## The European Union, Russia and China: Competing Regionalisms in the Eastern Partnership Region

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#### Abstract

In the Eastern Partnership region, which comprises six post-Soviet countries with very different cultures that lean towards different extra-regional poles of influence, "new regionalism" serves as a step towards more global and multilateral relations. This article examines how competing regionalisms are presented in a turbulent neighborhood where the European Union, Russia and China have different approaches to dynamics of regional integration. It explores how these differences impact the Eastern Partnership countries, while explaining the current intricacies of the EU-Russia-China triangle. The paper argues that there is a strong need to work out a new cooperative relationship formed within an agreed multilateral framework of rules that would foster a system aimed at imposing responsibilities and restraints on Moscow, Beijing and Brussels. Their capacity for constructive cooperation will determine whether the Eastern partners make tangible progress on peace building, sustainable development and successful integration into the global economy.

#### Introduction

The last two decades have seen the emergence of new regional cooperation initiatives, which include the Russia-led Eurasian Economic Union (EAEU)<sup>1</sup>, the European Union's Eastern Partnership (EaP)<sup>2</sup> and China's Belt and Road Initiative (BRI).<sup>3</sup> Although they all are at vari-

ous phases of their implementation, each one of them seems to entail bigger geopolitical visions promoting competing ideas of regionalisms. As these regionalist integration projects are currently evolving in Eurasia, the post-Soviet states are straddling fault lines and choosing sides in the entire region. Many important challenges facing smaller regional countries have put them at the juncture of those potential fault lines. This is especially true for the EaP nations, which still remain, to varying degrees, unstable, unreformed, and embroiled in conflicts. The primary purpose of this article is to investigate the main characteristics of competing regionalisms by assessing key factors that define region-building strategies of the European Union (EU), Russia and China under the current global condition. To achieve this objective, the paper starts by introducing the idea of "new regionalism" as a global geopolitical change in the post-Cold War era, giving a brief overview of different perspectives on reshaping the region. This is followed by an analysis of the EU's promotion of regionalism in the Eastern neighborhood, particularly the EaP. The next two sections look into major regional integration projects launched by Russia and China, with a specific focus on the EAEU and the BRI respectively. The concluding part discusses what may lie ahead, basically making inferences about the likely impact of the post-Covid-19 new world geopolitical realities on the long-heralded regional structures, and suggesting possible ways in which the EU, Russia and China could facilitate cooperative efforts aimed at helping the EaP countries foster greater stability, lasting peace and economic prosperity in the entire region.

# The Geopolitics of "New Regionalism": Competing European and Eurasian Perspectives

Regionalism, whether competitive or cooperative, is essentially associated with geopolitics as it seeks to create regional spaces, boundaries,

<sup>&</sup>lt;sup>1</sup>The Eurasian Economic Union (EAEU), formally established in May 2014, currently comprises Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia. The EAEU was formed with the aim of fostering closer economic cooperation among member states.

<sup>&</sup>lt;sup>2</sup>The Eastern Partnership (EaP), officially launched in May 2009, is a joint policy initiative aimed at closer political association and economic integration between the EU and six post-Soviet states of Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

<sup>&</sup>lt;sup>3</sup>The Belt and Road Initiative (BRI), formerly known as One Belt One Road, is a global development strategy adopted by the Chinese government in 2013 involving infrastructure development and investments in nearly 70 countries and international

organizations. All six Eastern Partnership countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) are the BRI participants on the basis of their approval of bilateral cooperation agreements with China.

concepts, identities, narratives and ideologies for a regional project.<sup>4</sup> In the post-Cold War era, however, "new regionalism" is inextricably linked to new regional realities, geopolitical rivalries, protracted territorial conflicts, instabilities, wars, sanctions, economic decline, and security interests. This explains why the geopolitics of "new regionalism" in the post-Soviet territory looks very complicated. Yet interestingly enough, neo-regionalism and economic liberalization could lead to more geopolitical competition, while infrastructure connectivity seeks to reshuffle patterns of trade. Interactions between the EaP, the EAEU and BRI are of greater interest in the wider regional context. What is at issue in fact is the shape of the triangular relationship between the EU, Russia and China, and its strategic implications for regional security in Eastern Europe, the South Caucasus and even far beyond.

Nevertheless, the EaP and the EAEU are presented as attempts at region-building strategies in the shared neighborhood. Both the EU and Russia consider the regional integration initiatives they promote as mutually exclusive with each other, economically and politically. Right from the outset, Brussels encouraged various Eastern neighbors to enter into closer links with the EU, whereas Moscow reoriented its policies toward extensive cooperation with China in the framework of the Shanghai Cooperation Organization (SCO), and with some post-Soviet states via the evolving EAEU. While the EU seeks greater engagement with the EaP region to transform it into an area of peace, stability and democracy, Russia strongly resists the Europeanization in its "near abroad." The EaP countries therefore continue to struggle to find their way between competing European and Russian narratives. In turn, BRI serves as a vehicle of China's economic expansion. Chinese engagement helps diversify the EaP countries' trade relations beyond their traditional markets, most particularly the Russian market. For the six partner states, competing regionalisms have opened

a space to manage Russia's hegemonic aspirations and to enhance their relations with the EU and China. These post-Soviet countries have discovered real economic and political benefits that the so-called competitive regionalization is offering: a possibility to rely on several donors, instead of just one, an improved security, and an enhanced international status. Such a range of options has helped the Eastern partners to self-position themselves in the wider geopolitical context to resist external pressures, while ensuring their increased sovereignty and regime recognition by outside powers.

From a geopolitical standpoint, Russia-EU competition is most likely a real contest between opposing value systems and ideologies. Integration policies in both the EU and Russia are built on the view that internal security challenges originate outside their borders. Russia generally regards closer regional integration with the EU as a geopolitical loss, while the EU views growing rapprochement with Russia as an attempt to restrain its own regional leverage. Because the EU and the EAEU are in direct competition with each other, Brussels and Moscow are locked into a struggle over who is most capable of attracting the partner countries and under what terms and conditions. Given the impact of long-simmering conflicts in Nagorno-Karabakh, Abkhazia, South Ossetia, Transnistria and Donbas on the future EU cooperation policies towards the EaP countries, Moscow could exploit internal fault lines to serve as a major arbitrator in the peace process<sup>5</sup> and pursue its objectives through military tactics. As a consequence, Russia's geopolitical activism challenges strategic EU integration initiatives and creates dividing lines that could have broader geostrategic implications for Western democracies.

However, the challenge faced by Brussels in advancing a more integrated and effective policy in the Eastern neighborhood is not only external but also internal to EU member states that still share rela-

<sup>&</sup>lt;sup>4</sup>For an interesting overview, see Iver B. Neumann, A Region-Building Approach, in: F. Söderbaum, T. M. Shaw (eds.) Theories of New Regionalism. London 2003, pp. 160-178.

 $<sup>^5</sup>$ Elkhan Nuriyev, Peace building in the Eastern Partnership. What Roles for Russia and the EU?, in: ZOiS Spotlight, 45/2019, (4 December 2019), online version is available at <a href="https://en.zois-berlin.de/publications/zois-spotlight-2019/peace-building-in-the-eastern-partnership-what-roles-for-russia-and-the-eu/">https://en.zois-berlin.de/publications/zois-spotlight-2019/peace-building-in-the-eastern-partnership-what-roles-for-russia-and-the-eu/>.

tively different views about the rationale, importance and ultimate goal of the EaP. The EU member states have not coordinated with each other to craft achievable policy goals, while Russia and China are strengthening their strategic cooperation, putting forward joint narratives and moving closer to creating their own Eurasian security alliance to compete actively against the West. Such a complex reality involves two competing European and Eurasian visions for reshaping the region, which prolongs the cycles of instability but does nothing to resolve regional security problems in the shared neighborhood.

## Constraints and Shortcomings of EU-Steered Regionalism

Evidently, rapid improvements in relations between the EU and the post-Soviet states made in 2004 and 2009 were spurred by a series of new geopolitical breakthroughs such as the European Neighborhood Policy (ENP) and the EaP initiative. Just then, Eastern Europe and the South Caucasus became areas of direct concern to the EU strategy, which underwent an overall transformation from enlargement to regionalization. The EU opened a new chapter in multilateral cooperation with its Eastern neighbors<sup>6</sup>, offering them privileged relationships based on mutual commitment to common values. While assuming a greater regional role through the ENP Action Plans later replaced by Association Agreements, the EU has sought to persuade the post-Soviet leaders to adopt reform measures that would contribute to fostering stability and security. Despite an expansionist regionalist logic of EU integration geared toward acquiring reliable partners8, Brussels did not promise them eventual EU membership but rather sought to make the entire region more controllable and to create a

secure geopolitical buffer between itself and Russia. It is hence no surprise that since its launch, the EaP has been called into question for being ineffective. The critics have argued that the EU lacks the ability to offer its partner countries the full benefits of freedom, interaction and cooperation.<sup>9</sup>

In principle, two major factors in recent years have influenced the EaP's policy expectations in the EU's eastern periphery. First, right from the outset the EaP required strong support from the EU member states that are still playing a key role in the formation of pan-European regionalism seeking to integrate the post-Soviet states with the European Community. While some of EU member states have failed to take an active stance, others simply lack strong vision when it comes to reorientation of EU policy towards its Eastern neighborhood. Therefore, polarization within the EU between those that prefer to pursue a "Russia-first" policy and those that see it as the serious obstacle to the formation of an effective strategy towards the Eastern neighbors has impeded a recalibration of the EU's integration policy in this part of the world.

The second point is of even greater importance. The expectations of the partner countries regarding the EaP differ not only from that of the EU member states, but also from each other's. They do not share the same situations, resources or weaknesses. The EU has therefore sought to find appropriate ways of responding to the heterogeneity of the EaP nations, which are characterized by different degrees of interest in EU integration. The signing of Association Agreements<sup>10</sup>, including

<sup>&</sup>lt;sup>6</sup>Council of the European Union, Joint Declaration of the Prague Eastern Partnership Summit, Prague, 7 May 2009, 8435/09 (Presse 78), p. 6.

<sup>&</sup>lt;sup>7</sup>Benita Ferrero-Waldner, Eastern Partnership – An Ambitious Project for 21st Century European Foreign Policy, Statement by European Commissioner for External Relations and European Neighbourhood Policy on the Eastern Partnership, European External Action Service, Brussels, 20 February 2009.

<sup>&</sup>lt;sup>8</sup>James Headley, Is Russia Out of Step with European Norms? Assessing Russia's Relationship to European Identity, Values and Norms Through the Issue of Self-Determination, in: Europe-Asia Studies 64 (2012) 3, p. 428.

<sup>&</sup>lt;sup>9</sup>George Christou, European Union Security Logics to the East. The European Neighborhood Policy and the Eastern Partnership, in: European Security 19 (2010)3, pp. 413–430. See also Paweł Dariusz Wiśniewski, The Eastern Partnership. It is High Time to Start a Real 'Partnership.' Washington: Carnegie Endowment for International Peace, 2013, 38 pp.

<sup>&</sup>lt;sup>10</sup>Georgia, Moldova and Ukraine signed their respective association agreements with the EU on 27 June 2014. These entered into force on 1 July 2016 in the case of Moldova and Georgia, and on 1 September 2017 in the case of Ukraine. On 24 November 2017, the EU and Armenia signed the comprehensive and enhanced partnership agreement, which entered into provisional application on 1 June 2018. Negotiations between the EU and Azerbaijan are still underway to conclude a new strategic cooperation agreement.

Deep and Comprehensive Free Trade Areas (DCFTAs)<sup>11</sup>, with Georgia, Moldova and Ukraine certainly helped advance the EU's political and economic interests in the Eastern neighborhood, thus adding value to the ENP. The key question, however, is whether both the EU and the partner countries would succeed in committing themselves to meeting the EaP's policy goals in the years to come.

Yet the EU could not act coherently as a single state actor in devising a comprehensive strategy for the EaP region. This failure has limited the EU's influence and enabled Russia, via "smart power" diplomacy, to consolidate its geopolitical standing in the "near abroad" countries. Moreover, Russia's heavy military presence in the conflict-torn areas has complicated the EU's strategic thinking on Eastern Europe and the South Caucasus. Moscow can affect the security situation of the post-Soviet states in both positive and negative ways, whilst Brussels does not have such direct leverage since the EU has refused to be a relevant security actor. The very fact that Brussels lacks the necessary tools to intervene in the peace processes, offering only confidence-building activities instead, vividly testifies to the absence of EU's visionary and principled approach to resolving regional security issues. These constraints have questioned the adequacy of the EaP and hindered Brussels's capacity to formulate a meaningful policy to deal with simmering secessionist conflicts.

Strikingly, none of the EU member states are able to independently exert significant impact on the EaP nations caught in between European and Eurasian integration processes. If these Western European democracies would act in concert against Russia's new geopolitical self-confidence in the shared neighborhood, the EU could probably become the most influential power in the middle to long-term. The

incapability of the European powers to shape a common and well-integrated policy for the EaP region has prevented them from reaching their full potential. The EU's overall strategy has obviously been dominated mainly by considerations of how European policies will affect relations between Brussels and Moscow.

Beyond doubt, the EU has played a vital role in expanding strategic cooperation with its Eastern neighbors. But at the same time Brussels has failed completely to involve Moscow in its pan-European regional integration initiatives, with the Kremlin perceiving the EU-steered regionalism as encroaching on what Russia considers its natural sphere of influence. All this has ultimately damaged the interests of the Eastern partner states that are perpetually striving to counter undesirable foreign competition pressure and avoid possible unintended consequences.

## **Eurasian Economic Union: Motives for Russian Regional Hege**mony

As Russia's President Vladimir Putin examines the real power situation in the international arena<sup>12</sup>, the significance of the post-Soviet territory becomes abundantly clear to the Russian Federation. Following the dissolution of the USSR, the Kremlin initiated the creation of several regional intergovernmental organizations which started to counter the EU policy initiatives right from the outset, leading to what some scholars have called "clash of integration processes."<sup>13</sup> Among major structures are the Commonwealth of Independent States (CIS), established in late 1991, the Collective Security Treaty Organization (CSTO), created in 2002, the Union State of Russia and Belarus, for-

Likewise, the bilateral relationship between Minsk and Brussels will be strengthened through the EU-Belarus Partnership Priorities, which are currently being negotiated.

<sup>&</sup>lt;sup>11</sup>DCFTAs, part of each country's EU Association Agreement, are free trade areas established between the EU and Georgia, Moldova, Ukraine respectively. DCFTAs allow Georgia, Moldova and Ukraine access to the European Single Market in selected sectors and grant EU investors in those sectors the same regulatory environment in the associated country as in the EU.

<sup>&</sup>lt;sup>12</sup>Elkhan Nuriyev, Endless Endgame. Whither Russia-West Confrontation? Russia in Global Affairs (2018), available online at <a href="https://eng.globalaffairs.ru/authors/elkhannuriyev/">https://eng.globalaffairs.ru/authors/elkhannuriyev/</a>.

<sup>&</sup>lt;sup>13</sup>Tom Casier, The Clash of Integration Processes? The Shadow Effect of the Enlarged EU on Its Eastern Neighbours, in: K. Malfliet, K. Verpoest, E. Vinokurov (eds.), The CIS, the EU and Russia. Challenges of Integration. Basingstone: Palgrave Macmillan, 2007, pp. 73-94. See also R. Kanet, M. Freier (eds.), Competing for Influence, The EU and Russia in Post-Soviet Eurasia. Dordrecht, The Netherlands: Republic of Letters Publishing, 2012.

mally launched in 1996, the Customs Union, which came into existence in 2010 and then was succeeded by the Eurasian Economic Union (EAEU) in 2015.

Internationally, the Kremlin advocates a geopolitical philosophy highlighting that the EU should accept Russian-style realpolitik and respect the rules of the game set by Moscow for the post-Soviet realm. In order to re-emerge as a great power, Russia is concentrating on expanding strategic ties with the CIS states, strongly insisting that its post-Soviet neighbors not only retain but also strengthen their security arrangements with Moscow. Eastern Europe, South Caucasus and Central Asia are hence three vital regions of critical national interest to Russia, which cannot simply shirk engagement there. In addition to promoting strategic initiatives within the format of the CSTO and the SCO, Putin's EAEU project is a well thought-out plan and a current passionate manifestation of the logic of "protective integration.<sup>14</sup>

Territorial dimension matters significantly to Russia, which exploited "new regionalism" not only to counter geopolitical expansion of the EU's influence but also to recover lost terrain. Russia threatened with potential counter-reactions against the CIS countries that would enter into closer institutional and economic links with the EU, trying to convince them to instead join the EAEU. Moscow strongly demonstrates its geopolitical vigor and frequently uses rigid methods to safeguard Russian national interests. While also using non-military tools of persuasion to join the EAEU, the Kremlin has simultaneously taken a very confrontational anti-Western posture, leading to more clashes with Brussels and with several EaP countries that adopted a pro-Western course. The inability of Moscow and Brussels to shape their bilateral relations in a mutually beneficial way has resulted in the competition of regionalisms and increased mutual distrust. This reflects the emergence of a dangerous fault line separating two civilizations in the shared neighborhood because a tough rivalry between the EU- sponsored EaP and the Russia-driven EAEU represents a civilizational choice.

In essence, Russian policymakers believe that the process of westernization represents an obvious threat to Russia's national security. The very fact that European policies are backing Western economic goals for the wider Black Sea-Caspian basin has already brought the EU into conflict with Russia's strategic interests. The issues of pipeline routes, foreign policy trade-offs, and regional security likewise tend to involve intense competition over who receives how much gas. With Russia's geopolitical assertiveness growing in the entire region, there is also much talk in Moscow about the need to protect the country's frontiers and turn them into an impenetrable barrier against would-be adversaries of the Russian state. 16

Increasingly, the security dynamics in the post-Soviet space are relevant due to the EaP countries' relations with Russia, which actively pursues regional integration with a view to securing regional hegemony. As all six EaP countries face complex domestic processes inevitably affecting the security of Russia itself, the Kremlin's mediating role in the region is firmly rooted in common security interests. Because of its capabilities and reach, Moscow can further enhance its geopolitical clout in various, subtle ways so as to orchestrate conflict settlement scenarios that will not only serve Russian strategic interests but also in the end gratify Armenia, Azerbaijan, Georgia, Moldova and possibly Ukraine. The Kremlin seems to be waiting for a suitable time and favorable circumstances before placing Russia's weight behind a

<sup>&</sup>lt;sup>14</sup>R. Allison, Virtual Regionalism and Protective Integration in Central Asia, in: A. Sengupta, S. Chatterjee (eds.), Eurasian Perspectives. In Search of Alternatives. Delhi: Shipra Publications, 2010, pp. 29-48.

<sup>&</sup>lt;sup>15</sup>For more details on this issue, see B. Nygren, The Rebuilding of Greater Russia. Putin's Foreign Policy towards the CIS Countries, London: Routledge, 2008. See also J. Greene, Russian Responses to NATO and EU Enlargement and Outreach', London: Chatham House Briefing Paper, 2012.

<sup>&</sup>lt;sup>16</sup>Author's private discussions with Russian experts who requested anonymity, Moscow, 17 October 2009 and 19 May 2015.

<sup>[17]</sup> I. Klishin, Putin and the 'Distinct Russian Civilization', in: The Moscow Times, 25 May 2020. Available online at <a href="https://www.themoscowtimes.com/2020/05/25">https://www.themoscowtimes.com/2020/05/25</a> /putin-and-the-distinct-russian-civilization-a70370>. See also A. Tsygankov, Crafting the State-Civilization. Vladimir Putin's Turn to Distinct Values, in: Problems of Post-Communism 63 (2016) 3, pp. 145-158.

solution to regional security issues. This puts Moscow in a position of power as the central arbiter of a future peace settlement, but it also reinforces Russian responsibility if something goes wrong. It remains to be seen, however, whether Russia can eventually turn obstacles into opportunities.

Russia is certainly a powerful regional neighbor with genuine security concerns in the CIS countries and will remain so in the future. President Putin described Russia as "not just a country but a distinct civilization."17] It is no surprise, then, that the Kremlin strongly wishes to recreate the former Soviet territory with a new outlook, mainly arguing that "Eurasian integration is a chance for the entire post-Soviet space to become an independent center for global development, rather than remaining on the outskirts of Europe and Asia." 17 As one Moscowbased policy analyst points out, it is not imperial ambition that lies at the heart of this policy, but rather Russia's security needs, whereby the Russian policymaking process is defined by the best way to maintain security. 18 Such a regional perspective best illustrates Russia's broad interests, of which Putin's Eurasian Union is but one important part. It is commonplace among Western scholars to define Russia as a revisionist power.<sup>19</sup> Yet the character of Russia's revisionism, including whether it adopts neo-imperial forms, is largely shaped by foreign and domestic influences. Some experts in Moscow have therefore called Russia a "restorative power" seeking to reclaim what it believes is rightfully its own.<sup>20</sup> The restoration of the status quo ante implies a

reversion to colonial boundaries. This is exactly why Putin famously said in a recent interview that former Soviet republics had left the USSR in 1991 together with "a huge amount of traditional historically Russian land."<sup>21</sup> Although his spokesperson later rebutted territorial claims on ex-Soviet nations, Putin's statement seems to have questioned the redrawn borders of Russia after the collapse of the Soviet Union.<sup>22</sup> This vividly suggests that the Kremlin leader has indeed revised the post-Cold War security order to something Russia sees as more favorable to her geostrategic goals. This likewise means that not merely Russia's smart power at work but its regional hegemony has been expanded through the EAEU as its institutional mechanism.

Nevertheless, while assessing prospects for Eurasian integration, Moscow makes strategic decisions that advance the Russian agenda of geopolitical influence and economic cooperation in the CIS space. In order to succeed with the EAEU and become a center of regional integration, however, Russia should first modernize itself and demonstrate its potential for long-term stability at any cost. Only by doing so can Moscow boost the Eurasian Union's attractiveness for the EaP countries. This is why the next several years will prove decisive in the struggle to reshape the post-Soviet neighborhood and integrate partner states into Russia's regional hegemonic project.

# China's Belt and Road Initiative: Ambitions and Realities Another important player in the EaP region is China whose grow-

<sup>&</sup>lt;sup>17</sup>V. Putin, Speech before members of the Valdai International Discussion Club. Moscow, Russian Federation, 20 September 2013. The online transcript is available at <a href="https://valdaiclub.com/a/highlights/vladimir\_putin\_meets\_with\_members\_the\_valdai\_international\_discussion\_club\_transcript\_of\_the\_speech\_/?sphrase\_id=701234>.</a>

<sup>&</sup>lt;sup>18</sup> Author's private conversation with a Russian political scientist who requested anonymity, Moscow, 6 May 2018.

<sup>&</sup>lt;sup>19</sup>I. Krastev, Russian Revisionism, in: Foreign Affairs, 3 March 2014. Available online at <a href="https://www.foreignaffairs.com/articles/russia-fsu/2014-03-03/russian-revisionism">https://www.foreignaffairs.com/articles/russia-fsu/2014-03-03/russian-revisionism</a>. For an alternative viewpoint, see also F. Loukianov, Russia, a Revisionist Power?, in: Politique étrangère, (2015) 2: pp. 11-24.

<sup>&</sup>lt;sup>20</sup>Author's private conversations with Russian political scientists who requested

anonymity, Moscow, 15 May 2016.

<sup>&</sup>lt;sup>21</sup>V. Putin, Gifts from the Russian People, Russia-1 TV, 21 June 2020, Original comments in Russian language are available at <a href="https://www.youtube.com/watch?v=GcNEb9VZvzw&feature=youtu.be">https://www.youtube.com/watch?v=GcNEb9VZvzw&feature=youtu.be</a>. See also N. Popovych, D. Lubkivsky, Czar Putin Wants a New Age of Empires, UkraineAlert, Atlantic Council, Washington, DC (6 July 2020), online at <a href="https://www.atlanticcouncil.org/blogs/ukrainealert/czar-putin-wants-a-new-age-of-empires/">https://www.atlanticcouncil.org/blogs/ukrainealert/czar-putin-wants-a-new-age-of-empires/</a>.

<sup>[23]</sup> Kremlin Denies Eyeing Territorial Claims After Putin's Comments In Documentary, RFE/RL, 22 June 2020, available at <a href="https://www.rferl.org/a/kremlin-denies-eyeing-territorial-claims-after-putin-s-comments-in-documentary/30684797.html">https://www.rferl.org/a/kremlin-denies-eyeing-territorial-claims-after-putin-s-comments-in-documentary/30684797.html</a>.

<sup>[24]</sup> For more details, see World Bank official website available at <a href="https://www.worldbank.org/en/topic/regional-integration/brief/belt-and-road-initiative">https://www.worldbank.org/en/topic/regional-integration/brief/belt-and-road-initiative</a>.

<sup>&</sup>lt;sup>22</sup>TITR is also called a "middle corridor" in the BRI project. For more On this issue, see <a href="https://middlecorridor.com/en">https://middlecorridor.com/en</a>.

ing global role has become increasingly apparent in the emerging new world order. Given their strategic position at the crossroads of Eurasian routes, Eastern Europe and the South Caucasus have particularly captured China's attention since the end of 2013, when President Xi Jinping proposed the concept of the BRI to revive economic, cultural and political exchanges along the ancient Silk Road.24] While laying the foundation of a long-term presence in post-Soviet territory, China in recent years has cultivated closer relations with the EaP states and has presented itself to them as a crucial trade partner that engages impartially with all participating nations, including those in conflict with one another.<sup>23</sup>

As Beijing is fostering ties with regional elites, Chinese companies have become very active with investments in port terminals, transport infrastructure, and with more projects underway that go together with intensifying the partnership in a variety of fields. For example, in Belarus, which has closeness to the European market, China has created an industrial park that is supposed to support joint production and logistics hubs. Besides, Chinese Shipping Group has launched container services in Moldova's the only largest port of Giurgiulesti on the Danube River. Moreover, Beijing is stimulating local investments in support for the creation of new freight corridors such as the Trans-Caspian International Transport Route (TITR)26], which connects Europe with Kazakhstan and China through the South Caucasus and the Caspian Sea. This route already allowed trains operated by Kiev to bypass Russia's transit ban on Ukrainian goods by shipping cargo through the Black Sea, Georgia, and Azerbaijan.

Although Beijing rarely openly pursues a political agenda, Chinese leadership appears to be rather open to negotiating with incumbent leaders and providing them with financial support in exchange for eco-

nomic benefits. While engaging with the entire region, China pursues quiet diplomacy aimed at discovering all possible avenues which best serve its interest. Even if Chinese presence remains modest compared to that of Russia and the EU, Beijing's model of integration based on its intense promotion of the BRI, complete with big promises to invest in many different sectors, is seen as a "new option"<sup>24</sup> able to help the EaP countries increase their involvement in global commerce and reduce their respective economic vulnerabilities as well as improve their infrastructure and boost their economic growth.

Clearly, an extension of Beijing's economic influence could push up Chinese investments to further enhance regional development. The key question, however, hinges upon whether the promises of these investments will be fulfilled. Even despite interest from Beijing in the infrastructure projects connecting China with Europe, a sound basis for its greater strategic engagement with the EaP nations has yet to be formed. Beijing does not seem to have a clear vision for materializing the BRI in post-Soviet territory. Indeed, the reality of China's investment flow in the EaP states does not match official rhetoric. Most BRI-related joint activities remain in the planning phase and it is still unknown whether investment projects will be implemented in practice.

Meanwhile, BRI is perceived in wider geopolitical terms, especially when taking into account that China-steered regionalism promotes a new vision of Asian geo-economic order aimed at integrating beyond the borderlines of the nation-states. Examining the EU's and Russia's perspectives on the BRI's current status and outlook in their shared neighborhood is of greater interest here. China's increased economic involvement in the EaP region is strongly connected to Bei-

<sup>&</sup>lt;sup>23</sup>On several occasions China has tried to remain neutral over secessionist conflicts in the post-Soviet space. In particular, Beijing abstained during the 2008 vote about Armenian-Azerbaijani conflict over Nagorno-Karabakh in the UN Security Council and did not take a position over Russia's conflict with Georgia in the same year, nor over Russia's conflict with Ukraine in 2014.

<sup>&</sup>lt;sup>24</sup>S. Denyer, Move Over, America. China Now Presents Itself as the Model 'Blazing a New Trail' for the World, in: The Washington Post, 19 October 2017.

<sup>&</sup>lt;sup>25</sup>Some of the Chinese experts themselves acknowledge that their country lacks the institutional capacity to manage the financial and reputational risks that the BRI entails. These are personal views expressed by two Chinese political scientists with whom the author had private conversations at the international conferences held in Minsk, Tbilisi and Zurich during 2016-2017.

jing's relations with Moscow. China is at times ambivalent towards regionalization of the emerging market economies, and at times unable to foster stronger regional ties because pure economic power is not sufficient to do so. Possible answers include geopolitical considerations of post-Soviet elites, which drive them closer to Russia, and the weakness of China's civilizational rhetoric which is insufficient to promote Chinese norms and values in the EaP countries. China-Russia relations are therefore crucial to understanding the nature of their impact on regional cooperation.

At present there is an ongoing profitable convergence of strategic Sino-Russian interests. China implicitly seems to have recognized privileged Russian position in post-Soviet Eurasia. <sup>26</sup> In response, Russia has appreciated the BRI's positive potential and is increasingly accepting a conciliatory approach to China's vigorous push in the EaP region, particularly following Western sanctions, thereby leading to Moscow's greater dependence on Beijing. This is, however, more due to strategic compulsions rather than a conscious choice. For Russia, the BRI is conducive to the creation of a multipolar world as it bolsters China's global stance to counterbalance American hegemony. Russia also views the BRI as a means to attract Chinese investment in its economy and perhaps most critically, as a source of significant transit revenues from trans-Eurasian rail freight.

Simultaneously, the EAEU and the BRI appear more complimentary than mutually exclusive. A major goal of the BRI is to merge with the EAEU<sup>27</sup>, which gives Russia a competitive advantage in trans-Eurasian land-based transit because freight traversing the EAEU must pass customs only once between China and the EU. To take greater advantage

of trans-Eurasian freight routes under the BRI, Russia supports efforts toward regulatory convergence and soft infrastructure development in Eurasia. Moscow is also working to promote coordination between multilateral institutions to make available stable, long-term financing for the BRI's capital-intensive components. However, the implementation of the EAEU and the BRI could trigger future geo-economic and geopolitical competition between Moscow and Beijing.

In turn the EU views the BRI in its Eastern neighborhood neither negatively nor unconditionally positively. The BRI's two economic corridors in Central Asia and South Caucasus complement Brussels' vision of trans-Eurasian connectivity, though they are not coordinated with the EU. While highlighting opportunities and challenges for the European transport system<sup>28</sup>, Brussels also emphasizes weaknesses of these corridors, arguing that the New Eurasian Land Bridge is economically feasible but geopolitically hazardous in the context of the current alienation between the EU and Russia, whereas the China-Central Asia-West Asia Economic Corridor is more expensive but geopolitically safe. Both corridors, however, account for a tiny share of total EU-China trade.

Furthermore, China may enter into competition with the EU for access to Caspian energy resources. Chinese companies may be interested in buying Azerbaijani gas within the BRI if an agreement on laying a trans-Caspian gas pipeline is concluded between Turkmenistan and Azerbaijan after all. The BRI may thus bring economic growth and help consolidate the region's stability. But this will occur only if the BRI-related projects do not undermine implementation of sustainable

<sup>&</sup>lt;sup>26</sup>S. D.s Fernandes, V. Ageeva, Facing China in Eurasia. The Russian Perspectiv, in: F. Leandro, P. Duarte (eds.), The Belt and Road Initiative. Singapore: Palgrave Macmillan, 2020, pp. 523-540.

<sup>&</sup>lt;sup>27</sup>Interestingly, the Shanghai Cooperation Organization (SCO) has set to showcase alignment between China and Russia through integration of Beijing marshalled Silk Road Economic Belt and Moscow driven EAEU. For an interesting discussion of how the SCO, the BRI and the EAEU may create synergy, see J. Joshua, The Belt and Road Initiative and the Global Economy, London: Palgrave Macmillan, 2019.

<sup>&</sup>lt;sup>28</sup>S. D. Gleave, Research for TRAN Committee. The New Silk Route – Opportunities and Challenges for EU Transport, Brussels: European Parliament, Directorate-General for Internal Policies, Policy Department for Structural and Cohesion Policies, 2018), Available online at <a href="https://www.europarl.europa.eu/RegData/etudes/STUD/2018/585907/IPOL\_STU(2018)585907\_EN.pdf">https://www.europarl.europa.eu/RegData/etudes/STUD/2018/585907\_IPOL\_STU(2018)585907\_EN.pdf</a>.

<sup>[32]</sup> E. Nuriyev, Russia-West Confrontation and the Future of European Security. Global Trends and Regional Consequences, in: F. Labarre, G. Niculescu (eds.), What a 'New European Security Deal' Could Mean for the South Caucasus. Vienna: Austrian National Defence Academy, (2018): pp. 165-178.

reforms promoted by the EU within the EaP policy. The EU needs to craft a new model of a protective and cooperative integration. For this purpose, Brussels requires a radical rethink, which should strongly support the creation of a new business and trade alliance, a unique network of enterprises in EaP region, aiming to make regional trade and connectivity simpler and better. This implies that the Eastern European companies should be given proper representation in the EU business circles to promote their project ideas in the fields of industry, energy and trade.

#### Conclusion

The reason why the emergence of "new regionalism" in post-Soviet territory has resulted in competing region-building projects is the failure of Brussels, Moscow and Beijing to devise a coherent strategic plan that focuses on an integrated, consistent approach and recognizes the shared interests of Russia, the EU, China, and the EaP countries. The Covid-19 pandemic creates a new landscape of potential risks to the Eastern neighbors which are likely to be further sidelined, especially now when the EU strives to develop a coordinated position internally and externally, in addition to unsuccessful efforts to uphold a united stance on Russia. Therefore, the political and economic impact of Covid-19 in the EaP region will highlight even more pressing roles Russia, the EU and China can play in promoting competing regionalist paths in the context of new, unfolding geopolitical realities.

As the geopolitical tug of war heats up in the (un)common neighborhood, the Eastern partners will remain isolated regardless of whether a particular country chooses this or that economic integrative project. The failure of the EU to get more proactive in the EaP affairs demonstrates its inability to build international support around interests that are in competition with Russian ones.32] For many post-Soviet states, however, there is no economic promise on the side of Russia, which cannot offer anything but regional hegemony over its neighbors because her economy does not perform well enough for it to be attractive for closer economic integration.

Paradoxically, some authors have recently argued for neo-containment, implying a commitment to a new strategy of containment for Russia as a carefully calibrated response to Russian strategic challenge.<sup>29</sup> In the post-Covid-19 world, however, Russia may easily turn into an "unsatisfied," revisionist power, seeking to regulate pan-European security among other things. If the EU continues to contain Russia, or if Moscow retries to rebuild an exclusive sphere of influence in the "near abroad," a course of competition, if not a confrontation, will last decades and may eventually put all regional integration initiatives in jeopardy. The strategic choices that the EU and Russia make today and particularly how they will act in the near future to bridge potential fault lines will not only shape the contours of the emerging regional order but will also determine whether post-Soviet states Europeanize or stagnate. The solution to reconciling the EU and the EAEU, and hence breaking the isolation of the EaP countries would be to establish therein free economic zones, commercially accessible to either blocs, liberating Eastern partners from the painful consequences of their dilemma.

Concurrently, China's geopolitical status is rapidly changing. Beijing's growing influence in Europe has the potential to create new geo-economic divides, especially as Covid-19 has fostered anti-China sentiments already in place within Western establishments. It is yet unclear how the set of BRI-related projects will be interconnected as they depend mainly on expanding political relations with various EaP states pursuing different foreign policy goals. A key question hinges upon how Beijing will use political leverage gained through its BRI. Despite these uncertainties, Chinese investment drive will remain eye-catching to the EaP countries because the BRI has the potential to significantly contribute to regional economic development.

Still competing regionalism can be transformed into cooperative regionalism. The EU-Russia-China triangle may ultimately benefit from

 $<sup>^{29}\</sup>mathrm{H.}$  Larsen, Neo-Containment. A Strategy toward Russia, in: Policy Perspectives, 8 (2020)1.

regional integration activities if Brussels, Moscow and Beijing can re-engage partner countries by choosing positive sum strategy rather than a negative-sum game. This entails that the success of cooperative regionalism is linked to the ability of three powerful actors to redefine their relationship in a more constructive sense. The EU, Russia and China should think strategically about working out a new cooperative relationship formed within an agreed multilateral framework of rules that would foster a system aimed at imposing responsibilities and restraints on Moscow, Beijing and Brussels. Their capacity for constructive cooperation will determine whether the EaP countries make tangible progress on peace building, sustainable development and successful integration into the global economy.

### Notes:

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