
Documentation

Plans for Eurasian Integration Advance

Dec. 29—The Heads of State of Russia, Kazakstan, Belarus, Armenia, and Kyrgyzstan, as well as the Prime Minister of Ukraine, met in Moscow on Dec. 24 under the auspices of the Eurasian Supreme Economic Council, to debate plans for the Jan. 1, 2015 launch of the Eurasian Economic Union. “We are creating the Eurasian Union in order to strengthen our economies and ensure their harmonious development and a closer rapprochement,” Russian President Vladimir Putin said in his opening remarks to the Economic Council meeting.

The Eurasian Supreme Economic Council is the governing body of the Customs Union and Common Economic Space of Russia, Belarus, and Kazakstan. At the meeting, Putin announced that he, President Nursultan Nazarbayev of Kazakstan, and President Alexander Lukashenka of Belarus had approved the institutional section of the draft agreement on the Eurasian Economic Union, which defines its key goals as “mutually advantageous cooperation for converging our economies, for their harmonious development and for enhancing competitiveness. The implementation of these principles is aimed primarily at improving the well-being of our citizens.”

Putin extended a warm welcome to Ukrainian Prime Minister Mykola Azarov, Armenian President Serzh Sargsyan, and Kyrgyzstan President Almazbek Atambayev. The latter two governments have filed applications to join the Customs Union and Eurasian Economic Community (EurAsEC), “Voice of Russia” reported today. Putin expressed optimism that the roadmap for Armenia’s and Kyrgyzstan’s accession to the Customs Union could be readily approved, with only a few remaining details to be worked out.

In his opening remarks to the larger group, Putin

stressed that there is a tight timetable for consolidating these cooperative arrangements. The treaty for the Economic Union must be signed by May 2014, at the latest, and then submitted to national parliaments of the founding states for ratification, so that the Union can become fully operational by Jan. 1, 2015.

Eurasian integration “creates conditions for the dynamic development of our countries,” he explained. Despite adverse global economic conditions, the common market of the three member states is expanding, he said, with trade among the Customs Union countries expanding threefold between 2010 and 2012. He added that “the share of raw materials in export-import operations is going down.... I would like to stress that this is a very important part of our joint work. *We are reducing mutual trade in raw materials and increasing trade in high-tech goods.*” In concluding, Putin stressed that “the future of our large-scale integration project depends largely on the alignment of our actions in all areas of our cooperation. Russia is firmly committed to such joint work.”

Russia’s ‘Asian Pivot’

Putin’s remarks reflect a long-term orientation of his administrations, and a grouping within the Russian intelligentsia, some of whom have worked closely with the LaRouche international movement, which has conducted a campaign for the Eurasian Land-Bridge perspective since the late 1980s. The Russian President devoted a section of his annual Message to the Federal Assembly, on Dec. 12, to what he called “Russia’s pivot toward the Pacific Ocean.”

Nodal points in this process include the founding of the Eurasian Economic Community (1996), then-Prime Minister Putin’s proclamation of the plan for a Eurasian Union in October 2011, the start-up of the Customs Union (2010), and the Single Economic Space (2003).

Putin said: “I am certain that Russia’s pivot toward the Pacific Ocean and the dynamic growth of all of our eastern territories will not only open up new economic possibilities for us, new horizons, but will provide additional instruments for conducting an active foreign policy.”

He added that the “real achievements of Eurasian integration” will likely interest additional neighboring countries besides Belarus and Kazakstan, including Ukraine. Elaborating on the crisis around Ukraine, Putin said, “Even before the events we are now witnessing in Kiev—and I do hope that all the political

forces in that country will manage to reach agreement and resolve their problems—since May of this year, Ukraine had asked to attend all meetings of our core ‘troika,’ with observer status, and has been taking part in the discussions, while repeatedly expressing its interest in joining certain of the Customs Union agreements. We are not forcing anything on anybody. But if our friends want to work together, we are prepared to continue this work at the expert level.”

These integration agreements are supplemented by additional sovereign arrangements between Russia and the Pacific powers, specifically China, South Korea, and North Korea—which we will review in a future issue.

Germany Next?

As the government of Ukrainian President Viktor Yanukovich has stressed, the preferred outcome to the current crisis around whether Ukraine is going East or West, is the achievement of a tripartite arrangement, in which agreements on natural gas and, more importantly, high-technology projects in areas like aerospace and air transport, are worked out in talks among Russia, Ukraine, and the European Union. So far, the EU has rejected such talks.

In the meantime, Russia has pledged \$15 billion from its National Welfare Fund reserves to purchase Ukrainian securities to help with Ukraine’s immediate debt crisis. In making the announcement, which came after the Dec. 17 meeting of the Ukraine-Russia Interstate Commission at the Kremlin, President Putin stressed that there were no conditionalities, in contrast to the demands by the EU for increased austerity as part of its package of aid.

Russia’s Gazprom also cut Ukraine’s price for natural gas by 33%—a cut larger than expected. Discussion at the Commission meeting also included resumption of mass production of the An-124 aircraft, and cooperation in shipbuilding and the aerospace industry.

As for larger deals in the works, Itar-Tass reported that Ukraine Energy Minister Eduard Stavitsky said on Dec. 25, that talks will begin in January on the creation of a consortium to manage the Ukraine gas transportation system, through which Russian gas flows not only to Ukraine, but in much greater volume through Ukraine to the EU countries. He said that suggestions had been made by both the European Commission and by Russia, and Ukraine is considering its options, including a bilateral consortium with Russia or a trilateral one with

Russia and the EU.

As Lyndon LaRouche anticipated early on, there have been several indications that there is interest in Germany in joining such an arrangement. This reflects not only the desire of leading forces in that nation to avoid what could become a thermonuclear confrontation, but the economic interests of the country, which is heavily dependent upon energy supplies from or through Ukraine, and would greatly benefit from the markets to the East, which is still committed to physical economic development.

The first such positive sign came from Alexander Rahr, Russia expert at the German Foreign Policy Association, who said in an interview Dec. 26 with Tonis TV, that a positive development of relations between Europe and Russia were possible, if the EU would return to a constructive dialogue based on viewing the Russians as real partners rather than as providers of raw materials only. The policy which the EU has pursued in the past five years, Rahr argued, has been wrong, because all countries that did not copy the “European” values have been punished, with the EU bureaucracy in Brussels distancing itself from them—Russia and Ukraine under their present governments being among these.

The solution to these policy conflicts lies in “traditional three-way approaches,” Rahr said, which implies a return to policies that have worked constructively in the past. For example, the so-called “Weimar Triangle” which was set up by France, Germany, and Poland for coordination of policies, but which also explicitly invited Russia to take part in aspects of security and defense. Had Russia the feeling today, that Europe had more interest in it as a real partner for dialogue than as a supplier of crude oil and natural gas, a constructive dialogue like that in the period 2000-03 would be possible, Rahr said. That would involve foreign and defense policies as well as economics.

From the Russian side, Ruslan Grinberg, director of the Institute of the Economy of the Russian Academy of Sciences, told a conference in Moscow on the Ukraine situation on Dec. 26 that a three-party dialogue among Russia-Ukraine-EU on trade and economic development was “not only possible but necessary,” according to Itar-Tass.

“From the bone of contention, Ukraine should become a bridge of cooperation,” said Grinberg. “Our ultimate goal is to create a common space from Lisbon to Vladivostok, isn’t it?”