in force since the times of the USSR. To reach a consensus and a certain progress it is necessary to have a political engagement of Russia together with the employment of resources on behalf of the other member states.

### 3.5. Costs and benefits for the Customs Union members

When we talk about the cost-benefit analysis we need to bear in mind the fact that when the Union was created such an analysis wasn't operated. Taking into consideration Russia's position within the Customs Union we can note the following benefits: an increase in commercial fluxes, which will bring higher income to the budget, but it will offer also a higher degree of border control within the Union (Vinukurov, Libman, 2012). Russia hopes to increase its trade with Kazakhstan, a better access to market for its own producers, a decrease of business costs due to the cancellation of transaction costs, together with the earnings from infrastructure improvements. When dealing with earnings from infrastructure



improvement, we refer to the growth in state's connectivity, which will increase the transit speed on Russia's territory.

Belarus has several advantages from being a member of the Customs Union due to Russia's financial contributions, but the direct effect of this project is still uncertain. This state benefits from the external tariff, which is quite escalated, but it could obtain some benefits by protecting the manufactured goods with bigger import costs applied to Western countries. Also, Belarus hopes to gain from the customs rates belonging to the non-Community of Independent States (CIS) area, but also from its geostrategic position of transit country.

Kazakhstan's participation to the Customs Union does not seem to be a rational choice. This country enjoys a fairly good economic status, characterized by a relative liberalization, with a higher degree of foreign investments and oriented mainly towards CIS and non-CIS countries (OECD, 2013). Although the prices have lower sustainability because of the inflation, it is still possible to gain more access to Russia's market. Moreover, Belarus could convert its costs corresponding to its membership of the Customs Union and maximize the gains if the Member States will eliminate non-tariff barriers.

Russia expects also some negative consequences. Such consequences are related to residual income redistribution of Member States. Another challenge is represented by the re-exported goods from third countries through the territory of Belarus and Kazakhstan. Although public opinion is in favor of a reunified USSR, it is also worried about Moscow's granting subsidies to other members of the Union.

The costs for Belarus are connected especially to introducing new standards and their harmonization within the Customs Union. Belarus has benefit many years from Russia's crude oil, having a duty free regime, but it won't be able to capitalize that portion that goes to refinery for export, because she agreed to return all these earnings to Russia.

The image displayed by Kazakhstan as member of the Customs Union is an optimistic one, but this state has some costs of its own. Here, we are referring to its common external tariff, a chapter where Kazakhstan loses, because of the price increase of its exported products (Schumylo-Tapiola, 2012). This situation could change when Russia will fully join the WTO and will reduce its customs tariffs. Tariffs harmonization can be translated, like in the case of Belarus, into additional costs, time consumption and may result in postponement of its WTO accession.

#### 4. CUSTOMS UNION CHALLENGES

We mustn't ignore that the Eurasian Customs Union is at its beginning and obviously faces multiple challenges.

We refer mainly to the *economic disparities and the divergent purposes* of its members. This project suffers from its disproportionate size- for instance, Belarus is 40 times smaller than Russia, but also because of its internal divergent purposes - while Kazakhstan follows its modernization and liberalization, Russia

and Belarus are attached to their natural resources and state protectionism (Schumylo-Tapiola, 2012).

The mistrust and protectionism create a tense atmosphere within the Union, each state having its protectionist measures established, and there are even speculations that this Union develops through blackmail and manipulation.

The implementation of the existing engagement is one of its biggest challenges. Firstly, the most important priorities are the elimination of protectionist measures and the unification of technical standards. On the second place comes the implementation of regulations that allow freedom of movement for services and capital. It is still unclear if the three states would want to find a balance between national interests and those of the Customs Union, and to implement on a very short period of time what the EU has done in 50 years (Schumylo-Tapiola, 2012). It is still not certain if these countries would be able to unify their standards, and to accept the authority of the Eurasian Customs Union Commission.

Recognition by the Western countries is one of the thorniest issues of the Russian project. Its achievement is possible only by implementing all the arrangements, otherwise this Union won't be treated as a key regional and global player.

Russia's accession to the WTO is another challenge just because it is still hard to foresee the consequences upon Belarus and Kazakhstan, taking into consideration the fact that it is not certain whether these 2 countries will commit to Russia's agreements with the WTO.

The agreements signed by the member states involve a wider integration in just a few years. Western economists have drawn attention upon these aspects, suggesting that speeding up the integration process will result into way too much shock to the economies of the Member States. Belarus and Kazakhstan are opposing the accelerated integration suggested by Russia, arguing that they want their economies to first adapt to the changes that already have taken place. There have been discussions about creating a unique currency, but the three Member States aren't ready to take this step yet.

#### **4.1. Enlargement perspectives**

The enlargement of the Customs Union, clearly represents a challenge and we need to emphasize that this aspect was proposed only by Russia. Although the Customs Union enlargement is an independent decision taken by the candidate, each state is forced to adopt the legal framework of the Union before becoming a member. Despite the fact that the accession invitations have been launched to each member of the ISC, we cannot estimate a defined border for the Customs Union. In what follows, we are examining the situation for the states that were given the possibility of becoming part of this project.

Kirgizstan and Tajikistan aspire to the membership and according to a World Bank analysis the benefits will exceed the costs. Their accession is convenient for Russia because Kirgizstan would help diminishing the influx of Chinese goods (we are referring at the fact that Russia will be able to control much easily Kirgizstan's

borders), and Tajikistan can help building a sanitary cordon to stop drug traffic from Afghanistan to Russia.

Uzbekistan and Turkmenistan are not interested to join the Customs Union. Uzbekistan suspects that this Union will become a political one, and Turkmenistan has rich oil resources and from an economical perspective the Customs Union is unattractive.

Azerbaijan is a candidate desired by Russia, especially because it has energetic interest there, and with a wider control over Baku, Russia would strengthen its monopoly status on the energetic market. That is why there is a lot of pressure directed to this state. Azerbaijan has also started the discussions with the EU towards signing a new agreement, but this aspect does not concern Russia, while Baku won't embrace naturally the integration model proposed by the EU.

Armenia does not represent a priority when it comes to enlarging the Eurasian Customs Union. Because of her close connexion with Moscow, there is no real pressure for her to join Putin's project. But when Armenia expressed her desire to sing a Free Trade Area Agreement with the European Union, she felt the pressure from Russia. According to some local observers, Armenia continues its talks with the EU within the Eastern Partnership framework and for now the Russian threats are just dust in the wind.

Moldova is another state that does not find a place in the top-priority list of Russia. She does not have a lot of natural resources and most of its population already works in the Russian Federation. In terms of external policy Moldova has defined a clear orientation towards the EU and this is one of the main reasons for which Eurasian Customs Union is not a top priority for her (the Customs Union could be an option when the Communist Party will reach the power). Nevertheless, one must not ignore the fact that Moldova has a series of crucial issues in hot-areas such as Transnistria or the autonomous region of Gagauzia, issues that can be so easily speculated by Russia.

In the case of Ukraine, the things are slightly different from the other areas mentioned. A strong pressure is still applied for this country in order to become a full member of the Eurasian Customs Union. Russia has always invited Ukraine to become a full member of every customs union project that she initiated, but Ukraine always refused up to some point. Once Yanukovich became president, Kremlin's pressures became more intensified and strongly felt even by the population. Always having a pro-Russian orientation, Yanukovich provoked almost a rift between the two states when he agreed to start the Association Agreement and Association Agenda proceedings with the EU. At that point Russia tried bribing Ukraine with false promises like paying the fees to WTO and offering cheaper gas and several loans for re-bursting the economy. As the recent developments show, the shifting toward the EU was just a facade from the higher political establishment point of view and the observer status in the Eurasian Customs Union shows the fact that Ukraine will have no choice but to turn decisively towards Russia now that Crimea is a part of the Federation.

## CONCLUSIONS

This Customs Union project is very different from the others that came before it-it is not on the priorities list of the international system, has a vast bureaucracy and the 3 Member States leaders tend to overinfluence any decision-making process through sabotage and personal ambition, often forgetting the economic aspects. The Eurasian Customs Union is clearly dominated by Russia and it has little credibility because of its internal problems.

In order to deal with this new entity, the EU must learn to face its own fears and preconceptions when it comes to the ex-soviet space. The events that take place in this area are often treated with a huge emotional and historical charge, which will ultimately lead to EU trying to find strong evidence to confirm its fears. One of the causes of this aspect is the fact that there is too little literature from this space and the scientific works are not published in an international language. Another important root-cause is Russia's behaviour in the international arena and the weak response of the international community in terms of sanctions applied.

EU must be conscious that this Customs Union is not a state-like entity and therefore should learn to deal with it as a ever-moving and ever-evolving target. Now the EU cannot and will not recognize the Eurasian Customs Union and nor will the World Trade Organization.

Once this project was launched, the frictions between the EU-Russia relations were not slow to come to light. There were talks at some point of a re-negotiation of the Agreement between EU and Russia, but nothing could be reached in this aspect because Russia has delegated all its negotiating power to the Eurasian Economic Commission and wishes negotiations to include the other two members of the Customs Union.

In order to objectively assess the Customs Union, maybe EU should be able to separate the Ukrainian question from this project and re-asses its policy in the ex-soviet area. Bruxelles authorities must be conscious that this new economic model does not apply to the needs of the states in question.

## REFERENCES

- Agbodejobi, P. (2012) *The Geopolitical Implications of the European Neighbourhood Policy*, Verlag.
- Darden, K. A. (2013) *Economic Liberalism and its Rivals*, New York: Cambridge University Press.
- Dragneva, R. and Wolczuk, K. (2012) *Russia, the Eurasian Customs Union and EU: Cooperation, Stagnation or Rivalry?*, Russia and Eurasia Programme, available at [http://www.chathamhouse.org/sites/default/files/public/Research/Russia%20and%20Eurasia/0812bp\\_dragnevawolczuk.pdf](http://www.chathamhouse.org/sites/default/files/public/Research/Russia%20and%20Eurasia/0812bp_dragnevawolczuk.pdf).
- Mankoff, J. (2012) *Russian Foreign Policy. The Return of Great Power Politics*, 2<sup>nd</sup> Edition, Rowman and Littlefield Publishers.
- OECD (2013) *OECD Review of Agricultural Policies: Kazakhstan 2013*, OECD Publishing.

- Schumlyo-Tapiola, O. (2012) *The Eurasian Customs Union: Friend or Foe to the EU?*, Carnegie Europe, 3 October, available at <http://carnegieeurope.eu/2012/10/03/eurasian-customs-union-friend-or-foe-of-eu/dyzm>.
- Schumlyo-Tapiola, O. (2013) *The EU-Ukraine Summit and Beyond*, Carnegie Europe, 1 March, available at <http://carnegieeurope.eu/2013/03/01/eu-ukraine-summit-and-beyond/fmzm>.
- Tarr, D. G. (2012) *The Eurasian Customs Union among Russia, Belarus and Kazakhstan: Can it succeed where its Predecessor failed?*, available at <http://freepolicybriefs.org/2012/11/05/the-eurasian-customs-union-among-russia-belarus-and-kazakhstan-can-it-succeed-where-its-predecessor-failed/>.
- Van Vooren, B. (2012) *EU External Relations Law and the European Neighbourhood Policy: A Paradigm for coherence*, Routledge, New-York.
- Vinokurov, E. (2012) *The Customs Union and the Single Economic Space: Towards the Eurasian Economic Union*, available at [http://www.eabr.org/general/upload/CII%20-%20izdania/Yerbook-2012/a\\_n5\\_2012\\_05.pdf](http://www.eabr.org/general/upload/CII%20-%20izdania/Yerbook-2012/a_n5_2012_05.pdf).
- Vinokurov, E. and Libman A. (2012) *Eurasian Integration. Challenges of Transcontinental Regionalism*, Palgrave Macmillan.