

“Governance, Resilience and Order:
Eurasia and beyond, under the pressure of global and
regional change”

GCRF GCDC ECR Training School 2019

Working Report October 2019

GCRF COMPASS: Comprehensive Capacity-Building in the Eastern Neighbourhood and Central Asia:
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‘Governance, Resilience & Order: Eurasia and beyond, under the pressure of global and regional change’

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Preface

This report presents contributions by the Early Career Researchers who joined our first **GCRF International Training School** organised under the aegis of the GCRF Global Challenges Doctoral School and the GCRF COMPASS project (University of Kent) on 2-6 July 2019. The theme of this 1st Training School was ‘Governance, Resilience and Order: Eurasia and beyond, under the pressure of global and regional change’. The Training School was made possible through generous funding from the University of Kent GCRF QR funding, GCRF COMPASS project and Research England UK.

A total of 25 Early Career Researchers participated, with 14 researchers from the COMPASS project consortium. Participants presented their diverse research on the themes of resilience and governance, and received in-depth feedback from their peers and senior colleagues. They also attended four skills training sessions on networking, publishing, and fieldwork funding, organised by the University of Kent. The Training School further provided opportunities for socialising and networking, including a visit to the UK Parliament in London and the international *signature* conference on Governance and Resilience, on the margins of which the TS was organised.

This Report includes papers presented at the Training School and reflects only the views of the authors themselves. The papers are work in progress, and cover a wide geographical and conceptual scope. Contributions were made by: **Anna Ayvazyan** (Russian Academy of Sciences), who discussed the role of small states in regional cooperation, looking at the case of Armenia; **Dr Andrei Bezruchonak** (BSU), who assessed the effect of the BRI project on the infrastructure of Belarus and other countries; **Polina Bishenden** (Kent), who provided an analysis of women’s rights organisations in Kazakhstan; **Tom Harper** (University of Sussex), who unpacked the Chinese model of governance and its implications; **Mikita Keino** (BSU), who reflected on EU actorness in relations with Greater Eurasia; **Dr Aliaksandra Kondral** (BSU), who assessed the concept of democracy from the Islamic perspective; **Dr Alla Leukavets** (BSU) who compared Belarus’ and Ukraine’s regional integration processes; and **Gabriel Lorca-Aicardi** (Kent), who wrote about Russia’s energy policies and its links with China. Contributions are presented in an alphabetical order. A few select papers from these contributions will be developed into fully-fledged articles for the submission to international journals.

The **GCRF COMPASS** project (ES/P010849/1, 2017-21) is funded by an ambitious UK government capacity-building initiative, aiming to extend UK research globally, to address the challenges of growth and sustainability in the developing countries. The COMPASS project at Kent, together with Cambridge University as research partner, seeks to establish ‘the hubs of excellence’ at the top-level HEIs in Belarus, Azerbaijan, Uzbekistan and Tajikistan, to enable them to become the centres for knowledge sharing and transfer, in the fields of research integration, impact governance, and sustainable communities.

ANNA AYVAZYAN¹ – The role of small states in integration projects in the Eurasian space: the case of Armenia

Introduction

Small states often do not have significant economic potential and cannot position themselves as a global power, thus often being viewed in academic literature as facing the unconditional choice between several ‘senior’ partners. In the case of Armenia, the global powers in question are the EU and Russia.

In general, the situation in the region does not offer many opportunities for a multi-vector foreign policy: Armenia exists in the conditions of energy dependence, isolation from cooperation programmes, and a constant risk of military escalation of the Nagorno-Karabakh conflict. Having signed the Agreement on friendship, cooperation and mutual assistance with the Russian Federation, Armenia cooperates with Russia in the implementation of military policy, provision of military technologies and weapons. In the event of an armed attack, the Russian military bases can be used by the Armenian armed forces to protect the borders. The document, signed in 1997, also mentions economic reforms, deepening of economic integration, and the creation of conditions for a common economic space.² Thus, the goal of broad institutional rapprochement with Russia was set under the first President of Armenia, Levon Ter-Petrosyan, who signed the agreement. The fact that Armenia continues to cooperate with Russia, as an important strategic partner, demonstrates continuity of the policy designed when the country gained its independence.

Literature mentions several reasons to explain the perception of European Union integration and the Eurasian Economic Union projects as competing ones: (i) participation in the Eastern Partnership programme as a step towards potential accession to the EU;³ (ii) the alleged anti-Russian nature of the programme; (iii) a lack of political reason for membership in the Eurasian

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² *Dogovor o druzhbe, sotrudnichestve i vzaimnoj pomoshchi mezhdou Rossijskoj Federaciej i Respublikoj Armeniya / Sobranie zakonodatel'stva Rossijskoj Federacii, № 51, 1998. P. 6274 [Договор о дружбе, сотрудничестве и взаимной помощи между Российской Федерацией и Республикой Армения / Собрание законодательства Российской Федерации, № 51, 1998. С. 6274]*

³ *Arutyunyan O.V. Armeniya mezhdou Rossiej i ES. Vestnik Volgogradskogo gosudarstvennogo universiteta, № 1(19), 2011. P. 160-163. [О.В. Арутюнян. Армения между Россией и ЕС / Вестник Волгоградского государственного университета, № 1(19), 2011. С. 160-163]*

Economic Union, as a political justification; (iv) the actual entry of Nagorno-Karabakh Republic into the Eurasian Economic Union (EAEU) despite having no customs border with Armenia, which indicates Russia's strategic importance as a guarantor of Armenia's security.⁴

Nevertheless, in recent years, Armenia has successfully integrated into European structures. In 1999, Armenia signed the Partnership and Cooperation Agreement with the EU, which was replaced by the Comprehensive and Enhanced Partnership Agreement between the EU and Armenia in 2017. Since 2004, Armenia has been participating in the European Neighbourhood Policy, and since 2009 in the Eastern Partnership programme. Armenia is a member of the CSTO, at the same time maintaining relations with NATO, in particular, participating in peacekeeping missions in Kosovo and Afghanistan. Since 2002, the country has been part of the Partnership for Peace programme, which aims not only at cooperation in the defense sphere, but also in the area of legal reforms, counter- terrorism and the fight against corruption.

The country's security policy sets the following objectives: strengthening the international authority of the Republic of Armenia, increasing the degree of international integration of Armenia, and preserving the Armenian identity⁵. Regardless of their ideological views, Armenian political figures tend to adhere to this agenda. Moreover, emphasis is placed on the importance of a peaceful resolution of the Nagorno-Karabakh conflict, as well as recognition of the Armenian genocide as a crime against humanity. With the change of power in 2018, when former President Sargsyan was forced to resign, the argument that "Armenia will not be under any influence" has become even stronger, despite the desire to cooperate with both the EU and Russia⁶. At the same time, Armenia's sudden refusal to sign the Association Agreement with the EU in 2013 suggests that uniform cooperation formats cannot be accepted by all partner countries, and integration requires a more flexible approach, taking into account the factor of the internal political situation, as well as the interests of other players.

This paper, with a case study on Armenia, will argue that small states, in the conditions of economic and foreign policy dependence, are still able to promote their own agenda within the maneuvering space available to them. Russian academic scholarship tends to see this from the

⁴ *Minasyan S.* Armeniya derzhit balans. Ponars Evraziya. Analiticheskaya zapiska № 377, 2015 [С. *Минасян.* Армения держит баланс / Понарс Евразия. Аналитическая записка № 377, 2015]

⁵National security strategy of the Republic of Armenia – in Rus. Available at: <https://www.mfa.am/filemanager/Statics/Doctrinerus.pdf> (Accessed: 05.06.2019)

⁶ Deutsche Welle. Available at: <https://www.dw.com/ru/пашинян-назвал-приоритеты-внешней-политики-армении/a-46671030> (Accessed: 05.06.2019)

dominant neorealist framework perspective, thus the chances for a partner country to divert from the policy of being in the sphere of influence of a greater power are taken as almost negligible. Nevertheless, recent publications apply a more multi-faceted approach, also discussing the role of ideology in research and justification for the choice of methodology. Thus, an argument about dominance of the geopolitical approach in studying Russian external policy is put forward. On the contrary, the EU is perceived mostly through the constructivist lens⁷. At the same time, there is an understanding that multipolarity of the existing external environment, in contrast to a bipolar world order, has influenced the behaviour of the smaller states as well: they are now more likely to balance their external policy priorities⁸. This is not only due to the fact that a multi-vector policy represents a way to reduce the risks associated with economic and political dependence on a single partner. The growing role of smaller states is also explained with other factors: lower risks of military confrontation, and growing representations of the smaller states in international institutions.

As behaviour of smaller states is changing, the following research question should be posed, whether a growing ability to balance, put into practice by smaller states, also means a greater level of interaction between different integration structures within one region. The Armenian case is often depicted as “integration of integrations”, but the term is hardly applicable to the country’s experience: both projects are developing in parallel with each other, there is little connection between the Eurasian Economic Union and the European Union. The main reason is the crisis of Russian-European relations, the absence of any expert dialogue on this issue at the level of government departments and political leaders. On the other hand, Armenia did manage to combine Eurasian and European integration initiatives. The designation “reasonable Europeanisation” is used, which implies combining the benefits of both membership in the Eurasian Economic Union and the conclusion of the updated agreement with the EU. At the same time, this process has resulted in drawing clearer dividing lines between Russia and the EU in the region. Thus, Russian interests are not threatened: the agreement with the EU practically did not affect the economic sphere, which is now regulated within the Eurasian Economic Union. On the other hand, the EU is able to influence the goals set in the country,

⁷ Pavlova E.B., Romanova T.A. K debatam o teorii mezhdunarodnyh otnoshenij: pereosmyslenie mezhdisciplinarnosti. Polis. Politicheskie issledovaniya. 2019. № 2. P. 161-172. <https://doi.org/10.17976/jpps/2019.02.12> [Павлова Е.Б., Романова Т.А. К дебатам о теории международных отношений: переосмысление междисциплинарности. – Полис. Политические исследования. 2019. № 2. С. 161-172. <https://doi.org/10.17976/jpps/2019.02.12>]

⁸ Skriba A.S. Balansirovanie malyh i srednih gosudarstv. Mezhdunarodnye processy. 2014. Т. 12. № 4. P. 88-100. [Скриба А. С. Балансирование малых и средних государств // Международные процессы. 2014. Т. 12. № 4. С. 88-100]

having influenced and contributed to democratic reforms, which is considered by Russia as bearing little or practically no importance within the overall circumstances of Armenia's dependence on Russia in the economic and military sphere.

Integration as a modernisation project

For smaller developing countries, the participation in integration projects offers the possibility of using external resources to modernise political and economic institutions: this relates both to the exchange of best case practices, as well as direct financial support in various areas of development, including small and medium-sized businesses, the education system, and cultural programmes. The EU and Russia have different benefits to offer to countries such as Armenia.

First, EU cooperation with neighbouring countries refers to the values of achieving democracy, stability and security that underlie the history of the formation of the European Union itself. The agreement on cooperation between Armenia and the EU, like most agreements with partner countries, is accompanied by a preamble stating the importance of fundamental freedoms and human rights, the development of democracy and a market economy. The fundamental chapter of the CEPA agreement concerns political dialogue and reforms: it related to the development and consolidation of democratic institutions, the rule of law, justice reform, and increasing the effectiveness of law enforcement.⁹ The EU invests in projects aimed at the development of local communities, and participation of citizens and young professionals in management¹⁰. Among the projects supported by the EU are regional development projects, implemented and funded jointly with the Armenian government¹¹, reforms on decentralisation and development of local self-government¹², advisory assistance and trainings. The EU has allocated 160 million euros to reach these goals. Cooperation between the EU and Armenia between 2017-2020 is focused in the following areas: economic development and market development – constituting 35% of

⁹ ANNEX 1 to the Joint Proposal for a Council Decision on the conclusion, on behalf of the European Union, of the Comprehensive and Enhanced Partnership Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part and the Republic of Armenia, of the other part, Interinstitutional file 2017/0238 (NLE), Brussels, 25 September 2017

¹⁰ EU Supports Projects Encouraging Citizens' and Young Specialists' Participation in Governance Available at: https://eeas.europa.eu/delegations/armenia/56742/eu-supports-projects-encouraging-citizens%E2%80%99-and-young-specialists%E2%80%99-participation-governance_en (Accessed: 05.06.2019)

¹¹ EU4Regions: Support to Regional Development Policy in Armenia – PRDP project.. Available at: https://eeas.europa.eu/delegations/armenia/42350/eu4regions-support-regional-development-policy-armenia-%E2%80%93-prdp-project_en (Accessed: 05.06.2019)

¹² Citizens Voice and Actions on Local Development in Consolidated Communities in Armenia. Available at: https://eeas.europa.eu/delegations/armenia/57765/citizens-voice-and-actions-local-development-consolidated-communities-armenia_en (Accessed: 05.06.2019)

the financial support received from the EU by Armenia; strengthening institutions and good governance (15%), infrastructure development, energy efficiency, environmental protection (15%), mobility and people-to-people contacts (15%), development of competences, organisational infrastructure, strategic communication (15%), and development of civil society (5%).¹³

In turn, Russia's declared goal of cooperation is sustainable socio-economic development of partner countries as a necessary element of collective security - the regulatory framework includes references to the UN Charter. The main document justifying the provision of technical, financial, humanitarian and other assistance to neighbouring countries by the Russian Federation is the Concept of the state policy of the Russian Federation in the field of assisting international development¹⁴. Nevertheless, while the Russian federal authorities provide assistance in accordance with individual decisions of the Russian government, this interaction is not formalised in form of any assistance programme. The main priorities include socio-economic issues such as fighting energy security issues at a national level, strengthening national health and social protection systems, increasing accessibility and quality of education, etc. However, it also refers to the development of political institutions, namely the promotion of democratic institutions at an international level, and not at the national level, as the EU programmes envision. In addition to interagency cooperation and intergovernmental commissions, Russia indirectly participates in the activities of organisations of the UN system, contributing to the socio-economic development of Armenia. At the same time, similar cooperation with the EU is much more detailed and focused: it has defined priorities, developed mechanisms, they are aimed at a wider range of interaction, including not only economic cooperation, but also educational and scientific programmes. While for the EU, support for institutional reforms in neighbouring countries is of utmost importance, for Russia it is not paramount: priority is given to security issues and economic interaction. Partly, the lower priority of interaction in other areas is related to the perception of Armenia as a historically, culturally and socially close partner of Russia, which, however, cannot remain unchanged in the long term.

¹³ Delegation of the European Union to Armenia. Available at: https://eeas.europa.eu/delegations/armenia/896/armenia-and-eu_en (Accessed: 05.06.2019)

¹⁴ Decree of the President of the Russian Federation of 20.04.2014, № 259 – in Rus. Available at: <http://kremlin.ru/acts/bank/38334> (Accessed: 05.06.2019)

In essence, European and Eurasian integration projects as projects of political and institutional modernisation differ conceptually. This, in particular, is reflected in the Armenian political discourse. In public statements by Armenian politicians, the EU is perceived as a driver of modernisation, whereas Russia is indicated as a strategic partner and security guarantor¹⁵. While the former does not possess any essential tools for ensuring security in the region and emphasises the mediating role of other international organisations (like the OSCE Minsk Group in the event of the Nagorno-Karabakh conflict), the latter does not offer any development programme or model, relying on military-strategic cooperation and the presumed commonality of the historical destinies of both countries.

On the other hand, some European academic literature argues that interaction with Russia might form an obstacle to the promotion of democratic values in the EU's neighbouring countries¹⁶. This position implies that EU's foreign policy as a regulatory force promoting the democratic norms and open market values opposes the geopolitical approach of the Russian side, which perceives the neighbourhood as its sphere of influence. In public perception and in the media environment in Armenia there is also an opinion that cooperation with Russia contradicts the general direction of rapprochement with European civilisation and adoption of European values. In particular, the role of the Russian media in the formation of a negative attitude towards Western partners is mentioned; together with the "either-or" approach imposed by both Russia and the EU, implying no alternative choice between interaction with Russia and integration with the EU¹⁷: this point of view was specifically articulated by the Yerevan press-club, a professional organisation uniting journalists in Armenia. Despite the absence of any formally fixed value-driven agenda in the constituent documents of the Eurasian Economic Union, some Armenian researchers put forward the thesis of the competition of conservative approaches used by the Russian side and the ideological system of liberalism¹⁸. A similar point of view is also present in studies relating to Russian soft power in the countries of the South Caucasus: the ideological component of Russia's foreign policy is described as state-centric,

¹⁵ Petrova I., Ayvazyan A., Perceptions of the EU's Power in the Eastern Partnership Region: The Case of Armenia*. *European Foreign Affairs Review* 23, Special Issue (2018): p. 61–78

¹⁶ Medico N. D. A Black Knight in the Eastern Neighbourhood? Russia and EU Democracy Promotion in Armenia and Moldova / EU Diplomacy papers, College of Europe, 2014

¹⁷ Yerevan Press Club. Armenia's integration policy. – In Rus. Available at: [https://ypc.am/upload/Analytical%20Pieces%205%20rus\(2\).pdf](https://ypc.am/upload/Analytical%20Pieces%205%20rus(2).pdf) (Accessed:05.06.2019)

¹⁸ Engoyan A. Politiko-ideologicheskie i civilizatsionnye aspekty formirovaniya Evrazijskogo soyuza. *EvrAzijskaya perspektiva Armenii: re-gional'nye i global'nye vyzovy*. Erevan: Izdatel'stvo EGU, 2015. P. 40–47. [Енгоян А.П. Политико-идеологические и цивилизационные аспекты формирования Евразийского союза // Евразийская перспектива Армении: ре-гиональные и глобальные вызовы. Ереван: Издательство ЕГУ, 2015. С. 40–47]

focused on protecting sovereignty and non-interference in the internal affairs of neighbouring countries¹⁹. In this regard, both integration projects are endowed with an ideological component, one way or another creating the context of relationships. EU interaction in this framework would mean commitment to openness, market economy, and democratic values. Cooperation with Russia, on the other hand, would stand for autonomy, a closed economic model, and conservative social values. Both of these models have supporters and opponents, and could be claimed to be combined by Armenia, because it is cooperating with both partners.

The economic aspect of integration: the choice for the Eurasian Economic Union

Lack of political dialogue between Russia and the EU led to a diplomatic crisis, when the Armenian side forcedly interrupted negotiations with the EU. In November 2013 Armenia stopped negotiations on signing the Association Agreement with the EU, announcing its intention to enter the Eurasian Economic Union instead. With this decision, the Armenian government took into consideration political rather than economic factors of the integration projects. In 2017, the EU and Armenia did sign another agreement, the EU-Armenia Comprehensive and Enhanced Partnership Agreement. This agreement excludes provisions on the creation of a free trade zone between Armenia and the EU. Economically, accession to the Eurasian Economic Union, as well as the creation of a free trade zone with the EU was of equal importance for Armenia. Over the past decade, Russia's share in Armenia's foreign trade and a similar aggregate figure for the EU member states have been growing evenly. For example, according to the official statistics of the EU, the trade turnover between Russia and Armenia in 2018 was 1.065 billion euros, the foreign trade turnover between the EU and Armenia in 2018 amounted to 971 million euros. The EU is the second most important trading partner of Armenia after Russia. According to the same data, Russia is the fourth largest trading partner for the EU in 2018.

In the assessment of the benefits that could follow the potential creation of a free trade zone between Armenia and the EU, conducted by the European Commission before the proposed signature of the Association Agreement, it was concluded that the economic effect of such an agreement for the European Union is minimal. This is due to the low index of Armenia's share

¹⁹ Kornilov A., Makarychev A. *Russia's soft power in the South Caucasus: discourses, communication, hegemony / Religion, Nation and Democracy in the South Caucasus*, London, Routledge, 2014. P. 238-254

in the EU's foreign trade balance: less than one percent.²⁰ Thus, the main benefits and losses of signing of the agreement would fall on Armenia. This also explains the political interpretation of the project: the EU's motivation in this case is justified by the ability to prove in practice the effectiveness of the European open market model and its relationship with sustainable development. A free trade zone with the EU would give Armenian consumers access to high-quality goods at a low price. On the other hand, it would pose a threat to Armenian and Russian enterprises that would be forced to experience market competition from European organisations. A free trade zone with the EU would also stimulate the convergence of trade standards and quality standards in Armenia and the EU. However, Armenia and Russia, having initiated the creation of the Eurasian Economic Union, were not ready for this and chose a model focused on greater state regulation, protection of local producers, and an increase in tariffs and duties.

On the other hand, the Armenian market is much less significant for Russia and the EU than are Russian-European trade relations. From this point of view, the relationship with Armenia and the ability to determine the rules of the game manifest the ambition for regional leadership. As a result, the EU turned out to be more flexible and proposed a new relationship format. Russia, at the same time, being in a situation of a deepening crisis of the EU-Russia relations, was unable to enter into a full-fledged dialogue on the interaction of the Eurasian integration project and the European Union. Thus, Russia was able to protect its short-term interest in Armenia: a more favourable trade regime for Russian manufacturers and entrepreneurs. In the long term, the chance of convergence of the trading standards of the Eurasian Economic Union and the EU was missed.

Among the obstacles to the effective participation of Armenia in the Eurasian Economic Union is the absence of a common border with Russia, as most of the goods are exported through the territory of Georgia, which is not part of the union; and the small share of other member countries of the Eurasian Economic Union in trade with Armenia. Thus, membership in the Eurasian Economic Union for Armenia has become largely declarative, approving the priority of political relations with Russia as the main strategic partner. On the other hand, the EU has secured the role of a donor of institutional reforms.

²⁰ Commission services position paper on the Trade Sustainability Impact Assessment in support of negotiations of a Deep and Comprehensive Free Trade Area between the European Union and the Republic of Armenia. Available at: http://trade.ec.europa.eu/doclib/docs/2014/july/tradoc_152653.pdf (Accessed: 05.06.2019)

Conclusion

The experience of Armenia's integration into European structures, as well as its membership in the Eurasian Economic Union, is motivated by the political leadership's intention to balance between global actors, while maintaining the international prestige of Armenia and the identity of the Armenians. The latter is part of the national security concept and serves to protect the interests of the population of Armenia and the Armenian diaspora throughout the world. The discourse of forming its own foreign policy, independent of other actors, has intensified in recent years, despite the risks of military actions and the unfavourable geopolitical position. The research agenda for scholars studying regional integration processes has thus been enlarged and now incorporates the issue of smaller states' behaviour that is no longer explained by *bandwagoning* policies only.

The EU and Russia are important economic partners of Armenia, the share of both is significant for the Armenian economy. Thus, both the creation of a free trade zone with the EU discussed earlier and the entry into the Eurasian Economic Union serve the interests of the Armenian state. At the same time, both of these models are conceptually different: the European one is more oriented towards the open market, and the Eurasian one towards the autonomy and protection of domestic producers. In addition, both integration projects are endowed with an ideological component in the public perception, which posits the priority of certain social values that are not easily combined with one another.

Despite Armenia joining the Eurasian Economic Union, the EU continues to play an important role in supporting institutional reforms in the country. The sphere of assistance to the development of partner countries is new for Russia and is not currently a priority, but in the long run it can significantly affect its role as a global actor offering a particular development model.

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ANDREI BEZRUCHONAK¹ – The geopolitics of transportation and spatial analysis of the BRI transportation projects in Europe

Introduction

The mid-nineteenth century term of the German geologist, Baron Ferdinand von Richthofen – *Silk Road* – refers to trade and communication networks that connected Eastern and Western parts of Eurasia, both by sea and by land.² (UNESCO). This idea was revived in a significant way, during the speech at Nazarbaev University in Kazakhstan, in September 2013, the Chinese President Xi Jinping unveiled to the global community the initiative of jointly building the Silk Road Economic Belt and the 21st-Century Maritime Silk Road (hereinafter the Belt and Road Initiative, or BRI terms are used). China has been heavily investing across the globe in projects within various sectors of economic activity (energy, transportation, infrastructure, etc.) which was presented to the global community as China's new strategic framework.

According to the officially published Vision of the BRI (2015), there are two different opportunities in one project. The core idea of the land *Silk Road Economic Belt* (SREB) was to increase the connectivity between two of the world's largest economies, China and Western Europe (via Central Asia, Russia, and Central and Eastern Europe – via the New Eurasian Land Bridge (NELB) corridor. The geographic coverage of the SREB also proposed to link China with the Persian Gulf and the Mediterranean Sea through Central Asia (Kazakhstan, Kyrgyzstan) and Western Asia (Iran, Kuwait, Saudi Arabia, Qatar, United Arab Emirates); and to connect China with Southeast Asia, South Asia, and the Indian Ocean. The land route can serve as a set of major logistics corridors and may create new opportunities for Central Asia and Eastern Europe as both a trans-shipment hub and commodities supplier.³ The design of the 21st-Century *Maritime Silk Road* (MSR) proposed to improve the connectivity of China's coast to

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² UNESCO (S.D.): Silk Roads. Dialogue, Diversity, Development, <https://en.unesco.org/silkroad/about-silk-road>

³ Belt & Road: Opportunity & Risk The prospects and perils of building China's New Silk Road (report), Baker McKenzie with Silk Road Associates, 2017

Europe through the South China Sea and the Indian Ocean in one route, and from China's coast through the South China Sea to the South Pacific in the other.⁴

The objective of this paper is to analyse the spatial structure of the BRI transportation projects along the way of the NELB in the selected European countries (including the 16+1 and Eastern Partnership countries), involved in its realisation. This paper furthermore discusses and answers the question: what are the geopolitical and economic dimensions of BRI transportation projects in Europe? The geographic analysis of the planned and ongoing transportation projects (carefully selected from the existing databases) revealed the top-beneficiaries in terms of the investments involved and the number of projects planned for realisation. The material also presents the case analysis of the Belarusian experience of participation in the BRI, and one of the specific research questions is whether or not the involvement in the BRI has had any impact on the development of transportation sector in Belarus?

The uneven geographies of the BRI corridors

According to the vision of the National Development and Reform Commission of China, the Silk Road Economic Belt consists of six “corridors” (table 1, figure 1). However, it is essential to understand that only half of the BRI corridors have an *active* status, whereby China is involved in the realisation of BRI-Transportation (BRI-T) projects, as far as they already have some infrastructure in place and are used by transportation and logistics companies, or have significant strategic importance to China due to their advantageous geographic location. Those are the NELB corridor, China-Indochina Peninsula corridor, and the China-Pakistan Economic Corridor (see figure 1).

This study consolidates the examination of several databases with data on the BRI and BRI-T projects, such as BRI, Reconnecting Asia and AEI China Global Investment Tracker.⁵ The

⁴ Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China (2015). *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road*, National Development and Reform Commission, Accessible at:

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⁵ Geopolitical Intelligence Service (GIS) Dossier: China's Belt and Road Initiative. Access mode: https://www.gisreportsonline.com/gis-dossier-chinas-belt-and-road-initiative_politics,2608.html#; Center for Strategic and International Studies, Reconnecting Asia database (2019). Access mode: <https://reconnectingasia.csis.org/database/initiatives/one-belt-one-road/fb5c5a09-2dba-48b9-9c2d->; Belt and Road Portal, “The Belt and Road Initiative: Progress, Contributions and Prospects” report, Office of the Leading Group for Promoting the Belt and Road Initiative, Belt and Road Portal, 2019. Access mode: <https://eng.yidaiyilu.gov.cn/zchj/qwfb/86739.htm> 4434511893c8/

methodology of the use of the existing databases included the analysis of all European BRI-T projects, collection of the relevant spatial data, and mapping of the structural and financial data in GIS. The information on some projects varies, due to no clear and standardised approach towards the definition of BRI and BRI-T projects in the existing academic and related relevant literature (policy papers, industry reports, analytical reviews, etc.). That is why it was important to use various databases in this paper, as far as diverse information sources collected by independent researchers and Institutions provide the reader with better comprehension of spatial distribution and interaction of the BRI projects.

Table 1. The main BRI Corridors

No	Name	Geography	Status	Comments
1	New Eurasian Land Bridge	Western China to western Europe	Active	Infrastructure already in place pre-BRI and being used by logistics companies
2	China-Mongolia-Russia	Northern China to eastern Russia	Semi-active	Primarily a commodities route. Infrastructure investment has been increased recently
3	China-Central Asia-West Asia Corridor	Western China to Turkey	Non-active	Significant infrastructure investment needed. Has commercial scale, but long-term ambition.
4	China-Indochina Peninsula Corridor	Southern China to Singapore	Active	ASEAN already has plans to invest in region's railway and highway network. BRI adds capital
5	Bangladesh-China-India-Myanmar	Southern China to Myanmar	Semi-active	China-Myanmar oil and gas lines are active. Extension to India is a challenging and long-term ambition
6	China-Pakistan Economic Corridor	South-western China to Pakistan	Active	Corridor is strategically important to China; that explains the significant flow of investments into transportation and infrastructure.

Source: adopted from Vision, 2015; Baker McKenzie report, 2017; GIS, 2018

The study of the 118 projects under the Belt and Road Initiative umbrella at a global scale has revealed the importance of transportation projects (56.8% of total share), followed by energy

(27.1%), mining, IT and communications sector, industrial parks, special economic zones (SEZ), tourism and urban development (see table 2).⁶

Table 2. Structure of the 118 BRI projects by type

Type	Number of projects, units	Share, %	No. of countries	Leading country* (share within type, %)
Urban	5	4,20	4	Malaysia (40)
Transport	67	56,80	30	Pakistan (24)
Tourism	1	0,85	1	Indonesia (100)
Space	1	0,85	1	Nigeria (100)
SEZ (Special Economic Zones)	10	8,50	3	Pakistan (80)
ICT	1	0,85		Multiple (Pakistan-China))
Energy	32	27,10	12	Pakistan (63)
Education	1	0,85	1	Pakistan (100)
Total	118	100	34	Pakistan (38)

* excluding “Multiple” projects;

Source: Belt and Road Initiative database (BRI, 2019)

According to the Reconnecting Asia database, 55.5% of 348 projects had a connection with BRI-T.⁷ However, the analysis of the Chinese investments in countries involved in the BRI (based on data for 2014-2018, obtained from China Global Investment tracker database) form \$577.92 billion of investments and contracts of which 38.8% belong to the energy sector and 26.9% to the transportation sector.⁸ These numbers highlight the importance of transportation for the BRI.

The geography of investments in the transportation sector highlights the following leading countries that have received the highest volume of capital from China: Germany, Belarus, Pakistan, and Malaysia (see figure 1). Pakistan and Malaysia are strategically important for the new Maritime Silk Road vector of the BRI, whereas Germany and Belarus are relevant for the New Eurasian Land Bridge corridor. It is necessary to understand that rail freight between China

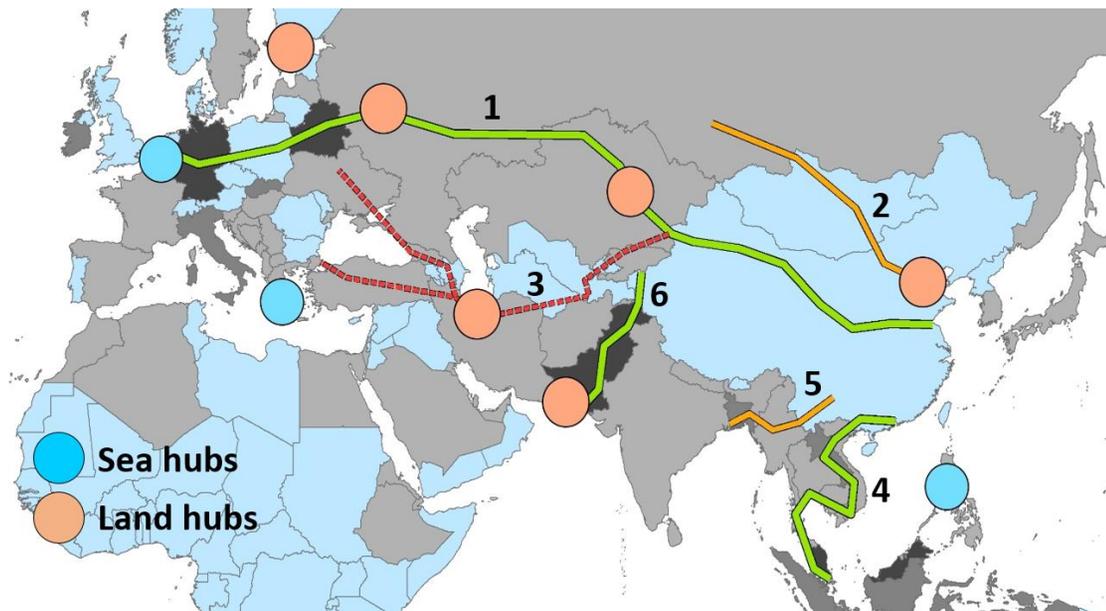
⁶ Belt and Road Initiative portal database (2019). Access mode: <https://www.beltroad-initiative.com/projects/>

⁷ Reconnecting Asia, 2019.

⁸ American Enterprise Institute, China Global Investment Tracker (database for 2014-2018). Access mode: <http://www.aei.org/china-global-investment-tracker/>

and European countries is growing (transiting via Belarus). Therefore, multinational logistics companies, such as DHL and DB Schenker, are important operators, not least because of Germany's pivotal role in trade with China (9.8% of all imports come from China, that explains the significant flow of the Chinese funds to Germany).⁹ (Baker McKenzie report, 2017; World Bank, 2019).

Figure 1. The Chinese investments into the transportation sector, 2014-2018 (author's design adopted from BRI database, 2019; Reconnecting Asia, 2019; AEI, 2019; Bermingham, 2015)



Note: the numbers of the corridors are as in table 1; the colour reflects the status of the corridor

For instance, the operational outcomes of Western China, the Western European International Expressway (the infrastructure of the New Eurasian Land Bridge), promised to deliver growth of the network coverage, volumes of cargo shipments and reduction of shipment time after the railway companies of China, Belarus, Germany, Kazakhstan, Mongolia, Poland, and Russia signed an agreement on deeper cooperation in China-Europe rail services. By the end of 2018, China-Europe rail service had connected 108 cities in 16 countries in Asia and Europe; 13000 trains had carried more than 1.1 million twenty-foot equivalent units (TEUs). 94 % of the trains starting from China were fully loaded, and 71% of those arriving in China were fully loaded.¹⁰

⁹ Baker McKenzie with Silk Road Associates, 2017; World Bank, Trade statistics by Country (2019). Access mode: <https://wits.worldbank.org/countrystats.aspx>

¹⁰ Belt and Road Portal, 2019

The impact of the BRI projects on the socio-economic development of the involved partner countries is a question that requires further research. According to the calculations of Morgan Stanley, the improved economics of the BRI countries altogether with supportive government policies in China will increase the investments by 14% annually in 2018-2019, and the total investment amount could double to \$1.2-1.3 trillion by 2027.¹¹ This means that the BRI costs more than the U.S. Marshall Plan that helped to rebuild Europe after World War II. However, the amount of RMBs (the Chinese currency) spent may not necessarily result in a high quality of the project, as far as the Chinese loans do not deal with structural reforms of the existing socio-economic systems, that are not known as transparent, resilient and effective (this problem occurs particularly in some states from the Balkans and the Eastern Partnership).

Spatial structure and impact of the BRI-T projects in Europe

By the end of March 2019, the Chinese government had signed 173 cooperation agreements with 125 countries and 29 international organisations (Belt and Road Portal, 2019). The geographical scope of BRI agreements covered more than 23 European countries (including EU, 16+1, and Eastern Partnership countries): Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech, Estonia, Georgia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey, and Ukraine. Nevertheless, the official commitment to the BRI may not result in the immediate initialisation of financial, construction or other activities.

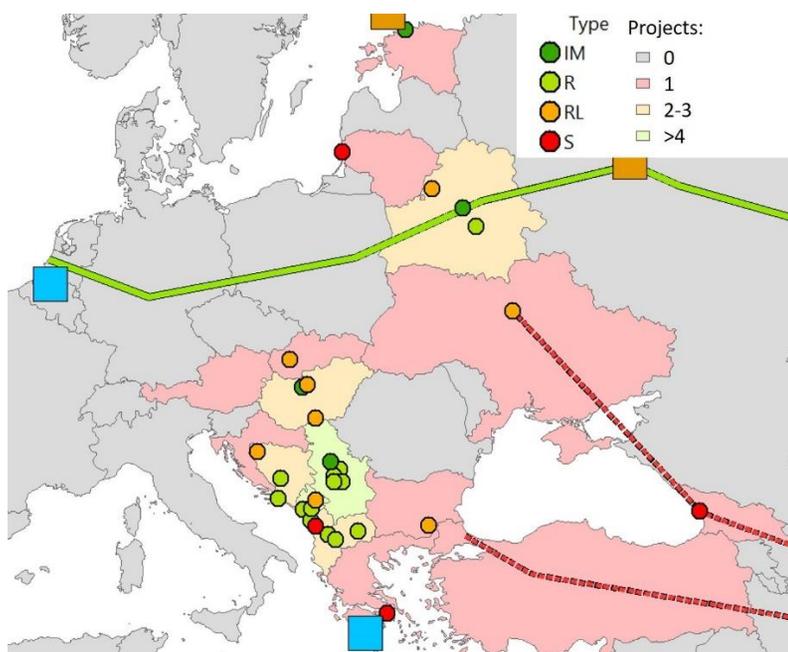
Central and Eastern Europe (CEE) is a strategically significant region for the Belt and Road Initiative from several perspectives: *culturally* (the “European” mentality), *economically* (cheaper than Western European countries but still high-quality workforce) and *geographically* (proximity to Western European markets). That explains why Chinese investors will often enter CEE before expanding to the more mature markets in Western Europe. That approach is typical for many BRI projects, where Chinese companies picked CEE countries for investments in transportation infrastructure projects that also improve transportation connectivity both between Asia and Europe and within Europe (i.e., Kosice-Vienna railway or Budapest-Belgrade railway, etc.).¹²

¹¹ Morgan Stanley research. Inside China's Plan to Create a Modern Silk Road (2018). Access mode: <https://www.morganstanley.com/ideas/china-belt-and-road>

¹² Baker McKenzie report, 2017

The analysis of geography of the BRI-T projects in Europe (according to the Reconnecting Asia database) showed that there are 16 countries committed or planning to be involved in 29 BRI-T projects with varying status (*announced/under negotiation* – 24%, *preparatory works* – 3%, *started/under construction* – 52%, *completed* – 21%). The association of the interested countries varies and includes EU states (i.e., Austria), Eastern Partnership countries (Belarus, Ukraine, Georgia), the 16+1 Initiative states (from the Baltic states Estonia and Lithuania to the Balkan states and Greece) and Turkey (see figure 2).

Figure 2. Geography of BRI-T projects in Europe (author’s design based on data from BRI database, 2019; Reconnecting Asia, 2019)



Note: types of projects by mode: IM – Intermodal, R – Road, RL – Railway, S – Sea

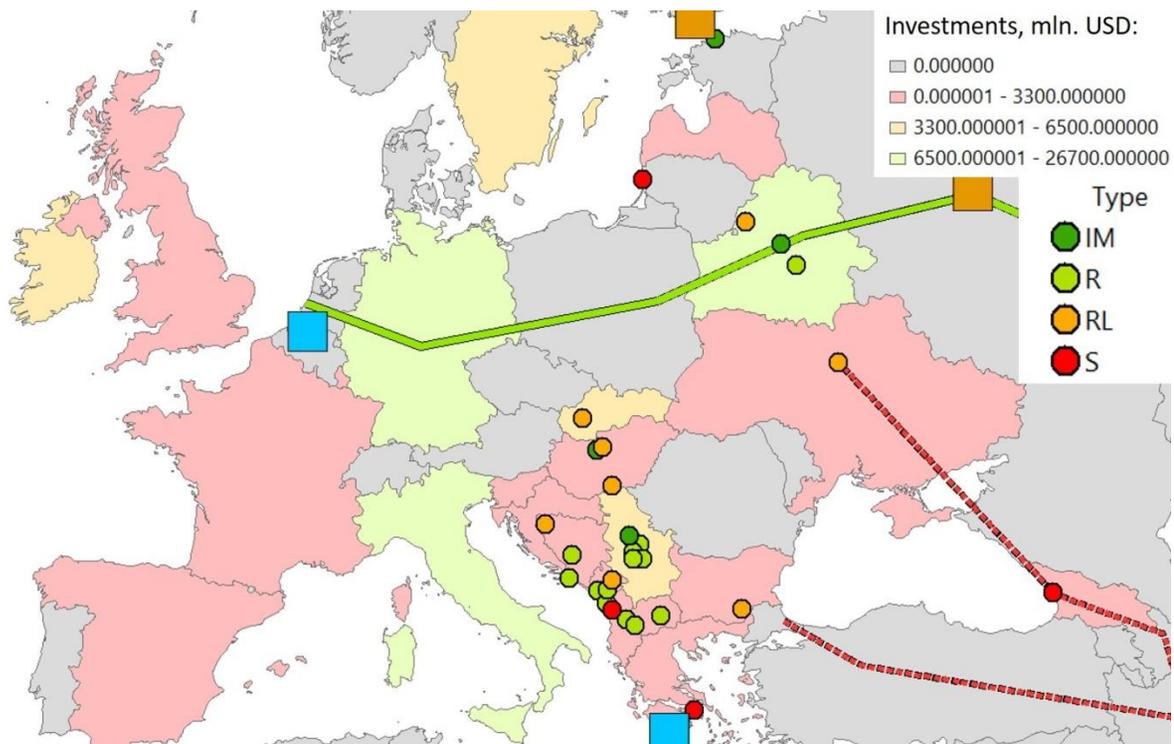
The road transportation projects prevail in the total structure of the BRI-T projects – comprising 45% (the modal structure of the freight mobility in the EU explains that trucks carry more than 70% of all cargo)¹³; rail transportation accounts for 28% of all projects; intermodal for 14%; and sea for 10%.

The geography of the Chinese financial engagement into transportation projects in Europe covers both the countries of Western Europe (China has been investing in transportation and

¹³ García-Herrero, Alicia; Xu, Jianwei (2016): China’s Belt and Road initiative: can Europe expect trade gains?, Bruegel Working Paper, No. 2016/05, Bruegel, Brussels

infrastructure there for the last 25 years, with Germany and Italy being the regional leaders on 2014-2018, see figure 3) and the BRI-related countries. It is interesting, that by the number of total investments in BRI-T projects Belarus is the leader among the affiliated countries, followed by Serbia, Ireland, Sweden and Slovakia (figure 3). A detailed case study of Belarus is presented in the next section of this paper.

Figure 3. The Chinese investments in transportation in Europe, 2014-2018 (author's design based on data from BRI database, 2019; Reconnecting Asia, 2019; AEI, 2019)

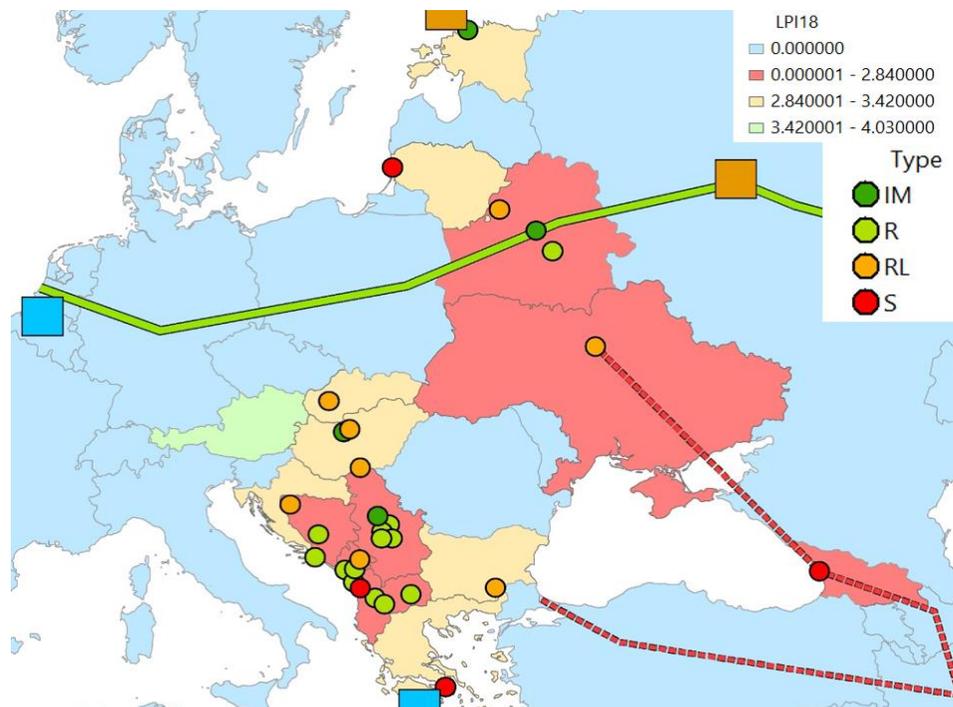


Note: types of projects by mode: IM – Intermodal, R – Road, RL – Railway, S – Sea

Due to the relatively short period of the Initiative, it is unclear still if the BRI-T projects have a significant positive long-term impact on the development of the transportation sector in the countries of implementation. The internationally recognised indicator that evaluates the level of development of transportation and logistics services is the World Bank's Logistics Performance Index LPI. It is based on data from a survey of logistics professionals interviewed about the foreign countries in which they operate. According to the 2018 LPI score, there is a clear spatial division of BRI-T countries by level of development of the transportation and logistics infrastructure and services. The EU member states have better conditions of transportation infrastructure, well-developed markets and services, while the countries of the Eastern Partnership (Belarus, Ukraine, and Georgia) and the former Yugoslavian states (Serbia,

Montenegro, Bosnia, and Herzegovina, North Macedonia) together with Albania have lower level of transportation and logistics effectiveness (see figure 4).

Figure 4. Logistics Performance Index in BRI-T countries, 2018 (author’s design based on data from Reconnecting Asia database, 2019; World Bank’s LPI, 2019)



Note: types of projects by mode: IM – Intermodal, R – Road, RL – Railway, S – Sea

According to the dynamics of LPI among the lagging “red” BRI-T countries, only Albania, Bosnia and Herzegovina and North Macedonia have improved the performance of the transportation and logistics sector between 2014 and 2018. The other countries ranked down the LPI list since the declaration of the BRI (i.e., the position of Belarus has changed from 99 in 2014 to 103 in 2018).¹⁴ That may not necessarily imply that their infrastructure got worse since BRI investments started, but may mean that the performance of the sector did not improve in comparison with other countries, whose LPI score got better over the period.

The other “lagging” countries (like Belarus, Georgia, Ukraine, Serbia) are still at the stage of formation and consolidation of their transportation and logistics sectors, having significant

¹⁴ World Bank, Logistics Performance Index. Access mode: <https://lpi.worldbank.org/>

obstacles for their development altogether with high potential for their improvement. They lag behind neighbouring countries in the level of transportation and logistics effectiveness due to different regulatory environments, limited understanding of modern international practices and tendencies towards global markets of trade and logistics. They need a significant effort to catch up with the top-performing countries in the region. Better integration into global and regional markets, investments in innovation and education at various levels of governance (from national and regional to local – urban and corporate) may significantly improve the quality of services provided by national transportation and logistics services. It is a matter of time and detailed research to get the answer on whether the BRI-T projects will contribute toward the achievement of those targets, beneficial to China, the EU, and the regional players. It is evident that not transportation infrastructure alone defines the geography and speed of global trade; other factors should be taken into consideration.

Within this context, it is very important to remember certain geopolitical aspects of the realisation of the BRI-T projects in Europe. The mentioned constraints, such as various regulatory regimes (i.e., between Belarus and Poland), and a clash between protectionism and open market practices (i.e., of China, Russia, and Germany), define the geopolitics of trade movements – and affect who moves faster, further, and how often.¹⁵ The geopolitics of mobility is strongly connected to the global economy and trade as far as it is related to the political and regulatory environments during the way of the origin-destination flows (BRI inter-governmental agreements should target those issues to decrease the impact of those negative externalities). Geopolitics of infrastructure, particularly location and configuration, as well as the condition of networks and terminals, border-crossing points, etc. also matter: the countries with better infrastructure have a significant advantage in terms of providing better services and earning more on freight traffic. Nevertheless, here comes a great concern about the increase of geopolitical influence of China in the region: is it going to accelerate the geopolitical influence in Europe using the vulnerability of the less developed states that are hungry for foreign investments but with high debt and political risks.¹⁶ Can the possible dependence on Chinese capital result in debt traps and further takeover of transportation infrastructure within the transit states? Can it affect the geography of global and regional trade flows? It is essential for United Europe as the European Union to shift away from current passivity. It should forecast and

¹⁵ Debbage, K. The Geopolitics of Air Transport. *The Geographies of Air Transport*, ed. by Goetz A., Budd L., Ashgate, 2014. pp. 25-26

¹⁶ Deloitte Insights. Embracing the BRI ecosystem in 2018. Available online: <https://www2.deloitte.com/insights/us/en/economy/asia-pacific/china-belt-and-road-initiative.html>

consider all the scenarios when the increased debt burdens of the current and potential member states may affect the resilience of governments and companies against the strategic economic and geopolitical objectives of Beijing.

The case of the Republic of Belarus

Landlocked Belarus was among the first countries to support the idea of the BRI and the new Silk Road. The country's motivations were the relatively warm level of the political relationship with China, its convenient geographic location on the major Trans-European transportation corridors (II, IX, and IXB), the need of geostrategic diversification and reduction of dependency on Russia and an opportunity to gain economic benefits due to transit potential. Belarus is strategically located on the new Eurasia land bridge, and eight rail container routes from China to Western Europe pass through Belarus, enabling faster delivery (the current travel time takes 16-17 days) of cargo to Germany via Kazakhstan, Russia, Belarus, and Poland. In contrast, sea freight takes around three weeks longer, although the freight cost of traveling by rail is about 60-70% higher. As shippers have become more receptive to the expanding rail container routes, more than 3,000 Sino-European trains used Belarus's rail network in 2017.¹⁷

The financial inflow from China to Belarus in 2013-2017 was USD 1.3B (of direct investments, loans, etc.). In 2017, 3% of total foreign investments were from China.¹⁸ From 2014 to 2018, the Chinese companies and funds participated in 30 projects, related to transportation, infrastructure, and logistics. However, only three of them were related to the BRI: the Great Stone Industrial Park (GSIP, with 26.6B EUR of costs, being the most expensive project related to BRI in Europe so far), electrification of the Molodechno-Gudogay railway line (80M EUR), and the upgrade of the M5 Highway from Bobruisk to Zhlobin.

The GSIP's construction started in 2015; and is to be completed by 2045. It is located near Minsk International Airport, one hour from the capital, on the II Trans-European transportation corridor. It is an intermodal facility with an area of 91 sq. km and the status of an economic free-zone. The total amount of costs and investments makes it the largest intergovernmental cooperation project between China and Belarus. The goal of the industrial park is to attract

¹⁷ HKTDC research. Belt and Road Initiative: The Role of Belarus (2018) Access mode: <https://hkmb.hktdc.com/en/1X0ADPHG/hktdc-research/Belt-and-Road-Initiative-The-Role-of-Belarus>

¹⁸ Radeke, J., Chervyakov D., Belt and Road Initiative (BRI) in Belarus - assessment from an economic perspective, German Economic Team Belarus (2018)

more global investors. It has 43 companies registered (as of end of February 2019), 26 of them are from China, 10 from Belarus, and others are from the United States, Russia, etc. The companies have signed agreements that plan to attract more than \$1 billion in the park from residents and partners.¹⁹ The current partners and residents of the Park include International Finance Corporation (World Bank Group), European Bank of Reconstruction and Development, China National Machinery Industry Corporation (Sinomach), China Merchants Group, Duisburger Hafen AG, Belarusian Railways, Belarusbank, ZTE, Huawei, and others.

The goal of the electrification of the Molodechno-Gudogay segment of the Belarusian railway was to upgrade the existing infrastructure, connecting Belarus and Lithuania, a vital transit corridor for passengers and cargo bound to Baltic ports: Klaipeda, the major seaport in Lithuania, and Kaliningrad, in Russia. The aim of the reconstruction of the Bobruisk-Zhlobin segment of the M5/E271 Minsk-Gomel Highway was to meet the requirements of the EU directive 96/53/SE for vehicles with a single axle load of 11.5 tons. The project will be important for the regional economic development of Belarus, including one of the towns along the international transport corridor IXB.²⁰

Conclusion

Western Europe (and especially Germany) is an important trade partner for China, and good transportation connectivity is required to support and sustain fast and reliable transportation of goods in both directions. The Chinese investors are interested in Central and Eastern Europe – it serves as a strategically significant region for the BRI from several perspectives: geographic (located on the way of the New Eurasian Land Bridge and proximity to Western European markets), economic (cheaper high-quality workforce, relatively good infrastructure), and cultural (the similar “European” mentality).

The analysis of the geography of the BRI-T projects in Europe identified 16 countries involved or planning to be involved in 29 BRI-T projects, which is less than the number of countries that had signed the BRI agreements. Those countries are predominantly from Southern (the Balkan States) and Eastern Europe (Belarus, Ukraine) and have low and average levels of development of transportation infrastructure and logistics services. It is unclear yet if the BRI-T

¹⁹ HKTDC, 2018

²⁰ Reconnecting Asia database, 2019

projects have a significant positive long-term impact on the development of the transportation sector in those countries.

The geopolitics of transportation and the global economy and trade depend on political and regulatory environments in the origin-destination flows (which vary significantly within the community of European BRI-T countries). Belarus was one of the first countries to support the BRI (with three BRI-T projects). The country wants to take advantage and gain economic benefits from a convenient geographic location on the major Trans-European transportation corridors (II, IX, and IXB). The case of Belarus is important, as far as it shows how the country is trying to adapt to the changing economic and geopolitical realities in the region, and its involvement in BRI project is used to reduce geo-economic dependency on Russia as a way of increasing resilience.

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POLINA BISHENDEN¹ – Navigating the global and local: Norm entrepreneurship by the women’s movement in Kazakhstan

Introduction

Contemporary women’s rights activism spans across the global and domestic levels, with transnational feminist networks collaborating with local groups. This situation pertains to the women’s movement in Kazakhstan, which has experienced the presence of global actors promoting liberal women’s rights norms. In their practice of norm entrepreneurship (the process of working to change social norms) women’s movement actors navigate through a space shaped by international norms, global initiatives, and the domestic context of Kazakhstan. In this study, I seek to understand how actors do so by tracing Acharya’s norm localisation and norm subsidiarity theories in the case of the women’s movement in Kazakhstan. Respectively, these theories provide insight into contestation and dialogue between global and local norms, and the role of local actors as norm-makers. This paper is a work in progress, and only examines one aspect of norm entrepreneurship: networking.

Background

Kazakhstan, alongside other countries in Central Asia, underwent a process of opening up, democratisation and renewed interaction with the international community after the collapse of the Soviet Union in the 1990s. To these ends, civil society developed with an influx of support from Western donors (Asian Development Bank, 2007, p. 2). To an extent, these forces continue to be present in Kazakhstan, promoting liberal, internationally upheld values (including women’s rights norms). Often, these normative contexts are in conflict with the local. As a result, gender work in Kazakhstan is carried out in a space between the local and the international. Local actors in such contexts “create a blend of transnational, national, and local, whilst navigating the space between transnational ideas and local concerns” (Engle Merry, 2006, p. 134). A significant challenge for women’s movement is “clarifying the links between the local and global” (Antrobus, 2004, p. 9). In order to provide insight into this link, this study aims to answer the question: *How does the women's movement in Kazakhstan navigate global and local contexts in its norm entrepreneurship?*

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This study builds on a rich literature which explores the important role held by domestic actors in localising global norms in Central Asia. Existing work has focused on the relationship between the global and the local by highlighting the guiding role that international funding organisations have in agenda setting (Bingham, 2017; Shakirova, 2008). The challenges that such donors have created have been examined, with the focus being placed on the distinction between local concerns and western agendas (Ghodsee, 2007). The reliance on western funds, and the extent to which they shape movement processes, has shaped networking. As organisations are subject to different levels of financial (and other) support, dependent upon the extent to which their activism stands in line with donor agendas, hierarchies and exclusions can occur amongst organisations (Simpson, 2006). This is problematic, as non-western local history, culture, and religion has been found to play a significant role in movements' activity (Peshkova, 2010). The elite (which is comprised of well-funded groups) have been found to adopt a "patronizing" attitude towards other organisations (Simpson, 2006, p. 22). The "civilising mission" undertaken by foreign investors leads to the undervaluing of religious women's groups, with foreign investors referring to such organisations as "diluting standards" (Shakirova, 2008). Donor organised hierarchies have been found in other chasms across the women's movement, such as a pronounced urban/ rural divide (Pares Hoare, 2016). Applying norm localisation and subsidiarity theories to the case of the women's movement in Kazakhstan will provide insight into the way that actors navigate such a complicated context (shaped by local and global norms). This will be an original contribution as the above theoretical framework has not yet been used to understand the case and will therefore act as a new lens through which the movement is understood, expanding existing scholarship on Kazakhstan's women's movement. The study may also contribute to theory building; the experience of the women's movement in Kazakhstan could introduce new mechanisms of norm localisation and subsidiarity.

Research Design

This research takes the form of a single case study into women's rights localisation in Kazakhstan. I was drawn to the case of Kazakhstan, first, due to an intrinsic interest in women's rights processes in the country (Ridder, 2017, p. 288). Although I have some access to the women's movement in Kazakhstan, my identity as a researcher means that there are many ways in which this case is not open to me. I am approaching the issue with a particular conception of women's rights norms. This is both the result of my western academic tradition, but also due to the community gatekeepers (working, primarily, in international non-

governmental organisations) through whom I access the field. My identity will have influenced the way that I am perceived as a researcher in Kazakhstan, and thus the kinds of responses that I received in interviews. Furthermore, my own perceptions of the field are affected by my identity, and the bias that I have developed. I am not disembodied from my work and hold that truly neutral research in this field cannot be achieved (Shwartz-Shea & Yanow, 2012, p. 109). I hope to achieve “strong objectivity” by recognising that my research, from its inception, is distorted by my identity and that my findings are not universally objective (Harding, 1995, p. 341).

In my research, I have pursued a feminist standpoint epistemology, which reframes knowledge production, by valuing and starting with experience of marginalized groups (Letherby, 2003, p. 4). My analysis is formed around seven in-depth interviews with key actors within the women’s movement. These interviews were carried out in “grass hut” settings, such as office spaces and coffee shops in order to ensure that interviewees were comfortable speaking about their experiences (Crabtree & Miller, 2004, p. 194). I kept questions open ended, with some of the sessions taking a semi-structured form, and others developing into unstructured conversations. This study utilises narrative and thematic analysis; I trace respondents’ storied accounts, noting the structural connections that they identify between events, the version of the dialogue that they present, and the themes that they recognise (Riessman, 1993, p. 4; Riessman, 2005, p. 5). I expect that by approaching interviewee’s responses holistically, I am less inclined to position them within my own western, feminist context.

Theoretical Overview: norm localisation and subsidiarity

I will outline the theoretical framework that I utilised in this study: Acharya's norm localisation and norm subsidiarity theories. These frameworks examine the development of norms, placing focus on the conflict and dialogue between global and local normative contexts. Norms determine our shared reality by prescribing thoughts and behaviours (Frese, 2015, p. 1328). According to this definition, gender is a norm; “the terms that make up one’s own gender are, from the start, out-side oneself, beyond oneself in a sociality that has no single author” (Butler, *Undoing Gender*, 2004, p. 1). Individuals feel obliged, and even desire, to repeat the behaviours associated with social gender norms; they perform gender (Butler, 2009, p. xi). Though not exclusively, discrimination on the grounds of gender applies to the experiences of women (Butler, *Undoing Gender*, 2004, pp. 6-9). It follows that the work of women’s movements to

tackle gender discrimination, both on local and transnational levels, deals with norms. As such, I find it appropriate to apply theory on norms to this research. I will first present my conceptualisation of the women's movement in Kazakhstan as norm entrepreneurs. I will then outline the tension in the theoretical literature on norms. Next, I will outline the premises of norm localisation theory, contrasting it with previous scholarship on norms. I shall then present norm subsidiarity theory as a component of my theoretical approach.

Norm Entrepreneurship

In their article *International Norm Dynamics and Political Change*, Finnemore and Sikkink introduce the life cycle of norms, which is comprised of three stages (Finnemore & Sikkink, 1998). These are, respectively: norm emergence, norm cascade (a broad norm acceptance), and internalisation (Finnemore & Sikkink, 1998, p. 895). Norm entrepreneurship plays an important role in the first (norm emergence) stage (Finnemore & Sikkink, 1998, p. 896). A norm entrepreneur is an actor that aims to change existing social norms (Sunstein, 1996, p. 909). It is norm entrepreneurs who instigate normative transformation in a given context by drawing attention to (and framing) social problems and advocating for (and persuading the wider society to accept) change (Finnemore & Sikkink, 1998, p. 887). In this process of norm entrepreneurship, actors enter a space of normative contestation; by definition advocating for change challenges existing social conditions in a given context (Finnemore & Sikkink, 1998, p. 897). In this study, I examine the women's movement's contestation in both global and local normative spaces. I also draw from Nah, who has written on the norm entrepreneurship of local civil society actors and suggests that, "it is important to recognise the political, material and ideational conditions that constrain their work; their positionality and fragility in their own societies; and the ways they relate to other actors working on the same issues" (Nah, 2016, p. 3). My research approaches the above dimensions of norm entrepreneurship at both the global and local levels. Indeed, I am seeking to understand how the women's movement in Kazakhstan navigates (often contesting) global and local normative contexts in this process of norm entrepreneurship.

Challenging Norm Socialisation

Whilst I use Finnemore and Sikkink's concept of norm entrepreneurship in my research, my understanding of norm development differs from theirs in a significant way. The scholars rightly

note that “Domestic norms [...] are deeply entwined with the workings of international norms” (Finnemore & Sikkink, 1998, p. 893). They recognise that local norm entrepreneurs have agency in interpreting and linking norms to domestic contexts (Finnemore & Sikkink, 1998, p. 893). However, they claim that “domestic influences lessen significantly once a norm has become institutionalised in the international system” (Finnemore & Sikkink, 1998, p. 893). This is because they hold that after a norm has entered the international level there is “an active process of norm socialisation intended to induce norm breakers to become norm followers” (Finnemore & Sikkink, 1998, p. 902). Socialisation is a widespread concept in theoretical literature on norm dynamics. A seminal work on the theory is Risse, Ropp and Sikkink’s *The Power of Human Rights* (Risse, Ropp, & Sikkink, 1999). The authors introduce the “spiral model” of human rights socialisation (Risse, Ropp, & Sikkink, 1999, p. 19). This model outlines the process of change that a state violating human rights goes through, from repression to rule-consistent behaviour (Risse, Ropp, & Sikkink, 1999). At all phases in this transformation, human rights norms are promoted simultaneously by domestic, transnational and international forces (Risse, Ropp, & Sikkink, 1999, p. 20). In the spiral model, no change is made to the human rights norm that is being socialised and it is assumed that the forces promoting the norm wholly agree with it (Jetschke & Liese, 2013, p. 36). Indeed, in the process of socialisation, only the violating state changes. My conceptualisation of norm development differs from the norm socialisation model, for it does not assume the universality of international norms.

The norm socialisation approach been called into question as an example of the coloniality of norm development; the norms that are considered to be ethical and universal are actually built upon a specific understanding of modernity, drawn from white, Western theory (Inayatullah & Blaney, 2004). As such, the power dynamics of norm emergence are unequal, leading to some states adopting so-called universal norms with ease, and others overcoming challenges (Sesay & Mackenzie, 2012, p. 146). In the article “*Western*” Versus “*Islamic*” Human Rights Conceptions, Bielefeldt writes about the origins of the concept of universal human rights (Bielefeldt, 2000). Acknowledging that the idea of universal rights arose in Western Europe and North America, Bielefeldt challenges the “assumption that what is rooted in the original sources of a particular culture can legitimately be claimed as the exclusive heritage of that culture” (Bielefeldt, 2000, pp. 99-100). Thus, human rights activism conducted by non-Western actors is legitimate, and even crucial. However, the Western standpoint on human rights is not a neutral model to be wholly applied to other contexts (Bielefeldt, 2000, p. 101). Instead, “the history of human rights in the West gives us an example [...] of the various obstacles,

misunderstandings, learning processes, achievements, and failures in the long-lasting struggles for human rights” (Bielefeldt, 2000, pp. 101-102). It is important to note that whether this trajectory is similar or different to the challenges currently faced by local actors, it is not essential (Bielefeldt, 2000, p. 102). It follows, that because human rights norms do not take one particular form, local contestations should be validated.

In contrast to the above, the norm socialisation model labels countries that contest global norms as bad; they are violators. Acharya writes about this wave of scholarship, terming it “moral cosmopolitanism”, in his article *How Ideas Spread: Whose Norms Matter?* (Acharya, 2004, p. 242). He notes that it is characterised by the suggestion that international norms are universal and primarily spread by transnational actors towards the moral conversion of violating states (Acharya, 2004, p. 242). Acharya criticises this perspective for setting up “an implicit dichotomy between good global or universal norms and bad regional or local norms” (Acharya, 2004, p. 242). Epstein also criticises the concept of socialisation for the above reasons in her article, *Stop Telling Us How to Behave: Socialization or Infantilization?* (Epstein, 2012). She notes that the concept of socialisation carries “a normative teleological design” aimed towards “bettering the socializee” (Epstein, 2012, p. 137). Through the patronising and infantilising unidirectionality of norm socialisation, the perspective of violating states is framed out (Epstein, 2012, pp. 140-141). As a result of the above, the norm socialisation approach views “norm diffusion as teaching by transnational agents, thereby downplaying the agency of local actors” (Acharya, 2004, p. 242). By invalidating contesting norms and denying local agency, norm socialisation does not provide an accurate model of norm development; essentialising the Western experience only blinds one to the processes occurring at the local level (Bielefeldt, 2000, p. 102). Acharya presents an alternative model to understand norm development, which he terms norm localisation (with the later addition of norm subsidiarity). I will now turn to outlining Acharya’s framework, and explaining how its use can provide a true insight into the process of norm development.

Norm Localisation and Norm Subsidiarity

Norm localisation provides an alternative teleology of norm development; unlike in the socialisation model, international ideas are not to replace local norms, but rather serve to enhance them (Acharya, 2004, p. 246). Acharya defines “localization as the active construction [...] of foreign ideas by local actors, which results in the former developing significant

congruence with local beliefs and practices” (Acharya, 2004, p. 245). From the first, the norm localisation model does not fall into the trap of creating a contrast between bad local and good global norms. Instead, the framework examines the contest and dialogue between transnational norms and regional normative understandings (Acharya, *How Ideas Spread: Whose Norms Matter? Norm Localization and Institutional Change in Asian Regionalism*, 2004, p. 241). An important characteristic of localisation is that it understands norm development as a process that is instigated by domestic forces (Acharya, 2004, p. 245). Indeed, with the aim of enriching their existing normative context, local actors drive the process. It is they who determine which elements of foreign norms are congruent with the local normative context, how they should be reconstituted, and which should be excluded. As such, unlike in socialisation (wherein which transnational actors are elevated as moral teachers), “the role of local actors is more crucial than that of outside actors” (Acharya, 2004, p. 244).

Whilst norm localisation challenges the socialisation narrative to a significant extent (by placing an emphasis on the agency of local actors) it is still unidirectional; international norms are transported down into domestic contexts. Acharya presents a further framework which understands the norm making role (in addition to the norm taking position) of local actors (Acharya, 2011, p. 98). This is termed norm subsidiarity and occurs when a norm does not wholly fit with a local normative context, and is rejected in favour of local ideas, rather than being grafted or pruned into congruence (Acharya, 2011, p. 98). It is a “process whereby local actors create rules with a view to preserve their autonomy from dominance, neglect, violation, or abuse by more powerful central actors” (Acharya, 2011, p. 97). Alongside forming norms relevant to their respective contexts, local actors export their norms onto the global stage (Acharya, 2011, p. 98). This also challenges the unidirectionality of dominant understandings of norm dynamics. The reasons for which actors engage in norm subsidiarity vary from the motivations behind norm localisation. Acharya has found that norm localisation occurs when actors see foreign norms as “good and desirable but not fully consistent with their existing cognitive prior”, whilst perceptions of inequality between norm takers and makers is likely to lead to norm subsidiarity (Acharya, 2011, pp. 98-89).

Contribution: Norm Localisation and Women’s Activism

This research contributes to understanding the link between women’s activism at the global and local levels. It does so by exploring the agency of the women’s movement in Kazakhstan to

navigate between normative contexts in the process of activism (termed norm entrepreneurship). An appropriate framework for this task should possess two characteristics. The first feature of a suitable model is that it should avoid centring international forces, instead validating the important role played by local actors in norm development. A theory that overlooks the role played by local actors cannot be used to understand it. The second element is that it must not essentialise the Western experience. Kazakhstan is an Islamic country, with a unique normative context. As such, there are pre-existing women's rights norms in the state (some of which contest the international standard). A theory that invalidates this context will not provide an insight into such normative contestation and will fail to capture the resulting women's movement navigation between global and local levels.

From the critique of Acharya and Epstein (presented above) it can be concluded that the socialisation model is not appropriate for this research; it fails to meet the above standards. However, the norm localisation and subsidiarity framework does; local actors are not passive learners of a "universal moral script", but rather also direct norm diffusion through "borrowing and modifying transnational norms" (Acharya, 2004, p. 269). In this study I trace the norm localisation and subsidiarity models to the case of the women's movement in Kazakhstan. I follow Acharya, who noted that this framework could be used "to investigate how these [...] norms spread through the international system, from the global to the local [...]" (Acharya, 2004, p. 70). My purpose is to understand whether, and how, mechanisms associated with the theories are at play in women's rights work in Kazakhstan.

Case Study: The Women's Movement in Kazakhstan

I will now turn to discussing some preliminary findings following the interviews that I carried out in Almaty in 2019. I will only discuss results related to networking in norm entrepreneurship; this paper is a work in progress, and I will explore other findings in the completed piece.

No Longer a Donor Organised Context?

I met with Svetlana Shakirova, the director of research in the Kazakh State Women's Pedagogical University, who gave me an outline of the history of the women's movement.

“When the first international organisations started to infiltrate in the 1990s, everything that they were promoting was very new, interesting and progressive and completely accurate for Kazakhstan [...] Overtime, we began to realise that funding organisations arrived, understood the region and the situation, all the different kinds of organisations, and began to form coalitions. They moved towards those organisations that were ideologically closer to them and chose not to recognise organisations that stood in opposition to them.”

Further in our conversation, Svetlana Shakirova noted that, as a result of the grant climate, organisations worked on all donor identified issues, and became known as “многостаночники” [mnogostanochniki]. This is a Soviet term for factory staff that could work at a variety of stations. Work became pragmatic, and often undertaken in pursuit of financial benefit. This narrative is in line with the existing literature on a donor organised framework in Central Asia (Bingham, 2017; Simpson, 2006). Svetlana Shakirova’s own research contributes to this body of work; in 2008 she noted that foreign donors’ guiding role in agenda formation could lead to women’s self-identified local needs being neglected (Shakirova, 2008, p. 2).

Interviewees referenced a recent shift in the women’s movement; it has become less professionalised. Almost every individual that I spoke to made reference to the fall in funding from donor organisations, (Asian Development Bank, 2007, p. 2). Many determined this to be the cause of the dying professionalisation of civil society in Kazakhstan. This was referred to as a positive development; an exciting kind of activism previously stifled by a donor-organised framework. Tatiana Chernobil, a consultant working with Amnesty International, spoke with me about the professionalisation of the women’s movement. In our conversation, Tatiana Chernobil noted that the state of the movement has changed drastically. She suggested that the movement had become “altruistic” rather than professionalised. As a result of decreased funding, actors started to complete women’s rights work for ideological reasons, from a place of “altruism” as opposed to financial motivation.

Second and Third Wave Feminists

The rise in ideologically motivated activism has coincided with a growth in third wave feminism in the women’s movement in Kazakhstan. Third wave feminism takes second wave feminism, focused on gender inequalities, such as the perception of women as mothers (Drucker, 2018), further by upholding intersectionality and aiming for the advancement of all women’s rights (Drucker, 2018). I spoke to Moldiyar Yergerbekov, a senior lecturer and male activist in the

gender rights movement, who traced this change to the year 2015. He noted that, whilst second wave feminists continued to operate, the third wave (who practice resistance and awareness-raising politics through art and performance) have arrived on the scene. The divide between third and second wave feminism is a feature of the women's movement in Kazakhstan.

This ideological landscape was evident during a festival on gender rights and feminism, which took place before I arrived in Almaty. FemAgora was organised by a third waves feminist, Leyla Makhmudova, and featured lively panel discussions from different kinds of gender rights actors, from different spheres. Panels were curated by experts from different sectors of the women's movement, featured both second and third wave feminists, and covered topics from women's history, to healthcare. There was an amount of collaboration and contestation between movement actors occurs on ideological standings, rather than on financial issues. Activists draw from one another in order to set agendas and norms, instead of following a top-down, donor-organised dynamic. Leyla Makhmudova spoke to me about ideological differences during the event, demonstrating the value placed on horizontal norm development in the women's movement in Kazakhstan. "It is a very important part of transparency for women to listen to each other [...] I was confused with the ideas in the panel discussions and opinions. I totally disagreed with them, or slightly disagreed with them. I thought, this is my festival [...] I should have protected myself and the audience here from these ideas. And then I understood that this is not my festival. This is a public event [...] We cannot be the same in our vision of feminism."

Discussion and Conclusion

The change in the women's movement in Kazakhstan can be understood as a scale shift; the network has moved from a donor-organised hierarchy to horizontal collaboration. This is a concept introduced by Sidney Tarrow and consists of 5 mechanisms; "coordination (planning collaboration across space) brokerage (facilitating such linkages), theorization (generalising an idea from a particular reality so that it can be applied to other realities), target shifting (focusing on a new target), and claim shifting (changing the nature of the claim)" (Nah, 2016, p. 6). Collaboration occurs horizontally on ideological standings, as opposed to donor-organised financial hierarchies. Events such as FemAgora are examples of the brokerage mechanism in action; links and new debates are formed between actors at the local level. Ideas are generalised from the local, rather than the Western, reality. Furthermore, the increased role of third wave feminism means that a new claim to raising awareness is made by the women's rights activist network.

The scale shift is an example of norm subsidiarity. Contestation and collaboration at the local level means that norm formation is informed by the experience of Kazakhstan, rather than the West. It is between local women, rather than external forces, that the agenda for the women's movement is formed. Thus, norm development is no longer passed down in a unidirectional way (from the global to the local). Instead, domestic actors have drawn from local experience, creating norms relevant to the domestic context. Despite the above, it must be noted that some of the preconditions for norm subsidiarity are not in place. First, Acharya suggests that for norm subsidiarity to take place, local actors must fear or be dissatisfied with the role played by global actors (Acharya, 2011, p. 98). In the women's movement, this does not appear to be the case. Rather, the turn to "altruism" has stemmed from a lack of international funding, as opposed to any pushback against the international community and its norms. Furthermore, it does not appear that the third wave of women's movement is in line with the local ideational context. An example is Feminita; an organisation that self-identifies as a grassroots queer-feminist group with the goal of creating and strengthening the rights of women and activist communities (Feminita, 2019). This organisation is undergoing difficulties in their activism, with members having been arrested for their awareness raising campaigns (Amnesty International, 2019). This is because of the sustained role of global norms in contemporary women's movements (as presented in the introduction to this paper). This study is a work in progress, and there is still space to examine the mechanisms of norm localisation, and the role of international ideas in the women's movement.

In conclusion, this paper presents preliminary findings from seven interviews carried out with actors from the women's movement in Kazakhstan. This study has traced a shift from professionalism in the women's movement, and a move towards horizontal ideological contestation. There has been a scale shift in the movement, with greater emphasis placed on the local creation of norms. I have argued that, as such, the norm subsidiarity process has taken a central role in the norm entrepreneurship of the women's movement in Kazakhstan. Though subsidiarity has been highlighted in this paper, localisation continues to be relevant to norm development processes. As such, I plan to further this work in progress paper by examining the continued process of norm localisation within the women's movement's activism.

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TOM HARPER¹ – Towards a new vision of global order? The Chinese model of development and governance and its implications for the established international order

Introduction

The rise of China, and Asia as a whole, has been of primary economic and geopolitical concerns over the past two decades. This issue has recently received a greater amount of attention due to the increasingly contentious state of Sino-American relations, where China has now been designated as a ‘revisionist power’. It is this label, popularised by Graham Allison’s 2016 book *Destined for War: Can America and China Escape the Thucydides Trap?*, which illustrates how the rise of China, and Asia, has been expressed in the geopolitical debates of today, with the issues of the unipolar moment and the United States as a ‘hyperpower’ giving way to discussions over an Asian or even a Eurasian century². This is a result of the rapid changes in the current global geopolitical situation with the revival of Russia as a major regional power under Vladimir Putin and China’s ambitious Belt and the Road Initiative (BRI). These changes have also seen a return of the concept of Eurasia, largely fallen out of favour at the end of the Cold War, which is continuing to pose a challenge for American hegemony³.

While Allison’s warning creates a compelling narrative, there are several issues regarding its portrayal of the Chinese challenge. This has been chiefly in its attempts to place China into the template established by previous revisionist powers, which has been limited in how Chinese foreign policy has been informed by a largely different set of historical precedents and possesses a strategic culture that has little in common with the previous Great Powers. By applying this template, China is presented as being primarily an economic and military challenger to the United States, an image that overlooks the wider challenge that China poses.

The purpose of this paper is to examine how the wider challenge posed by China does not only come in the form of its economic and military power but in its wider global vision and the appeal

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² Frankopan, Peter (2018) *The New Silk Roads: The Present and the Future of the World*, London Bloomsbury, 192

³ Macaes, Bruno (2018) *Belt and Road: A Chinese World Order*, London, Hurst & Company, 22

of it, which has often been overlooked by the established literature on this subject. This stems from China's experiences of economic development over the past four decades, which have been expressed through the Chinese model of economic development to its megaprojects throughout the Eurasian landmass. These seemingly disparate factors are unified by the presentation of China as an alternative to the established paradigms and challenge the established norms and assumptions, an aspect often overlooked. In addition, this paper also seeks to explore the appeal of this vision, which has gained traction in economically disparate states in regions such as sub-Saharan Africa and even in Southern Europe, which will require a re-evaluation of the established paradigms and understandings of Chinese foreign policy and its' vision of global governance.

Background

The roots of the current challenge posed by China and the current tensions can be traced back to the course of the past four decades. In the Western world, this saw the formulation of the dominant consensus that would take hold in the years after the Cold War. In the case of China, this came in the shifts in foreign policy objectives and the economic reforms under Deng Xiaoping, which saw the abandonment of the ideological struggles in the post-colonial world in favour of economic development.

To achieve these goals, China looked to the East Asian model of state capitalism. It is this model of Confucian inspired state capitalism that would form the basis for China's model of development, which has become influential throughout the developing world.⁴

The pursuit of economic development would also see the creation of the current Chinese foreign policy template. This came in the form of China's Post-Cold War engagement with the African states. These nations provided Beijing with an opportunity to gain access to crucial resources by utilising the legacy of Chinese assistance to the anti-colonial movements in the African states to cultivate its relationships with the African elites and to legitimise Chinese initiatives.⁵ These shared experiences served as an important and often overlooked tool in Chinese foreign policy strategies.

⁴ Kennedy, Scott, *The Myth of the Beijing Consensus*, in *In Search of China's Development Model*, Oxon, Routledge, 32

⁵ Cao, Qing (2013) *From Revolution to Business: China's Changing Discourses on Africa in The Morality of China in Africa*, London, Zed Books, 63

Recently, China has utilised its experiences of economic development which has also furthered China's appeal to these nations due to the perceived failure of the Washington Consensus.⁶ It is these aspects that have underlined the common flaw in the established images of Chinese foreign policy, which have depicted this as being little more than bribing corrupt states which ignore the ways in which China has carefully cultivated its relations with the ruling elites to further its objectives.

An opportunity for China's wider global vision came in the financial crisis of 2008, which provided China with its greatest imperative to further its vision for global governance. While the crisis has often been interpreted as a symbol of the failings of the dominant consensus, just as the Great Depression of the 1930s had been, it furthered Beijing's dissatisfaction with the established order, which it perceived as a tool for American hegemony.⁷ It is against this backdrop that the issue of China's global vision and the challenge it poses would come to the surface.

The Perspectives on China's Role and World Order

There has also been an evolution in the literature concerning China's role in the established international order. This has been expressed in the shift from calls for China to become a responsible stakeholder, as symbolised by the former U.S. deputy secretary of state, Robert Zoellick's 2005 speech, *Wither China, to China as a revisionist power*. Zoellick's speech was a symbol of the initial assumptions regarding China's development, most notably the perception that a more capitalist China would become democratic as well. In addition, China's role has also had implications for the discussions of the form that the present and future world order would take.

From Responsible Stakeholder to Revisionist Power

The shifting perception of China over the past decade can be expressed as going from China as a responsible stakeholder to a revisionist power. The former was based on the dominant notion that capitalism and democracy are inherently connected and that economic

⁶ Perkins, Dwight H. (2013) *New Institutions for a New Development Model' in China: A New Model for Growth and Development*, Australia, ANU Press, 17

⁷ Breslin, S., 2013. China and the global order: signalling threat or friendship? *International Affairs* 89, 615–634, 624

development is impossible without democratic norms. Both of these notions have been part of the dominant consensus of the liberal international order that has been hegemonic since the end of the Cold War, which now is challenged by China.⁸

The shifts in the literature have also been reflective of the shift in policies towards China, which have gone from seeking engagement to calls to contain China in a manner similar to George Kennan's strategies to counter the Soviet Union.⁹ While this has often been attributed to the Chinese and American leadership, such as Xi's ambition for China's future and Trump's more bellicose approach, the wider factors for this shift can be attributed to the system that China now challenges in that China's development did not conform to the liberal order consensus and is instead presenting itself as an alternative paradigm.

The roots of the earlier image are alluded to by Deng Yang¹⁰, who claims that the concept of China as a responsible stakeholder was a creation of the 1990s. It was during this period where the established paradigms that China has challenged were at their most dominant, with the end of the Cold War seemingly confirming the superiority of the neo-liberal system of the democratic West.

While the image of China as a revisionist power has been popularised recently, it is also a result of previous developments. These are identified by Deng,¹¹ who attributes this to Xi's move away from the status quo, which has become increasingly pronounced in Xi's vision for a 'Third Revolution' to break the established system. This refuted the common assumption that a capitalist China would be a democratic China, which has been shattered by Xi's more authoritarian stance.

While this departure has often been attributed to Xi's rule, it is also the result of China's long-term disappointment with the established order. This is highlighted by Daniel Blumenthal,¹² who claims that the image of China as a responsible stakeholder was blighted by Beijing's facilitation of corrupt regimes, which led to China becoming a 'spoiler' to the American led

⁸ Mahubani, Kishore, What China Threat?, *Harpers*, February 2019 (<https://harpers.org/archive/2019/02/what-china-threat/>) (accessed 03/06/19)

⁹ Heer, Paul, Containment and China: What would Kennan do?, *National Interest*, 17th April 2018 (<https://nationalinterest.org/feature/containment-china-what-would-kennan-do-25431>) (accessed 02/06/19)

¹⁰ Deng, Y., 2014. China: The Post-Responsible Power. *The Washington Quarterly* 37, 117–132, 119

¹¹ Deng, 125

¹² Blumenthal, Daniel, Responsible Stakeholder, *Reframing China Policy: The Carnegie Debates*, 2006, 4

system. Blumenthal's depiction of China's dissatisfaction with the established order, a notion shared by Shaun Breslin,¹³ suggests that China's wider challenge predates Xi's tenure and is a result of wider systematic developments.

While there appears to have been a clean break from China as a responsible stakeholder to a revisionist power, neither label appears to be fully applicable to China. This can be seen in Deng's¹⁴ depiction of China as a 'post responsible power' which is still a global power, which furthers David Shambaugh's¹⁵ assertion that any attempt to contain China is ultimately destined to fail. This is furthered by Breslin's¹⁶ claim that while China is not a status quo power neither is it a revisionist one since it has embraced elements of the established system. Such an image has been reinforced by China's attempts to become the vanguard of this system in the face of the backlash against it.

The transition of China to a revisionist power appeared to be complete with the release of Allison's *Destined for War* in 2016 at the beginning of the Trump administration. Invoking the Peloponnesian war, Allison¹⁷ asserts that except for four cases, all Great Power rivalries lead to conflict and warns that the current Sino-American rivalry is in danger of leading to this outcome. The influence of Allison's theories has most notably been expressed through the more bellicose rhetoric concerning China coming from American policymakers, with the country being directly labelled as a revisionist power. While this indicates the end of China as a status quo power, the image of China as a revisionist power is flawed in that it overlooks the wider challenges that China poses to established paradigms. It is this aspect that has also been subject to debate.

An Asian or a Eurasian Century?

As with the shift in the perception of China, the implications of China's role have been expressed through the debates concerning the shape of the world order. While this has shifted from an American led international order to one where China plays a greater role, it has also seen the invocation of a very different set of experiences. This is characterised by the move away from the invocation of 'Pax Britannica' as a guideline for American leadership, as

¹³ Breslin, 619

¹⁴ Deng, 128

¹⁵ Shambaugh, David (2015) *China Goes Global: The Partial Power*, London, Zed Books, 315

¹⁶ Breslin, 630

¹⁷ Allison, 211

symbolised by Niall Ferguson's *Colossus*, to a period that predates many of the experiences that have set the benchmark for international relations. This has characterised China's role as being part of either an Asian or a Eurasian international order.

The latter concept is referred to in Peter Frankopan's *The New Silk Roads*, which demonstrates how the legacy of the Silk Roads have been utilised to justify the BRI. While Frankopan invokes this experience as well as much of the current Chinese foreign policy rhetoric, most notably the concept of mutuality, he¹⁸ taps into the traditional fears over the BRI, with the initiative raising the spectre of geopolitical fears over a united Eurasia, as illustrated by Kissinger's warning that Europe will end up as an 'appendage of Eurasia'. These sentiments echo the warnings of Halford J. Mackinder's treatise, *The Geographical Pivot of History*, which depicted a world where land empires based in Eurasia challenge the dominance of maritime hegemony, as well as suggesting that the future world order will be a Eurasian one shaped by China and Asia.

A similar concept is depicted by Bruno Macaes in *Belt and Road: A Chinese World Order*, with the land routes of the initiative being a means to circumvent a maritime blockade. Macaes¹⁹ continues to depict the invocation of the Silk Roads, which has played a role in shaping China's bid to create a new world order to replace the existing one, which it believes has failed. This has also seen the invocation of the concept of Tianxiaism, as advocated by Zhao Tingyang, which Macaes²⁰ claims seeks to break the Western model by moving away from the values of the Enlightenment. It is this issue that illustrates how China's challenge has transcended the traditional image of it as a geopolitical or an economic challenger.

The notion of an Asian rather than a Eurasian century is advocated by Parag Khanna in *The Future is Asian*, where China plays an important role, but is not the sole hegemon. Khanna²¹ depicts this shift as being more than a matter of geopolitics or economics, claiming that the 'Asian way of doing things' is spreading and challenging the established Eurocentric paradigms of history and international relations. It is this aspect that forms the wider implication of China's global vision in that it challenges the established paradigms that have been taken for granted. This raises the question of what is China's vision.

¹⁸ Frankopan 218-9

¹⁹ Macaes, 21

²⁰ Macaes, 193

²¹ Khanna, Parag (2019) *The Future is Asian: Global Order in the Twenty- First Century*, London, Weidenfeld & Nicholson, 21

What is China's Vision?

Costas Lapavitsas once described the European Union as being the hegemony of conditionality, where a state is controlled by Brussels through the conditions of its membership in the EU²². A Chinese hegemony can be characterised as a 'hegemony of consent' with Beijing attempting to build support for its international projects often through the utilisation of soft power and its close relationships with local elites. It is this aspect that initially illustrates the flaws in the established readings of Chinese foreign policy as a neo-imperial venture underpinned by 'debt diplomacy'. Such an image is flawed since it denies the agency of the local elites²³ and applies a historical template of limited utility to create an image derided by Tom Miller as a 'Chinese Raj'.²⁴ It is this aspect that raises the recurring issue behind the challenge of China's vision in that it requires a re-evaluation of the dominant paradigms within international relations since they are limited in their utility in exploring China's global path.

An initial indication of this can be seen in Adrian Pabst's depiction of the current international order as being a competition between the liberal West and the 'civilisation states' of China and Russia, with each pursuing their own version of a 'civilising mission'.²⁵ In the case of China, it is a mission that owes more to the legacy of the Sinocentric tributary system rather than the traditional paradigms of the 19th century, as illustrated by the concept of Tianxiaism (天下) advocated by Zhao Tingyang, which utilises language from this era. It is this aspect that further raises the need to explore China's path from an alternative perspective.

China's vision is characterised by three core elements that are unified in presenting China as an alternative paradigm. These come in the forms of China's model of Neo-Confucian state capitalism, the Chinese Dream and international bodies such as the BRI. By presenting China as an alternative, this has challenged the established system and the dominant norms as well as expressing China's perception of its global role, which has been amplified in recent years. In line with Xi's declaration of a 'Third Revolution', where China's international status is the

²² Lapavitsas, Costas, "Political Economy of the Greek Crisis." Review of Radical Political Economics (<https://www.eprints.soas.ac.uk/25433/>), 12

²³ Moramudali, Umesh, Is Sri Lanka Really a Victim of China's 'Debt Trap'?, The Diplomat, 14th May 2019 (<https://thediplomat.com/2019/05/is-sri-lanka-really-a-victim-of-chinas-debt-trap/>) (last accessed 11/07/19)

²⁴ Miller, Tom (2017) China's Asian Dream, London, Zed Books, 244

²⁵ Pabst, Adrian, China, Russia and the return of the civilisational state, The New Statesman, 8th May 2019 (<https://www.newstatesman.com/2019/05/china-russia-and-return-civilisational-state>) (last accessed 11/07/19)

core mission statement of Chinese foreign policy, this has marked a departure from the traditional forms of Chinese foreign policy.

A Capitalist China is not a Democratic China: China's Model of Neo-Confucian State Capitalism

One of the sources of China as an alternative paradigm has come in its state capitalist model, which Ho Kwon-Ping²⁶ describes as 'Neo-Confucian state capitalism'. Such a model is a continuation of the East Asian model of development pioneered by Japan's modernisation during the Meiji restoration and its' post-war development as well as Singapore's model of authoritarian state capitalism.²⁷ This approach has enabled China to develop rapidly over the past four decades and is a model that Beijing is unlikely to discard, despite its role in the current trade tensions.

The Chinese model has also been a significant tool in Chinese foreign policy for several reasons. Firstly, it has been a notable asset in China's soft power offensive, which emphasises China's economic prowess rather than its political system.²⁸ It is the attraction of the Chinese model that raises the appeal of the Chinese vision, particularly in the developing world, where local elites, such as Pakistan's Imran Khan, have been staunch advocates of this model.²⁹ It is this advocacy that questions the perception that Beijing aggressively promotes this model since it is the appeal of this model rather than any promotion by Beijing that has made it widespread as well as furthering the misinterpretation of Chinese foreign policy.³⁰ This has been furthered by the Chinese model seemingly offering an alternative to the established Washington Consensus which echoes China's wider challenge to the established system.

The appeal of the Chinese model has also challenged many of the dominant paradigms as well as being a tool to legitimise Chinese initiatives in the developing world. This has questioned the common assumptions that democratic norms and capitalism are interlinked and

²⁶ Ho, Kwon-Ping, Banking on Neo-Confucian Capitalism, Yale Global Online, 5th September 2008 (<https://yaleglobal.yale.edu/content/banking-neo-confucian-capitalism>) (accessed 10/05/19)

²⁷ Horesh, Niv and Lim, Kean Fan (2018) An East Asian Challenge to Western Neoliberalism: Critical Perspectives on the China Model, London Routledge, 14

²⁸ Kennedy, 32

²⁹ Rana, Sarfraz Ahmed, Imran Khan's China Model, Daily Times, 7th August 2018 (<https://dailytimes.com.pk/279245/imran-khans-china-model/>) (accessed 03/06/19)

³⁰ Overholt, William, Is the China Model a Threat? East Asia Forum, 7th July 2019 (<https://www.eastasiaforum.org/2019/07/07/is-the-china-model-a-threat/>) (last accessed 11/07/19)

that development is impossible without the adoption of a democratic system.³¹ By contradicting these assumptions, there is fear that the Chinese model can lead to the proliferation of authoritarian norms under the guise of economic development, as presented in Stefan Halper's 2010 *The Beijing Consensus*.

The Chinese model has also challenged the dominant orthodoxy regarding capitalism. This is visible in how this model contradicts the dominant free market consensus, with the state intervening in sectors deemed strategic by Beijing, something that has been raised by the controversial Made in China 2025 plan. In the light of the current trade tensions, it is possible to see this development as a competition between two models of capitalism just as much as it is for the competing ambitions of Beijing and Washington.

The Chinese model has been an integral part of China's global vision, which has further presented China as an alternative paradigm as well as challenging the established international consensus. This has also presented China as following a different path to the established assumptions regarding development, a fact that has been emphasised by the rise of the China Dream.

China's 'Special Path': The China Dream

Chinese foreign policy discourse has used the term 'China Dream' recently and with frequency. The phrase has become something of a mission statement for Xi's tenure, which symbolises his wider ambitions for China's global role as opposed to the more cautious approach favoured by his predecessors. While the China Dream has been a recurring feature of Xi's rhetoric, it has its roots in Liu Mingfu's 2015 book, *The China Dream*. Liu³² advocated a 'great renewal of the Chinese nation' which involves China following a path that he believes is uniquely Chinese rather than seeking convergence with the Western world. This concept is illustrative of China's wider vision of challenging the established paradigms.

While the China Dream has often been treated as a recent development of Xi's rule, it is an evolution of the more *culturalist* bent of China's identity, which has been the perceived golden epoch of the Tang dynasty as a source of national pride and as a guideline for China's

³¹ Horesh and Lim, 130

³² Liu, Mingfu (2015) *The China Dream: Great Power Thinking and Strategic Posture in the Post-American Era*, New York, Beijing Mediatime Books Co. Ltd, 33

international role. This builds upon the doctrine advocated by Zhao,³³ where language and concepts from China's imperial past have become recurring features of China's perception of its identity and global role. In a similar vein, the China Dream can be seen as another phase of Sun Yat-Sen's vision of 'the China that once was', which advocated China's return to the power and prestige it had enjoyed prior to the First Opium War of 1839, which marks the concept as a Chinese version of the Sonderweg mythos applied to Germany to justify its perceived favour of authoritarian rule.³⁴ These illustrate both the path China seeks to take and how this development is an evolution of earlier perceptions of China's international identity rather than being a new phenomenon.

The China Dream is symbolic of China's challenge in several ways. By invoking China's imperial past, it shows how China's approach is informed by experiences that differ from the established precedents that have dominated the study of international relations, which limits the utility in examining China as a revisionist power. Such a challenge is reminiscent of Macaes³⁵ warning that China's rise will gradually move the world away from the values of Enlightenment that have been sacrosanct for the established order, which comes at a time where liberalism has seemingly lost its hegemonic status, as illustrated by Vladimir Putin's interview with the Financial Times at the G20 Summit in Osaka³⁶. This illustrates another dimension of the current challenge to this system, which has often been overlooked in favour of the rise of authoritarian populism in Europe and America. This scope has also been epitomised by the rise of China's new internationalism in the form of the BRI.

Eurasia's Pivot to Asia: The BRI and China's New Internationalism

If the China Dream is the mission statement of China's foreign policy vision, the BRI is the centrepiece of these policies, seeking to connect Chinese trade with European markets via several land corridors, something that has often been likened to a latter-day Silk Road as alluded to by Frankopan. The BRI illustrates how China's past has been utilised as a guide for

³³ Zhao, Tingyang, Rethinking Empire from a Chinese Concept 'All-under-Heaven'(Tian-xia,天下) Social Identities, Vol. 12, No. 1, January 2006, 29-41, 33

³⁴ Wang, Zheng, The Chinese Dream: Concept and Context, Journal of Chinese Political Science, 2014, 19:1, 1-13, 4

³⁵ Macaes 193

³⁶ Vladimir Putin: The Full Interview, Financial Times, 5th July 2017 (<https://www.youtube.com/watch?v=FbY0Vpyjtul>) (last accessed 11/07/19)

Chinese strategies as well to legitimise these goals, which further distinguishes China from the path followed by previous Great Powers.

While the BRI is treated as a recent development, it is an evolution of an earlier stage in Chinese foreign policy, which has been in China's 'Push West' policies and earlier international bodies established by China such as the Shanghai Cooperation Organisation (SCO) and the Asian Infrastructure Investment Bank (AIIB), which act in tandem with the BRI.³⁷ The initiative is simply the latest phase in China's new internationalism.

The BRI's challenge comes in the form of both conventional and less orthodox challenges. The most commonly cited has been the geopolitical implications of the project, with the proposed land routes having the potential to wean Chinese trade off its dependence on maritime routes, which limits the effectiveness of a potential maritime blockade. This provides a possible mechanism for Eurasian integration, an issue that has long been a red line for American strategies which echoes Mackinder's warnings over a century ago.³⁸ The geopolitical challenge of the BRI has also been presented by the image of the project as an exercise in Chinese neo-imperialism, with nations in the region being subordinated to Beijing's will via 'debt diplomacy'. It is these aspects that form the more conventional challenges of the BRI.

On the other hand, the BRI has challenged the established system in less conventional ways. Alongside the other bodies established by China, the BRI is an expression of an alternative international order. The purpose of this can be likened to Mao's 'United Front' strategy applied to a global scale, where an insurgent seeks to gradually render a government irrelevant over an extended period through the utilisation of shadow bodies of governance before overthrowing it. In this case, the initiative seeks to render the established order irrelevant through the utilisation of international bodies that shadow more established organisations, a development that has been aided by the void left by the 'America First' approach of the Trump administration.

As with the other components of China's vision, the potential appeal of the BRI has been a part of China's wider challenge. This has been notable in Beijing's gains in Europe, where the initiative has been endorsed by nations in Southern and Eastern Europe with Italy becoming

³⁷ Miller, 59

³⁸ Feigenbaum, Evan, Reluctant Stakeholder: Why China's Highly Strategic Brand of Revisionism is More Challenging Than Washington Thinks, Marco Polo, 27th April 2018 (<https://macropolo.org/analysis/reluctant-stakeholder-why-chinas-highly-strategic-brand-of-revisionism-is-more-challenging-than-washington-thinks/>) (accessed 02/05/19)

the first G7 nation to endorse the BRI, a move that landed Beijing a significant diplomatic coup and caused consternation in Brussels and Washington. This has been the result of China becoming an alternative source of funds and infrastructure development as well as the region's growing dissatisfaction with the EU, a development that is reminiscent of how China made its gains in Africa.³⁹ This has presented China with a tool to divide the EU at a time where European leaders have called for a more united Europe to push back against China as well as the U.S. and Russia, an objective that the BRI has rendered increasingly difficult.

The BRI is the evolution of Chinese foreign policy and the challenge posed by China's vision. Such a development raises the issue of how to effectively respond to China's vision.

Implications

What China's global vision has demonstrated is that Chinese foreign policy is no longer a pursuit of economic gain but has become a coherent push for a greater role in global governance. This has made China one of the few global actors to have a global vision, which contributes to China's wider challenge. This has become central to Chinese foreign policy, with Xi's declared 'Third Revolution' refocusing these policies upon China's global status.

The overarching theme of China's challenge has been in how it has questioned the dominant paradigms. This has been notable in the presentation of China as an alternative, which has seen a competition between its Neo-Confucian vision and the established liberal order. It is this image of China as an alternative that has been one of the wider consequences of the 2008 crisis, which has given China both the imperative to forge an alternative system and the vacuum that this can fill.

In addition, the challenge of China's vision is inherently a long-term issue, characterised by Henry Kissinger's description of Chinese foreign policy as osmosis. This description has often been overlooked in favour of short-term developments in Chinese foreign policy such as China's military build-up. Any response to China's vision requires an acknowledgement of this fact as well as the presentation of an equally compelling vision, something that was

³⁹ Macaes, Bruno, China's Italian advance threatens EU unity, Nikkei, 25th March 2019 (<https://asia.nikkei.com/Opinion/China-s-Italian-advance-threatens-EU-unity>) (accessed 30/05/19)

demonstrated by the BRI. It is the issue of China as an alternative that characterises China's challenge and the response to it.

Towards the Future: China's Growing Role in Global Governance

Chinese foreign policy has been characterised by presenting China as an alternative, which has largely been absent in the current strategies seeking to respond to China's global presence. This means that the challenge posed by China is wider than the established images of it as an economic or military rival. Ironically, while the current responses have been an attempt to decouple China from the established system, this move presents China with another incentive to implement its alternative vision of world order and removes any leverage over China provided by an interconnected global economy. This can undermine the established order that Beijing had been content to work within as well as bringing further risks. It is this aspect that can also further an integrated Asian or Eurasian order influenced by China's vision of a community with a common destiny. The issue of how to navigate this new era will ultimately be the primary geopolitical question for the Western world in the 21st century, the first steps of this being the imperative to examine China's path through a different paradigm.

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MIKITA KEINO¹ – EU *actorness* in the context of EAEU emergence and the Greater Eurasia initiative

Introduction

The modern system of international relations is characterized by the active creation of regional associations and integrative organisations. In general, the increased importance of regionalization can be explained by both political and economic reasons: economic motivation of the regions, their interest in specialization in the most profitable sector(s) and the most advantageous direction(s), using their competitive advantages in manufacturing or the provision of services, are of the greatest importance to increase their influence in the world. Regions are mostly driven by the desire to expand the market for their products and services. At the same time, the realization of economic interests often helps to solve some political problems (for example, European integration helped ensure long-term security in Europe). The European Union (EU) is considered the most ambitious and successful process of regional integration nowadays. Meanwhile, the EAEU has become an important example of regional economic integration in the north and in the centre of the Eurasian continent, trying to “present an alternative to the mainstream of EU enlargement”.² The EAEU builds on the Customs Union, with the Russian Federation, the Republic of Belarus and the Republic of Kazakhstan, which was established in 2010. It subsequently transformed into the EAEU with the accession of the Republic of Armenia and the Kyrgyz Republic, in 2015. With the increasing integration of countries in the region, the question of the interaction of member countries as one entity with the outside world is particularly relevant, since integration consists not only in the internal interaction of the participants but also in the formation of common approaches to foreign trade policy-making. The effective interaction of countries on behalf of an integrated group with third countries indicates its success, shows the level of integration and often indicates a high level of internal synergy of all member states. The emergence of the EAEU, which can be called a Russia-backed initiative, has an impact on both EU’s and China’s *actorness* in the region. In particular, it has a direct effect on the effectiveness of the EU’s European Neighbourhood Policy (ENP). However, the EAEU can also be seen as a new environment in which the ‘stormy’ EU-Russia relations can be substituted with newly developing ‘sound’ EU-EAEU relations. The

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² Gower, J, Timmins, G. 2011. “The European Union, Russia and the Shared Neighbourhood”, University of Glasgow, p. 7.

conjunction of the EAEU and BRI and their conversion into Greater Eurasia can result in the creation of a new framework for economic and political dialogue between the West and the East.

The emergence of the EAEU and ENP

The emergence of the EAEU could be seen as one of the factors responsible for the decline in the effectiveness of the ENP in general, and the Eastern Partnership (EaP) initiative in particular. The EAEU could be admitted to be a rival initiative to the EU's EaP;³ it could be seen as a Russian alternative for the EaP in the post-Soviet region⁴. The main discrepancy between both options is that the EAEU tends to offer membership with *de jure* equitable involvement and engagement in the EAEU decision-making process,⁵ whereas the EaP highlights that it does not offer membership in the EU or any 'prospect' of it in the future. While the EaP is based on equal partnership, nevertheless, the relations could be seen as donor-recipient ones.⁶ It should be mentioned that two parties – Russia and the EU – endeavour to achieve almost the same objectives: securing the stability and prosperity of the region and making the countries follow their model of 'successful' development.⁵ The ENP can be seen as the EU's tool of its external governance; hence, some neighbours (Belarus, Kazakhstan and Armenia) are not very enthusiastic about it. The EU tries to have an impact on internal state affairs without, as it has been mentioned above, offering membership of the Union. Moreover, financial or other support is often granted to the participants of EaP on the condition of reforms in these countries intended for promoting EU values, particularly democracy, human rights, prosperity and stability. Thus, the governments of the participating countries are not eager to implement reforms that promote democracy without any appropriate 'benefits' such as membership, considering that democracy promotion could lead to the sabotage of the current domestic status quo and aggravate instability and a decline in residents' living standards.⁷

³ Thomas Gehring, Kevin Urbanski and Sebastian Oberthür (2017), 'The European Union as an Inadvertent Great Power: EU Actorness and the Ukraine Crisis', *JCMS* 2017 Volume 55. Number 4. p. 737.

⁴ Korosteleva, E. (2017). *The Challenges of a Changing Eastern Neighbourhood*, p. 10.

⁵ Shishkina, O. (2013) *Vneshnepoliticheskie Resursy: Rossia i ES na prostranstve 'obschego sosedstva'* (Moscow), p. 56-57.

⁶ Judith Kelley, Duke University (2006) 'New Wine in Old Wineskins: Promoting Political Reforms through the New European Neighbourhood Policy' *JCMS* Volume 44. Number 1. p. 30.

⁷ Shishkina, O. (2013) *Vneshnepoliticheskie Resursy: Rossia i ES na prostranstve 'obschego sosedstva'* (Moscow), p. 58.

The initiative of the Eurasian economic integration (EAEU) can be recognised as a serious challenge for the implementation of an effective EU Neighbourhood Policy in the Eastern European region, since Russia considers the EAEU as an effective tool for reintegrating the territory of the former USSR, including countries that have been influenced by this EU initiative.⁸ According to Gerrits, Russia together with the countries of the former USSR is once again striving to gain significance, which can provoke changes in the world order (including the world economy) and, in turn, can affect the EU's position in the international arena.⁹

However, during the formation of the EAEU, the member states of the EAEU used the experience of the European integration in the creation of supranational institutions and their functioning: the structures of the supranational bodies of the EAEU closely resemble that of the EU.¹⁰ The system of supranational bodies of the EU can be accepted as being effective, since the institutions limit the participation of countries in decision-making on certain issues (which are exclusively within the competence of the Union only) that need immediate decision-making and the EU uses unanimity in other cases.¹¹ However, representation of each state in these bodies (European Parliament, European Commission) allows making fair decisions that suit the majority, and at the same time, making the decision-making process as fast as possible (ordinary legislative procedure).^{12,13} Moreover, it should be mentioned that the EAEU is the first ever integration grouping in the post-Soviet space that uses the principles and norms of the World Trade Organization in its supranational legislation.¹⁴

EU-EAEU relations

Although the EU has a sustained interest in developing relations with the EAEU there are many differences between the EU and the EAEU in terms of the organizational structure of integration

⁸ Dragneva, R, Wolczuk, K. 2017. "The Eurasian Economic Union: Deals, Rules and the Exercise of Power", Russia and Eurasia Programme, 1-26, London, p. 2.

⁹ Gerrits (ed.), A, Bader, M. de Haas and J. de Jong, 2008. «The European Union and Russia: Perception and Interest in the Shaping of Relations», Netherlands Institute of International Relations, Clingendael, European Papers No. 4, the Hague, Netherlands, p. 7.

¹⁰ Korosteleva, E. (2015). EU-Russia relations in the context of the eastern neighbourhood. Institute of Public Affairs Policy Brief Bertelsmann Stiftung.-May, p. 8.

¹¹ Lock, Tobias. 2009. Why the European Union is not a State – Some Critical Remarks. European Constitutional Law Review 5/3, p. 408.

¹² Manners, I, 2008. "The normative ethics of the European Union", Oxford University Press. Vol. 84, No. 1, pp. 45-60.

¹³ Gabel, Matthew. 1998. The Endurance of Supranational Governance – A Consociational Interpretation of the European Union. Comparative Politics 30/4, p. 472.

¹⁴ Rilka Dragneva and Kataryna Wolczuk (2012), 'Russia, the Eurasian Customs Union and the EU: Cooperation, Stagnation or Rivalry?', Russia and Eurasia Programme, August, 2012, p. 8.

that result in obstacles to closer cooperation and the EAEU's desire to diversify its economic relations. There is no parity cooperation within the integration in the EAEU such as what exists in the EU, where the position of 'small' states matters. Because of the overdependence on Russia, member states like Belarus are at a disadvantage. This leads to unfair membership in practice, where the opinion of the Union is not the general opinion of all participants, adopted based on qualified majority. For example, Belarus strongly depends on Russia: all the country's resources are imported from Russia and one of the main export items is refined Russian oil, constituting 18,15% of all export in 2017. In case Belarus does not agree with Russia's decisions, the oil prices can be increased, which in turn will have a great impact on the budget.¹⁵ This results in that the EU currently is not building relations with the EAEU as an actor but with each member state of the EAEU bilaterally. The EU has even intensified its aspirations to cooperate with the members of the EAEU since the creation of the Union. In 2015, the EU stepped up negotiations with Armenia; in 2016, sanctions against Belarus were lifted; an expanded partnership agreement was signed with Kazakhstan; and Kyrgyzstan gained access to the EU's Generalized System of Preferences in 2015.¹⁶

Moreover, the importance of the EU in the foreign trade of the EAEU is confirmed by the fact that the EU is the main trading partner, and foreign trade turnover with the EU makes up 46% of all foreign trade in 2018 (exports 50.5%, and imports 39.8% of all foreign trade of the EAEU). Besides, imports are mainly machines, equipment and vehicles, and exports are mostly mineral products.¹⁷ Cooperation with the EU countries is necessary to increase the import of high-tech equipment and technologies that will ultimately contribute to the creation of high-tech industries in the EAEU that can manufacture goods with high added value.

Along with that, the EAEU seeks to diversify economic relations; the member-states do not set the goal of developing only the western vector of economic cooperation, since the member countries of the Union see their integration future as independent and secure¹⁸. The Eastern vector of economic partnership, namely the creation of free trade zones with ASEAN, China, and countries of the Asia-Pacific Economic Cooperation initiative (APEC), is now becoming

¹⁵ Belstat. 'Eksport tovarov iz Respubliki Belarus' za yanvar'-dekabr' 2017 goda. Accessed on 08.07.2019 at: http://www.belstat.gov.by/upload-belstat/upload-belstat-pdf/oficial_statistika/6znak-2016-2017_god/tt100e05.pdf.

¹⁶ International Crisis Group report, 2016. "The Eurasian Economic Union – Power, Politics and Trade", Europe and Central Asia Report N°240, 1-30, Brussels, p. 24.

¹⁷ Federalnaya sluzhba gosudarstvennoy statistiki. 'O sostoyanii vneshney torgovli v 2018 godu'. Accessed on 17.03.2019 at: http://www.gks.ru/bgd/free/b04_03/lssWWW.exe/Stg/d04/35.htm.

¹⁸ International Crisis Group report, 2016. "The Eurasian Economic Union – Power, Politics and Trade", Europe and Central Asia Report N°240, 1-30, Brussels, p. 3-8.

important for the EAEU on par with the EU. This is evident from the comparison of the trade figures from 2017 and 2018. In 2018, the EAEU's trade turnover was 25% with APEC (33% in 2017); 16.8% with China (16.2% in 2017); and 45% with the EU (45.2%).^{19,20}

Nowadays, the EAEU creates only approximately 3% of the world's GDP, although the internal market itself is self-sufficient.²¹ The cooperation of the Union with large and significant actors in the global economy aims at increasing its export. To that end, borrowing new technologies that can increase the production capacity and efficiency of the industrial sector of the participating countries will be of great importance to enhance the Union's influence at the global level.

It should be noted that there is common "political thinking" among the countries participating in the EAEU. Belarus, Kazakhstan and Russia cast doubt on Western trends to promote democracy and uphold human rights in the region, however, they do participate in the discussion on democracy and human rights problems held under EU's initiatives, for example in the ENP.¹⁸ It should be noted that the participants of the EAEU declare that the Union has no political goals, nor political institutions (for example, there is no single parliament like in the EU). Belarus and Kazakhstan refute the idea of the EAEU as a political bloc created in opposition to the EU or other Western initiatives. Both countries are actively developing relations with the EU in the framework of EU initiatives that finance socially significant projects in all post-Soviet countries.

The conjunction of the EAEU with BRI into Greater Eurasia

Close potential relationships among major regional actors might be considered to be established as a result of the success of the 'Greater Eurasia' project aimed at the cohesiveness and close economic cooperation of the major Eurasian actors (the EU, China and Russia in the context of the EAEU emergence). The creation of 'integration of integrations' could be seen as

¹⁹ Yevraziyskaya ekonomicheskaya komissiya. 'Ob itogakh vneshney torgovli tovarami Yevraziyskogo ekonomicheskogo soyuza. Yanvar' – dekabr' 2017 goda'. Accessed on 06.07.2019 at: http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_stat/tradestat/analytics/Documents/Analytics_E_201712_180.pdf.

²⁰ Yevraziyskaya ekonomicheskaya komissiya. 'Ob itogakh vneshney torgovli tovarami Yevraziyskogo ekonomicheskogo soyuza. Yanvar' – dekabr' 2018 goda'. Accessed on 06.07.2019 at: http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_stat/tradestat/analytics/Documents/2018/Analytics_E_201812.pdf.

²¹ Vinokurov, E. 2017. "Eurasian Economic Union: Current state and preliminary results", Russian Journal of Economics, iss. 3, 54–70, St. Petersburg, p. 66.

a succeeding development stage of Greater Eurasia that includes the establishment of close economic, political and social-cultural ties among all Eurasian countries. This implies the necessity of Free Trade Agreements (FTAs) between the EU and EAEU, and between EAEU and China.

The Belt and Road Initiative (or 'New Silk Road') relates to the Chinese aspiration to develop infrastructural ties between China and European countries and evolving China's neighbourhood. China is following several principals while implementing this new initiative, the main ones include the openness to new participants, elimination of possible barriers in trade and devising a trade and industry cooperation format with 'small states' that can form an alternative to the American one. Moreover, China endeavours to strengthen its effectiveness in the neighbourhood and spread it to neighbouring states. However, Beijing does not assume any changes that these states need to undertake, this cooperation is meant to be free of any potential changes in participating countries. The BRI represents China's foreign policy that has been developed as a result of the 2008-2009 global economic crises (where the increasing material potential of China could be observed).²² The BRI could be seen mostly as a geopolitical project for China and it is compared with the Marshall Plan for Europe that determined US geopolitical impact on the Western European countries in the 20th century. However, this initiative just highlights that Eurasia is becoming a major strategic market for China and it could be seen as one that has an absence of political conditionality.²³

The Greater Eurasia initiative proposed by Russia struggles to consolidate infrastructural initiatives of the EAEU and BRI: these initiatives combined with the Northern Sea Road arrange for a fundamentally new transport configuration of the Eurasian continent and this is key for the development of the region, including the revival of regional economic and investment activities.²⁴ Greater Eurasia could be perceived as a basis for the settlement of EU-Russia relations that provides a stable environment for creating a new sound partnership in the region and it should result in the transformation and adaptation of a EU-China strategic partnership and shifting the balance in the evolution of trans-Atlantic relationships.²² On the one hand, China is striving to develop its Western regions by implementing a new initiative, on the other

²² Kaczmarek, M., & Rodkiewicz, W. (2016). Russia's Greater Eurasia and China's New Silk Road: adaptation instead of competition. *OSW*, 21, 2016, p. 1.

²³ Summers, T. (2016). China's 'New Silk Roads': sub-national regions and networks of global political economy. *Third World Quarterly*, 37(9), p. 1638.

²⁴ Greater Eurasia. 'Vystupleniye Vladimira Putina na Mezhdunarodnom forume 'Odin poyas, odin put''. Published on 15.05.2017 at: <http://gea.owasia.org/2017/05/93/>.

hand, Russia hopes that this will help to develop its Eastern regions – Siberia and the Far East. However, the transport corridors will be southward to these regions.²⁵ The Chinese investment strategy should be brought under control by other interested parties to achieve better results for all the parties involved.

However, it is impossible to deny that historically Russia has always been a link between East and West, Europe and Asia. Even Russian culture and other EAEU countries' cultures are a mixture of the European and Asian ones: it means that Russia can be a powerful intermediate between two different spaces and help them to create a new one – a common or shared space. The new project is aimed to create a 'supercontinent' that will accommodate closely interconnected regional, sub-regional and lead to deep transregional integration in the long run that can bring together not only Eurasian countries, but countries from other continents as well.²⁶ Furthermore, the cooperation could positively result in the development of the backward regions in the Russian Far East: the emergence of a Greater Eurasia project could be an impetus for rapid development due to the importation of technologies from developed Asian countries – Japan and South Korea. All this will create an increase in trade, investment flows, as well as an expansion of transport and energy infrastructures.²⁷ The emergence of the project has brought up many speculations concerning Russia's capability to cope with such a great project. As some have argued: "Russia does not have enough resources for putting it into practice".³¹ However, it is crucial to remark that this project is a joint one and all the major regional and world actors are behind it (China, India, Iran, Kazakhstan and many others).³¹ It is worth admitting that the project is open and is not limited to 'Greater Asia', but European countries are more than welcome to participate in its development. However, the EAEU is, and probably will be, the main actor in this project due to its geographical location (major transport corridor and hub between West and East) and its economic power in the region as well as political weight. The EAEU could be admitted as one of the major regional suppliers of raw material nowadays, however, it can be changed in the future and it will probably become the main supplier of goods and services, the creation of which demands great volume of water and energy as well as raw materials.

²⁵ Mikhaylenko, A. (2018). 'Sopryazheniye Yevraziyskoy Integratsii i Kitayskogo Proyekta 'Odin Poyas–Odin Put'.

²⁶ Entin, M., and Entina, E. (2016). The new role of Russia in the Greater Eurasia. *Strategic Analysis*, 40(6), pp. 600-601.

²⁷ Libman, A., & Vinokurov, E. (2012). *Eurasian Economic Union: Why Now: Will It Work: Is It Enough*. *Whitehead J. Dipl. & Int'l Rel.*, 13, p. 29.

Moreover, the conjugation of the two initiatives – the EAEU and BRI – into Greater Eurasia can be the solution to the challenges that the BRI is posing to the EAEU and Russian hegemony in the region. It will lead to the expansion of integration activities, developing new technologies and performing new megaproject aimed at the economic prosperity of the region. Projects performed under the BRI, as was already mentioned, can be described as Chinese expansionist investment policy in the region – the expansion of Chinese labour resources and the investments in the countries where there is a high rate of unemployment. It could lead to the deprivation of industrial development in Eurasian countries. Nowadays China is becoming the global centre of integration activities with BRI projects, half of which are unprofitable and 2/3 of the roads built under this initiative are not kept running at full capacity. Without any ‘response’ from Russia this could lead to the submission of EAEU countries to the ‘Chinese will’. China is quite severe when it concerns negotiations and tends to perform bilateral negotiations rather than multilateral ones as it puts more pressure on the opponent and eventually leads to adopting the Chinese vision of the deal. Hence, Greater Eurasia can be the platform for multilateral negotiations that allows discussing projects and their effectiveness in a wider format with many actors that evaluate them and their influence on the region. Greater Eurasia is attracting new actors in the Asian region – Japan, South Korea, and India; also, it seems to be vitally interesting for the major integration associations in the Asian region, such as ASEAN and APEC. Likewise, the EU shows a certain interest in the cooperation on such a broad agenda – cooperation on the ‘mega-regional’ level. However, the main challenge for inclusion of the EU into this project of Eurasian cooperation is the difference in ‘values’ that has always been a problem in cooperation with the Eastern countries. The West strives to cooperate with third parties on its own terms and using its own standards, procedures and conditions. The EU demands to follow its way of development and vision of the affairs in the world; this could be a problem for all other parties involved in the project. Greater Eurasia might be the platform for compromises and concessions between the East and West that could eventually lead to beneficial and secure coexistence in Eurasia.²⁸

It is worth mentioning that China is rather interested in closer relations with Russia due to its stability in its stance concerning major world affairs (this stance is often close or even the same as the Chinese one) and its power both in the region and in the world. It will allow Russia to become a self-determining centre of power that might interest China as a balance in the complicated relations with major trade partners – the EU and the USA (an encouragement of

²⁸ Mikhaylenko, A. (2018). ‘Sopryazheniye Yevraziyskoy Integratsii i Kitayskogo Proyekta ‘Odin Poyas–Odin Put’.

Beijing's own self-reliant foreign policy).²⁹ Even though both Russia and China are very close in their political views and stances, it is necessary to understand the possible drawbacks. The ongoing transformation of EAEU's trade from the EU to China will result in an increased volume of trade as well as co-dependency with China. China is trying to develop its own relations with Western countries as it is of vital importance for technological progress and economic development. China will not sacrifice its relations with the West for Russia, being economically and technologically stagnant.³⁶

Conclusion

The formation of the EAEU can be seen as an attempt of reintegration of post-Soviet countries that represents an alternative to the EaP. Contrary to the EaP, the EAEU does not require any reforms to be implemented to join it. Furthermore, the EAEU's emergence brings some opportunities for transformation of EU-Russian relations into the EAEU-EU ones. This transformation is not successful now; however, the Greater Eurasia project has a very ample agenda and this project could have great influence on both the China-EAEU and the EAEU-EU strategic partnership (in case all the parties will join this initiative and will wisely use it as a platform for dialogue and concessions). It can also be seen as a Russian attempt to diminish 'expansionist intentions' of China. It should be noted that the development of closer cooperation between the EAEU and the outside world is possible only with a stronger level of integration and interdependence between the member states of the Union. In addition, it is necessary to have integration functioning on a parity basis, where 'small' states (all the members except Russia) also have their opinions taken into account when making decisions concerning the 'whole Union'. The dispute mechanism should be used by 'small' states more actively and all the disputes between Russia and a 'small' state shall be discussed at a multilateral level rather than a bilateral one. Besides, the presence of non-tariff barriers, even within integration, in order to promote the interests of a particular participant, also makes it difficult to build transparent and stable relations with third countries. Before arriving at effective cooperation with the outside world, the EAEU should unify and harmonise technical regulations and standards within the Union (agree on them first among themselves), so that later they can serve as the basis for cooperation with the EU countries and China as major trade partners. Thus, the EAEU considers not only the western or only the eastern vector of cooperation but proceeds on the

²⁹ Lukin, A. (2018). Russia, China, and the Emerging Greater Eurasia. In *International Relations and Asia's Northern Tier* (pp. 75-91). Palgrave, Singapore, pp. 81-85.

principles of diversification of its relations. As Greater Eurasia includes the main global actors –China and EAEU and the EU, its EaP should be reconsidered to become more effective in the post-Soviet region: it should take into account the countries' backgrounds and way of governance (that can be described as 'super presidency'). The Greater Eurasia initiative could lead to the development of a new paradigm of international relations across the Eurasian continent and even in the world as the success of this initiative will have an indirect effect on all the world actors. It could change the polarity in the world and have a serious effect on USA's hegemony both in the Eurasian region and in the world in general. Its success could lead to the prosperity of the parties involved and stability on the continent and it an improvement in the EU-EAEU relations and create conditions for further close cooperation between the EU and China. The influence of the Greater Eurasia project on the USA's external governance should be analysed in further research, as it is vital to understand how the polarity will change in case this project will be successful.

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ALIAKSANDRA KONDRAL¹ – The Islamic concept of government and its impact on capacity-building processes in Asian countries with a Muslim majority

Introduction

In the aftermath of several decades of active secularisation, the 21st century has opened a new trend of increasing the role of Islam in the socio-political sphere, even if the degree of Islamic influence in society varies from country to country, ranging from moderate in post-Soviet states to significant in Arab societies and some countries of South Asia. Among other factors, at a national level, the influence of Islam highly depends on the locality (rural or urban), the social class, and level of education. For a number of states, like Iran, Jordan, Malaysia, Brunei, the Gulf states and Pakistan, Sharia has remained the main source of legislation. Some of them even apply Sharia as basic law (Iran and Saudi Arabia). Therefore, it can be argued that the concept of Islamic government is relevant nowadays for a substantial share of the Eurasian continent.

Although Islam has always been a driving force, safeguarding a certain resilience of stable socio-political structures to external impacts, a number of Islamic countries (Jordan, the Gulf states, and Pakistan) have maintained good political and economic relations with the United States and Western Europe. However, we can notice that the period of religious revival in some way coincided with active globalisation processes. To some extent, religious principles which are reflected in the governance system do not hinder cooperation and capacity-building willingness. However, some features of the Islamic government concept are prone to spark conflicts and misunderstanding between the stakeholders of the social dialogue.

Therefore, it seems necessary to comprehend them and to evaluate their compatibility with western principles of the secular state, since the latter are considered ideological and political prerequisites for capacity-building processes. Moreover, by investigating the concept of Islamic government, a common ideological denominator among the countries actively applying it is likely to be identified. Thus, the aim of this paper is to determine the key principles of the Islamic concept of government, as well as to clarify its common and contradictory points in comparison with the Western democratic state model. This will help to identify the main points of contact for

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possible engagement in intercultural and political dialogue. The following are a brief description of the main concepts and principles of Islamic government.

Tawhid

The principle of Tawhid is considered to be a fundamental rule of Islamic government, from which all understanding of power and life derives. Only God (or Allah) forgives and punishes, representing a comprehensive absolute, beyond any physical structure. According to the Western approach, Tawhid may be understood as a monotheistic belief in one supreme God, which strongly differs from other monotheisms. In Christian culture God can “delegate” a certain part of his power to certain designated people, like priests, and saints, who are revered by believers, in Islam, God is the only one who is able to judge what is right or wrong, halal (allowed) or haram (forbidden). .

Furthermore, the other concept stemming from the principle of Tawhid is the Universality of God. According to Islam, God possesses a divine authority not only for Muslims, or any selected nation, he is God to everyone and everything, judging, praising and rewarding people, who are all equally assessed on the basis of their thoughts and deeds. Since all people are the creatures of God, who is just, all the people are equal in their rights and obligations. No one enjoys any privilege based on his/her origin, social status or any other reasons.² The idea of nobility doesn't exist in Islamic discourse, which does not prevent the religion from paying tribute to the most righteous believers. As stated in Quran: “O mankind, We have created you from male and female, and we have made you into tribes and sub-tribes for greater facility of intercourse. Verily, the most honourable in the sight of Allah is the one who is the most righteous among you. Surely, Allah is All-Knowing, All-Aware”.³

Besides, the concept of Equality is very critical in Islam. Close to the one in Western democracy, it still bears a slightly different meaning. Since there is no objective reason in the name of which one human being can judge, punish or oppress another, people are naturally deprived of the right to be the source of power in the world. In Islam, again, the only source of Sovereignty is God, who imposes his laws on the State, and only Allah can be the author of these laws, which have to be followed by the population. From a practical point of view, the main source of law is

² Al-Jarhi, M. (2016). *The Islamic Political System: A Basic Value Approach*. https://mpr.a.ub.uni-muenchen.de/72706/1/MPRA_paper_72702.pdf, p. 9

³ Quran 49:14

Sharia, based on the holy Quran and Sunna.⁴ It permeates all spheres of life in society: politics, economics, education, culture, family issues, civil cases; etc. Since divine law is universal and multifaceted, there is no need left for humans to meddle in structural law-making activities. However, Sharia does not prohibit complementary temporal civil legislation, like in cases not explicitly touched upon by Sharia, or for which Sharia just provides general principles.

Ijtihad

The implementation of the legislation should be based on Ijtihad (independent reasoning), in accordance with Islamic law. In the official legal sphere, Ijtihadi decisions should be elaborated through a definite consensus (Ijmaa) of the Muslim community represented by the most respected Islamic scholars (Ulama).⁵ However, Islamic modernists (Al-Afgani, for example) considered, that in everyday life, a believer can apply Ijtihad on the basis on his/her individual judgements.

Nowadays, countries with a Muslim majority have different approaches towards the concept of Islamic legislation. A first group of states (Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan, Turkey, etc.) apply a strict secular legal system, excluding Sharia as a source of the law making process. A second group is represented by the countries with extensive implementation of Islamic law (Saudi Arabia, Iran). A third comprises secular states, the Constitution of which refers to Sharia as the main source of legislation. The extent of Sharia application varies from civil cases (marriage, divorce, and inheritance), and in the case of Jordan to a wide range of Sharia-based laws, and *hudud* (punishment) in Pakistan.

The concept of a nation

The classical Islamic system of Governance has never seriously considered national identity as one to replace religious identity. Indeed, according to Islam, all Muslims should be united in a common Islamic state, regardless of their nationality. The differentiation between citizens of the Islamic state has been made on the basis of religion, not nation. A special term identifying the representatives of other religions is *Ahl Al-Thimma*, forged to designate the Christians and Jews

⁴ The body of traditional social and legal custom and practice of the Islamic community. Along with the Quran and hadith Sunna is a major source of Islamic law.

⁵ Asad, M. (2007). *The principles of State and Government in Islam*. Islamic book trust. Kuala Lumpur, p. 43

living as minorities among a Muslim majority. In the past, Sharia law obliged *Al-Thimma* to pay the so-called “patronage tax”, because non-Muslims had not been allowed to do their military service in the Islamic state of the Prophet, obliging Muslim majority to protect them from potential aggressors. “The one who kills a man under covenant (i.e. a representative of *Al-Thimma*) will not even smell the fragrance of Paradise” (al-Bukhari and Abu Dawud). Since the national idea superseded religious identity in the state system of Muslim countries, the *Al-Thimma* is not used officially anywhere in the world.

The principle of Consultation (Shura)

Divine laws are not revealed directly to mankind.⁶ A certain ruler may exercise the power and play the role of divine law messenger. But the possession of absolute power often “corrupts its possessor and tempts him to abuse it, consciously or unconsciously, in his own interest or his partisans”.⁷ In accordance with this view Islamic government implies that the people of the State take part in the process of decision-making, distinguishing the rulers actions that emphasise national interest and ones that go against it.⁸

From a practical point of view, this model is implemented by the governor exercising his power with the help of representative bodies (Shura council, Mejlis, Parliament, etc.), which are elected by the citizens of the state. As is noted in Quran, “Their (the believers) communal business is to be (transacted in) consultation among themselves.”⁹ People’s injunction is comprehensive and reaches out into almost every department of political life.¹⁰ Moreover, God endowed a human with freedom as an unalienable right to all people, regardless of ethnicity, gender, religious affiliation or political beliefs.¹¹ At the same time, the ruler as well as the governing body has to act within Sharia law.

In 1938 Abdul Hameed Bin Badiss, an Algerian scholar formulated a criteria that the ruler should abide by, this is as follows:

1. No one should assume the office of ruler without the consent of the people.

⁶ Al Maududi, A. (1978) *System of government under the holy Prophet*. Islamic publications. Lahore, Pakistan p. 3

⁷ Al-Jarhi, 2016, p. 44

⁸ Al-Jarhi, 2016, p. 12

⁹ Quran, 42: 38

¹⁰ Asad, 2007, p. 44

¹¹ Al-Jarhi, 2016, p. 11

2. The ruler serves the people's needs and cannot place himself above the people.
3. The citizens have the right to control their ruler.
4. The people have the right to debate policies with their rulers and to force them to accept peoples' opinion rather than their own.
5. The State must reveal to the people its plan and policies to be discussed and approved. Once approved, they become mandatory.
6. People have the right to choose the ruling laws, as this represents their right to sovereignty.
7. People are equal before the law.
8. Both the people and their rulers must get used to the perception that they are partners in ruling the country.¹²

As follows from above, *Shura* is comparable with the Western democratic system, conferring the people with the source of power, and guaranteeing free and general elections, and public administration. The main difference between western and Islamic state systems lies in the sphere of restrictions in freedom. Whereas in the Western notion, freedom is limited by moral and ethical law, expressed in civil law, in Islam, Sharia as the expression of divine will, acts as the main limiter in accordance with the principles of Tawhid. Consequently, the Islamic political system represents the authentic concept of divine democracy as opposed to an exclusively secular Western model. The difference between the Western and Islamic democratic models will be examined in more detail in the following sections, addressing the judicial system, human rights, and democracy.

Judicial system

Justice is a core value in Islamic government, implying that all the people of the state should be judged for their actions, equally and fairly. As it is the case in legislative and executive powers, God is the main source of sovereignty in the judicial one. "God is the authority; He speaks the truth and is the best among the judges."¹³ Despite the belief that only Allah can judge the people, he would do so through the people's mediation, expressed in the system courts considering civil, administrative and criminal matters. The basic principles of the judicial system, formulated

¹² Al-Jarhi, 20016, p. 14

¹³ Quran 3, 6: 57

by the prophet Muhammad, are consonant with the Western one: humanity, justice, integrity and independence of the court.¹⁴

According to this interpretation, the figure of the judge should meet the following criteria: “full adulthood and conscience-intellect, honesty, Ijtihad’s qualifications, purity of birth, full knowledge and discretion, judicial abilities and talents”.¹⁵ As it is in the Western system, the principle of power separation is respected in the Islamic state and the judiciary should epitomize independence, justice and integrity, under the unique purview of God.

Human Rights

In an Islamic state, the notion of human rights is considered to be controversial and vague. According to the Universal declaration of human rights all the people in the world possess basic and inseparable rights, especially the right to life, the right to liberty, the right to education; etc.¹⁶

The majority of contemporary Islamic scholars claim that all the basic human rights were prescribed by Islam. They were granted by God and no other authority is entitled to amend or change the rights conferred by him.¹⁷ They were guaranteed to man by divine sovereignty and there is no authority that can withdraw the rights from any individual.

Although all the above mentioned rights were really reflected in Quran or Sunna, not all of them have the same understanding as in the western political system. At first sight, the right to life is universal and matches the concept mentioned in the HR Declaration. As it was noted in the Quran, “Anyone who kills a believer deliberately will receive as reward (a sentence) to live in Hell for ever. God will be angry with him and curse him, and prepare dreadful torment for him”.¹⁸

But a certain detail attracts attention: the reference to the “believer”, meaning “Muslim”. As it was mentioned above, the holy book portrayed the same attitude to “Al-Thimma”, but there is no similar *ayah* referring to non-believers or so-called “kuffar”. At the same time, there is an *ayah*, justifying the murder of “kafir”: “They (Kafirs) will be cursed, and wherever they are found,

¹⁴ Al-Maududi, 1978, p. 11

¹⁵ Hossain, Z. (2018). ‘Nature and Tends of Islamic Judicial System: A Comparative study’. *International Journal of Contemporary Research and Review*..Volume 09.Issue 12., p 20210

¹⁶ Universal Declaration of Human Rights

¹⁷ Al-Maududi, 1976, p. 3

¹⁸ Quran, 4:93

they will be seized and murdered”.¹⁹ It becomes clear that the right to life is guaranteed to Muslims, Christians and Jews, but not to atheists or pagans. From the same thesis, the concept of equality bears another meaning in Islamic rationale which is that from the *ayahs*, mentioned above, it seems clear that “kuffar” are not equal to believers or “Al-Thimma”. The equality of people in Islam refers primarily to equality among believers.

The idea of atheism is deemed the main controversy between Western and Islamic human rights concepts. As far as Tawhid, the idea of God’s divine sovereignty, is the core notion of Islamic religion, the people who don’t believe are not simply taken into account as social actors, since the Islamic state was created by the believers and for the believers. This thesis contradicts a basic right essential to secular states, namely the right to freedom of religion, including the right to change the religion or belief. In Islam, apostasy is considered to be a highly despised action, and is defined as the most terrible sin. As it is reflected in the Quran, “But those who reject Faith after they accepted it, and then go on adding to their defiance of Faith, – never will their repentance be accepted; for they are those who have (of set purpose) gone astray”.²⁰ The Quran states that: “Make you no excuses: ye have rejected Faith after you had accepted it. If we pardon some of you, we will punish others amongst you, for that they are in sin”.²¹ This brings to fore some of the more blatant contradictions that are posed by an Islamic state in the modern day.

Women’s rights are even more contentious than religious affiliations. While Islam claimed equality of the people to be one of its basic values, its implementation is questionable when it comes to gender equality. On the one hand, the Quran laid the foundation for equality between men and women: “The believers, men and women, are allies of one another. They enjoy the ‘common good’ and forbid the bad, they observe prayers and give charitable alms and obey God and his Prophet”.²² Moreover, the Holy book declared the equality of rights and obligations for the believers regardless of gender: “And for women there are rights over men, similar to those of men over women.”²³ A famous Pakistani Islamic scholar, Abu Ala Al-Maududi mentioned that women in Islam had the same civil, economic and social rights as men: to marry and divorce according to their free will, to life and property, to education etc.²⁴ However, practice

¹⁹ Quran, 33; 60

²⁰ Quran, 3: 90

²¹ Quran, 3: 66

²² Quran, 9:71

²³ Quran, 2:228

²⁴ Al-Maududi, 1972, p. 151-160

of gender equality does not coincide with precepts of Islam and even in some ways encourage gender inequality.

Indeed, there are several *ayahs* that reveal a certain lack of independence and self-sufficiency of women in the classical Islamic concept. For example: “Marry them with the permission of their guardians”.²⁵ This *ayah* shows that in fact a woman is restricted in decision making in such an important issue as marriage by the approval of her Muhrim (a relative responsible for her). In fact the position of a man is still superior in Islam. He is the provider for the family and responsible for earning money.²⁶ It is obligatory for his wife and children to obey him, provided that it doesn't involve them in the disobedience of Allah and his Prophet. The evidence of this can be found in the Quran and Sunna: “Men are the governors of the affairs of women, because Allah has made men superior to women and because men spend of their wealth on them”.²⁷ “The man is the ruler over his wife and children, and is responsible to Allah for the conduct of their affairs” (Al-Bukhari). If a woman doesn't listen to her man and shows disobedience, he can punish her: “As for those women whose defiance you have reason to fear, admonish them and keep them apart from your beds and beat them. Then if they submit to you, do not look for pretenses to punish them”.²⁸ These examples show that the role assigned to a woman by Islam is subordinate rather than self-sufficient. A woman is not an independent social unit, her life she is guarded by a man: first, by her father and brothers, and then by her husband.

The other area where a certain duality of understanding of the role of women can be observed concerns their activities. Traditional Islamic approach normally determines the mission of a woman in society first of all from the point of the part she plays in family. The main aim of a woman is to bring up kids and to be a good wife and mother. For this purpose a woman should be brought up in the traditions of Islam, be an example of modesty and virtue and dress discreetly.²⁹ She doesn't have to be well educated, know foreign languages and laws. The main skills that a Muslim woman must possess are housekeeping and the ability to raise children. What concerns the work outside home in Islamic society, there is no need for a woman to bother

²⁵ Quran 24:32

²⁶ Al-Maududi, 1972, p. 144

²⁷ Quran, 4:34

²⁸ Idem.

²⁹ Al-Maududi, 1976, p. 123

herself with any activity not related to her family. If she has such a desire, a Muslim woman has the right to work, if this does not prevent her from fulfilling her main duties of housekeeping.³⁰

Consequently, Islamic patriarchal attitude to women look quite archaic from the point of modern day conditions, since a woman is not considered as an independent actor. The major social and economic responsibilities are delegated to a man. It should be noted that such an attitude has not been aimed at oppressing women or underestimating their role. Prominent Islamic scholars argue that in the West, women are forced to be independent, because men have stopped to support them and women are humiliated and exploited.³¹ Therefore, according to the Islamic doctrine, Muslim women enjoy a more favourable position than non-Muslim women. At the same time, this posture is rejected by contemporary Western approach which denounces the violation of the principles of gender equality in Muslim societies.

It is quite obvious that basic human rights compliance is the main aspect evoking a certain conflict between Islamic and Western political paradigms. Unlike the Western model, where these human rights are inherent by themselves, the Islamic model considers them as given by God, as a creator of Universe, a judge, a legislator, who made prescriptions to all the areas of life in society and expressed them in divine law, free of sin. So it is essential that in this system, all the rights should be guaranteed only in the framework of this law, which should not be violated. Some of the concepts which are legal in secular society cannot be justified in an Islamic society as they are defined as sinful.

Therefore, the concept of human rights exists and is respected in the Islamic model, but its understanding is according to the Islamic system of values, which is different from the secular one.

Understanding democracy

Lastly, the concept of democracy as an element of the Islamic governance system appeared relatively recently and was introduced by Islamist political organisations. As it was mentioned above, the Islamic state system has a significant overlap with the concept of Western democracy in several principles: the power of the people which prevails over the government;

³⁰ Kondral, A. (2014). *Koncepciya gosudarstvennogo upravleniya v ideologii associacii "Bratyev-musulman"*. *Obshestvo, gosudarstvo i religii v sovremennom mire*. Minsk p. 65

³¹ Al-Maududi, 1972, p. 52

free and fair elections; the responsibility of the ruler before the people; the separation of powers into legislative, executive and judicial branches; as well as universal equality.

At the same time, it is necessary to distinguish between Islamic democracy and the traditionally accepted Western notion of “power of the people”. The laws of the Islamic state must comply with the Quran and Sunnah.³² The degree of this compliance differs, depending on the approach: the traditionalists insist on full application of Sharia, modernists believe that management should be carried out by taking into account the requirements of the time, and welcome Ijtihad³³ in accordance with the new political and economic conditions, accepting the achievements of science and technology.³⁴

The differences in the concepts of Islamic and Western democracy again come from the principle of Tawhid as the rule of God’s authority on Earth. Absolute power in Western democracy belongs to the people, who have the full right to make certain laws, regardless of whether they comply with religious canons or not. Alcohol, homosexuality, gambling, etc. are a point of legislation in most Western countries, but prohibited in Islamic doctrine, based on Sharia as the main source of legislation. From this perspective, any Muslim society cannot fully follow the same democratic traditions and processes that apply to the West, preserving Islamic principles in morality and ethics.³⁵

The concept of Islamic government makes a significant difference between democracy as a value system and democracy as a political tool. It supports the latter, but many of the democratic values advocated by the West are not accepted. Representation of the essence of governance in Islamic doctrine is not based on the philosophy of natural human rights, but is built on the permission of Allah, prescribed in Quran as evidence of human government under the rule of Sharia.³⁶ Islamic democracy is primarily the ability of people to freely choose the leader of the executive, as well as representatives of the legislative power and to oust them in case of distrust. At the same time, the necessary attributes and values of democracy in the Western sense are denied, since they contradict Islamic laws. Democracy in Islamic state is a purely political phenomenon that does not abolish the strict regulation of public life by Sharia.³⁷

³² Tadros, M.. (2012). *The Muslim Brotherhood in contemporary Egypt*. New York, Routledge, p. 53

³³ Al-Hudeibi, H. (1977) *Duat la kudat*. Cairo (in Arabic), p19

³⁴ Rajbadinov, M. (2014). *Egipetskoye dvijeniye “Bratyev-musulman”*. Moscow (in Russian), p. 290

³⁵ Pargeter, A. (2010). *The Muslim Brotherhood. The burden of traditions*. London, p. 222

³⁶ Al-Banna, H. (1998) *Majmuat ar-rasail imam al-shahid Hasan Al-Banna*. Cairo (in Arabic), p. 161

³⁷ Kondral, A. (2014). p. 67

For a secular observer, the characteristics of the Islamic government concept can seem archaic. As such, religion as a regulator of society is in opposition to the idea of civil state, and questions the possibility of cooperation and capacity-building processes, based on the acceptance of modern democratic principles and human rights. This notwithstanding, a more accurate look shows that some Islamic government elements coincide with those embedded in the western democratic system. For instance, equality of people in front of the law, free and fair elections, the principle of the separation of powers, and basic human rights are reflected in Islamic government. But Islam does not consider them as offshoots of inalienable civil rights, but as divine grace bestowed upon mankind.

However, there are still points that prevent full interaction at all levels. This primarily concerns the rights of non-believers, as well as the representatives of sexual minorities, who are regarded as criminals under Sharia law. This contradiction will remain difficult to overcome, because it requires a balance of both the Islamic and Western state models – divine rule on the one hand, religious and civil liberty on the other.

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ALLA LEUKAVETS¹ – A comparative analysis of Belarus' and Ukraine's integration policies through the prism of a two-level game approach

Introduction: different paths of regional integration of Belarus and Ukraine

The location of Belarus and Ukraine between the European Union (EU) and the Russian Federation confronts them with two competing paths for regional integration. One of the integration offers comes from the EU in the form of various integration projects and treaties, the major one being the Eastern Partnership (EaP) launched in 2008. The other integration offer is made by Russia in the form of integration treaties and unions, the most recent of which is the Eurasian Economic Union (EEU) formalised in 2015.

The integration offers made by the EU and Russia differ in substance and have their limitations and advantages for both Ukraine and Belarus. The EU's integration initiatives are based on a conditionality principle, according to which the EU gives the partner country certain policy incentives, such as increased market access, the possibility of receiving financial aid and technical assistance in exchange for necessary reforms.² One of the aims of EU integration projects is to export the EU's *acquis communautaire* but without offering a prospective membership to the participating countries.³ The EU's integration offer is based on the logic of 'delayed gratification': acceptance of an integration component incurs immediate costs yet long-term benefits for a recipient country.

Russia's integration offer has its own specific characteristics. Libman and Vinokurov argue that regional integration in the post-Soviet space has followed two logics: one of a "civilized divorce" with the purpose of mitigating conflicts among post-Soviet countries after the dissolution of the

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² E. Korosteleva (2011a). The Eastern Partnership Initiative: A New Opportunity for Neighbours? *Journal of Communist Studies and Transition Politics* 27(1): 1-21; F. Schimmelfennig (2012). Europeanization Beyond Europe. *Living Reviews in European Governance* 7(1): 1-30; K. Wolczuk (2006). Conflict and Reform in Eastern Europe: Domestic Politics and European Integration in Ukraine. *International Spectator* 41(4): 7-24.

³ E. Korosteleva (2011a) op.cit.; E. Korosteleva (2011b). Change or Continuity: Is the Eastern Partnership an Adequate Tool for the European Neighbourhood? *International Relations* 25(2): 243 -262; K. Wolczuk (2009). Implementation without Coordination: the Impact of EU Conditionality on Ukraine under the European Neighbourhood Policy. *Europe-Asia Studies* 61(2):187-211.

Soviet Union and another one of building new integration projects modelled on the framework of the EU.⁴ The first integration initiatives, such as the CIS, were characterised by their weak institutional structure and lukewarm commitments on the part of participating states; they resulted in the creation of numerous international agreements that had little impact on their members.⁵ The second type is exemplified by the EurAsEC, the SES, the Customs Union (CU) and the EEU, which were modelled on the notion of ‘multi-speed’ integration with an advanced ‘core’.⁶ Russia’s integration offer is based on the logic of ‘immediate gratification’ - the overarching attributes include the prospect of full membership and a possibility of receiving immediate benefits versus long-term costs.

This paper aims to address the following empirical puzzle: why did Belarus and Ukraine make the opposite choices about their integration with the EU and Russia, although at the beginning of their independence in 1991 they shared common Soviet legacies, had many structural similarities and a comparable socio-economic profile? Whereas Belarus chose to align with Russia immediately following the collapse of the Soviet Union, and has maintained this course until the present time, Ukraine – after balancing between different integration offers for almost 20 years – rejected Russia’s offer in favour of closer integration with the EU in 2014. Most of the scholars so far have analysed this issue from the perspective of the external actors making the integration offers, namely the EU and Russia.⁷ This paper instead gives agency to the recipients of the integration offers, i.e. Belarus and Ukraine, and systematically analyses their perspectives to gain additional insights.

Research design: conceptualisation of the dependent and independent variables

The main research question this study aims to address is “What factors can account for the difference in integration stances of Belarus and Ukraine vis-à-vis the EU and Russia between 1991-2015?”.

⁴ A. Libman and E. Vinokurov (2012). Regional Integration and Economic Convergence in the Post-Soviet Space: Experience of the Decade of Growth. *Journal of Common Market Studies* 50(1): 112–128.

⁵ R. Dragneva and K. Wolczuk (2012). Russia, the Eurasian Customs Union and the EU: Cooperation, Stagnation or Rivalry? Chatham House briefing paper, 1–16, accessed 8 March 2019, available at: <https://www.chathamhouse.org/publications/papers/view/185165>

⁶ A. Libman and E. Vinokurov (2012). op.cit.

⁷ For example, V. Dias (2013). "The EU and Russia: Competing discourses, practices and interests in the shared neighbourhood." *Perspectives on European Politics and Society* 14 (2): 256-271; S. Blockmans, H. Kostanyan, and I. Vorobiov, (2012) "Towards a Eurasian Economic Union: The challenge of integration and unity". CEPS Policy Paper, accessed 8 March 2019, available at: <https://www.ceps.eu/publications/towards-eurasian-economic-union-challenge-integration-and-unity>; R. Dragneva, and K. Wolczuk (2012) op.cit.

The work uses a qualitative methodology and a comparative case study research design to trace causal mechanisms of policy-making in Belarus and Ukraine. The validity of research results is enhanced by the application and triangulation of several methods, including document analysis and semi-structured expert interviews in the countries and external actors.

The *integration stance* constitutes the dependent variable of this study, which is defined as an officially proclaimed integration policy choice of Belarus or Ukraine in respect to the integration offers coming from either the EU or Russia. A temporal unit of analysis for the integration stance is the presidency. Presidential elections can be considered a critical juncture even in consolidated authoritarian regimes, especially if their survival depends on external financial support as in the case of Belarus. Between 1991 and 2015 Ukraine has had six presidents and Belarus has had five presidential terms which form the sub-cases in this research.

Based on the extent of acceptance of the integration offer (complete, partial or null), the integration stance can be either pro-Russian, pro-EU or multi-vector during a given presidency (see Table 1).

The integration stance in Ukraine from 1991 until 2015 has changed from pro-EU under Kravchuk to multi-vector during the first and second presidential terms of Kuchma to pro-EU during Yushchenko's presidency, to multi-vector under Yanukovich, to pro-EU during Poroshenko's presidency. The integration stance in Belarus from 1991 until 2015 has been pro-Russian.

Table 1: Acceptance of the EU's and Russia's integration offers by Belarus and Ukraine

Integration offers	Acceptance by Belarus	Acceptance by Ukraine
EU's integration offer		
Partnership and Cooperation Agreement (PCA)	N/A: PCA not ratified by EU	complete
European Neighbourhood Policy (ENP)	Partial	complete
Eastern Partnership (EaP)	Partial	complete
Russia's integration offer		
Commonwealth of Independent States (CIS)	Complete	partial till 2018
Commonwealth of Independent States Free Trade Area (CIS FTA)	Complete	complete till 2015
Union State of Russia and Belarus (USRB)	Complete	N/A
Treaty on Friendship with Ukraine	N/A	complete
Treaty on Friendship with Belarus	Complete	N/A
Eurasian Economic Community (EurAsEC)	Complete	partial
Single Economic Space (SES)	Complete	partial
Customs Union (CU)	Complete	partial
Eurasian Economic Union (EEU)	Complete	Null

Setting the rules of the game: theoretical framework

In order to address the research question, I apply a two-level game approach advanced by Putnam⁸ and adapt it to the analysis of integration policies in countries with different types of non-democratic regimes.⁹

The major insight of the 'two-level game' metaphor is that the politics of many international negotiations can be demonstrated as an interaction between two games which a national leader has to play simultaneously at two levels: Level I - international negotiation between the national leaders, trying to reach an agreement; Level II - domestic negotiation between the groups of constituents to do with the ratification of the agreement.¹⁰

⁸ R. D. Putnam (1988). Diplomacy and Domestic Politics: the Logic of Two-Level Games. *International Organization* 42(03): 427–460.

⁹ In the case of Belarus the regime could be classified as a consolidated authoritarian regime; whereas Ukraine was a competitive authoritarian system which took different forms during different presidencies.

¹⁰ R. D. Putnam (1988).

Ratification of Level-I agreements is dependent on whether the agreement will be accepted by Level-II (constituency). Putnam defines the set of all possible Level-I agreements, which will be accepted by the Level-II constituencies, as a win-set, where a 'win' means gaining the necessary support for being accepted. According to Putnam, there are three factors that determine the size of a win-set: 1) Level-II political institutions, including ratification procedures in the parliament, 2) the distribution of power, preferences and possible coalitions among Level-II constituents, and 3) the strategies of the Level-I negotiator.¹¹

However, when Putnam wrote his seminal work (in 1988) he had neither the EU nor the post-Soviet countries in mind; his case study focused on the G7 Bonn Summit negotiations involving democratic states. The specifics of the countries in this research is that they represent different types of non-democratic regimes, ranging from consolidated authoritarianism in Belarus to competitive authoritarianism in Ukraine. Therefore, Putnam's original framework needs to be adapted before it can be applied to the analysis of integration policy in Belarus and Ukraine vis-à-vis the EU and Russia. I introduce the following adaptations:

First, I expand Putnam's framework from two game boards to three, because this research focuses on a more complex situation where instead of a simple bilateral negotiation, the leaders of Belarus and Ukraine are engaged in two separate negotiations with different external actors (the EU and Russia).

Second, I develop a set of international (structural) factors affecting the integration stance. I do it by merging a two-level game framework with literature on Europeanisation and external democracy promotion.

Third, I adjust the analysis of the domestic level to a non-democratic setting and analyse how a political regime affects the size of a win-set. Furthermore, I introduce a variable of acceptability set, which defines the integration preferences of the Level-I negotiator (president) and analyse the conditions under which they overlap with a win-set.

To perform a systematic comparison, I analyse two two-level games for each country case study, which they play with both the EU and Russia. However, the integration offers made by the EU and Russia are treated as exogenous, and therefore, in this research, I do not analyse the win-sets of the external actors, because the main goal of this study is to explain the behaviour of the country case studies, not the actors that make the integration offers.

¹¹ R. D. Putnam (1988) *op.cit.*, pp. 441-442.

As a result, I develop a comprehensive analytical model, consisting of actor-centered and structural explanatory variables and apply it in a subsequent empirical analysis.

International Level-I:

1. Costs and benefits ('attractiveness') of the integration offers
2. Economic linkages between a case study country and an external actor

Domestic Level-II: A political regime, which influences:

1. The size of a win-set, conditioned by: a) the role of Level-II political institutions, including ratification procedures in the parliament; b) the distribution of power, preferences and possible coalitions among Level-II actors; c) the strategies of the Level-I negotiator.
2. The size of the acceptability set of the Level-I negotiator.
3. The correlation between a win-set and the acceptability set.

Results: International Level-I: Costs, Benefits and Economic Linkages

The international level consists of parties that establish the goal of negotiating a treaty that will be accepted at the domestic level. Although Putnam stressed the importance of examining two levels, he focused primarily on characterising the power and preferences of domestic actors but left the international dimension underspecified. He only briefly outlined the role of issue linkages and international pressures in the analysis of international negotiations, which can affect domestic politics.¹²

To identify other structural factors that can influence integration stances of Ukraine and Belarus, I draw on several additional fields of study - the literature on Europeanisation¹³ and democracy promotion.¹⁴ I use the concepts from the two above mentioned strands of research as a point of departure in developing a block of structural independent variables (international factors), which influence the integration stances of the country case studies. I focus on the following

¹² Ibid. pp. 446-447, 454.

¹³ For example, F. Schimmelfennig (2005). European Neighborhood Policy: Political Conditionality and Its Impact on Democracy in Non-Candidate Neighboring Countries. Paper prepared for the EUSA Ninth Biennial International Conference, Austin, Texas, 31 March - 2 April 2005; S. Lavenex (2004), "EU External Governance in 'Wider Europe'", *Journal of European Public Policy*, 11 (4):680-700; F. Schimmelfennig and U. Sedelmeier (2004), "Governance by Conditionality: EU Rule Transfer to the Candidate Countries of Central and Eastern Europe," *Journal of European Public Policy*, 11 (4):661-679.

¹⁴ S. Levitsky and L. Way (2010). *Competitive Authoritarianism: Hybrid Regimes After the Cold War*. (New York: Cambridge University Press).

variables: the costs and benefits ('attractiveness') of integration offers and the form and degree of economic linkages.

1. Costs and benefits ('attractiveness') of the integration offers

This factor includes cost-benefit calculations made by the target states with respect to accepting an integration offer. Costs constitute positive and negative conditionality, while benefits comprise policy-specific incentives.¹⁵ Positive conditionality is a method of integration between the EU and its partner countries, which requires the effective convergence with the EU rules in exchange for financial support and a deeper level of partnership. Negative conditionality refers to certain punitive measures for not fulfilling the set conditions, such as different types of sanctions, reduction or suspension of financial aid and embargoes.

Benefits constitute specific incentives and rewards, which are tied to accepting an integration offer. Integration offers made by the EU and Russia differ in substance and have specific characteristics. In the EU enlargement process, the core incentive is the prospect of EU membership ('the golden carrot' of accession), which, however, does not apply to the Eastern Neighbourhood countries. Russia's integration offer, on the other hand, envisages a possibility of the closest economic and political cooperation with full membership. The policy specific incentives include, for example, access to the internal market of the external actor and preferential prices for energy resources.

2. Economic Linkages of the countries vis-à-vis external actors

As stated by Levitsky and Way,¹⁶ linkages can play a prominent role in determining the influence of the EU and Russia in Ukraine and Belarus. These scholars analyse several types of linkages, the most important ones for this research being economic linkages. I include two components in the variable economic linkages: trade flows as well as foreign financial support to the countries from the external actors. Trade flows are the imports and exports of goods of the country vis-à-vis the external actors. Financial support from the EU includes several financial programmes and special budgets that provide financial support to the Eastern Neighbourhood

¹⁵ F. Schimmelfennig (2005) op.cit.; H. Grabbe (2006). *The EU's Transformative Power. Europeanization Through Conditionality in Central and Eastern Europe*. (Basingstoke: Palgrave Macmillan); G. Sasse (2008). The European Neighbourhood Policy: Conditionality Revisited for the EU's Eastern Neighbours. *Europe-Asia Studies* 60(2): 295–316.

¹⁶ S. Levitsky and L. Way (2010) op.cit., p.43.

countries (for example, TACIS, ENI, ENPI) as well as credits from the leading international financial institutions, such as the European Investment Bank (EIB) and European Bank for Reconstruction and Development (EBRD). Russia's financial support has been made in the form of low-price energy resources and loans with favourable rates that have often been linked to integration negotiations.¹⁷

Economic linkages of Belarus and Ukraine vis-a-vis Russia

During the analysed timeframe Russia was the top trading partner of Belarus.¹⁸ It subsidised the country with cheap energy resources and loans on preferential conditions, creating a so-called 'sponsored authoritarianism' model that helped the Belarusian regime to survive.¹⁹ Belarus-Russia trade relations are highly asymmetrical: Russia's share of Belarusian foreign trade is almost 50%, whereas Belarus's share of Russian foreign trade amounts to only 3–6%. Analysis of trade statistics suggests that the main commodities imported by Belarus from Russia are energy resources. Over the set time period, Belarus benefited considerably from Russian oil and gas which were imported at substantially discounted prices in comparison to other post-Soviet states and generated high profits when sold abroad by Belarus.

In addition, in the time period (1991–2015), Belarus received a substantial amount of loans from Russia under preferential conditions, including intergovernmental loans as well as credits from the EurAsEC and Sberbank. This financial support averaged to \$1.3 billion annually.²⁰

The extent of Ukraine's economic linkages with Russia can be also assessed as high, although Russia did not subsidise Ukraine as generously as it did in the case of Belarus. According to Levitsky and Way,²¹ unlike in Belarus, where Russia had acted as a 'black knight', supporting the ruling regime considerably, its influence was less significant in Ukraine.

¹⁷ M. Balmaceda (2007). *Energy Dependency, Politics and Corruption in the Former Soviet Union: Russia's Power, Oligarchs' Profits and Ukraine's Missing Energy Policy, 1995–2006*. (London and New York: Routledge).
M. Balmaceda (2013). *The Politics of Energy Dependency: Ukraine, Belarus, and Lithuania between Domestic Oligarchs and Russian Pressure*. (Toronto: University of Toronto Press).

¹⁸ Based on the State Statistical Service of the Republic of Belarus (2016). Main Indicators of External Trade of the Republic of Belarus, available at: <http://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/statistika-vneshneekonomicheskoy-deyatelnosti/>

¹⁹ A. Nice (2012). *Op.cit.*, p.7.

²⁰ A. Alachnovich (2015). Big Brother Always Helps, *Belarus Digest*, 19 August 2015, accessed 5 May 2019, available at: <http://belarusdigest.com/story/russian-loans-belarus-postponing-transition-23100>.

²¹ S. Levitsky and L. Way (2010) *op.cit.*, p.185.

In comparison to Belarus, Ukraine's trade with Russia accounted for roughly one third of Ukraine's total trade (see Appendix 2) and was substantially reduced after the 2014 foreign policy crisis. Just like in the case of Belarus, one important characteristic of Ukraine-Russia trade relations was Ukraine's great dependency on Russia's energy resources both for domestic consumption and for export abroad. However, the price for energy resources charged to Ukraine was higher than that charged to Belarus. Russia also provided Ukraine with financial support in the form of governmental loans and credits from the Russian energy company Gazprom which were often connected with the acceptance of different components of Russia's integration offer. Nevertheless, the overall amount of Russia's loans provided to Ukraine was smaller than those provided to Belarus.

A high extent of economic linkages serves as a good indicator of the sensitivity and vulnerability of both the countries to Russia's pressure. Russia often turned economic linkages into economic conditionality, using a mix of threats and incentives. For example, Russia at times tied integration negotiations to low prices for energy resources, the promise of free trade without exemptions and its financial support in the form of preferential loans. These issue linkages (in Putnam's terminology) were used as incentives for the countries to accept a proposed integration offer, for example, the SES, the CU and the EEU. The economic linkages were also used in a negative way by threatening the countries to raise energy prices or impose checks on cross-border trade, for example, in the summer of 2013 vis-à-vis Ukraine in order to stop the country from signing the Association Agreement with the EU.²²

Economic linkages of Belarus and Ukraine with the EU

During the analysed timeframe both Ukraine and Belarus had a high extent of economic linkages with the EU. For Belarus, the EU was the second biggest trading partner, whereas for Ukraine the role of the top trading partner alternated between the EU and Russia.

The extent of financial support from the EU to Belarus was less than that provided to Ukraine. In addition, since 2004 the EU has applied several restrictive measures towards Belarus consisting of travel bans, freezing assets, arms embargo and ban on the export of goods which were partly lifted in 2016. The EU's financial assistance to Belarus was made under several

²² Reuters (2013). Russia Tightens Customs Rules to Force Ukraine into Union. 15 August 2013, accessed 8 May 2019, available at: <http://www.reuters.com/article/russia-ukraine-customs-idUSL6N0GG17S20130815>

financial programmes and instruments, such as TACIS, ENPI and ENI. According to the conditionality principle a country gets more funds depending on the success of fulfilling the required reforms. In comparison to other EaP states, Belarus received considerably little financial support from the EU. For instance, the country was allocated approximately €282 million of financial support under the ENPI instrument (2007-2013),²³ whereas financial support to Ukraine over this same time period is estimated at €1 billion.²⁴ From 2014 to 2017, Belarus was allocated around €90 million by the EU, which is about four times less than the bilateral assistance assigned to other Eastern Partnership countries during this time, such as Moldova (€335–€410 million) or Georgia (€335–€410 million).²⁵ Ukraine was allocated unprecedented support by the EU in the form of macro-financial assistance, totaling around €3 billion from 2014 till 2017, which represents the highest amount ever made available by the EU to a third partner.²⁶

In addition, the mandates of the EIB and EBRD have been limited in Belarus and unlike Ukraine, Belarus did not benefit from financial assistance within the EIB Eastern Partnership Technical Assistance Trust Fund until 2017.²⁷ Ukraine, on the other hand, has received the largest amount of funding under the EIB Eastern Partnership Technical Assistance Trust Fund (33 % of total funding) since its inception in 2010.²⁸ In addition, the EU has provided substantially more support to Ukraine's private sector than to that in Belarus.²⁹

Thus, in comparison to Belarus, Ukraine enjoyed far more generous financial support from the EU financial bodies, such TACIS, ENPI and ENI and by financial institutions, including the EIB and the EBRD. The EU has always made Ukraine a priority among other Eastern Partnership countries and has been the largest financial donor in Ukraine.

²³ EEAS. Financing ENP, website, accessed 20 May 2019, available at:

https://eeas.europa.eu/headquarters/headquarters-homepage_en/8410/Financing%20the%20ENP.

²⁴ European Commission. ENP and Enlargement Negotiations with Ukraine, website, accessed 20 May 2019, available at: https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/ukraine_en

²⁵ EEAS. Financing ENP, website, op.cit.

²⁶ European Commission. MFA to Ukraine, website, accessed 20 May 2019, available at:

https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/international-economic-relations/enlargement-and-neighbouring-countries/neighbouring-countries-eu/neighbourhood-countries/ukraine_en

²⁷ EIB (2018). European Investment Bank, Eastern Partnership Technical Assistance Trust Fund (EPTATF), 22 November 2018, accessed 20 May 2019, available at: <https://www.eib.org/en/infocentre/publications/all/eptatf-flyer.htm>

²⁸ Ibid.

²⁹ EU support to businesses in Ukraine, website, accessed 25 May 2019, available at: https://eeas.europa.eu/sites/eeas/files/eu4business_ukraine_en.pdf

Results: The Domestic Level-II: Actors and Influences

The domestic level in the case study countries consists of formal and informal ratifiers who participate in the foreign policy-making process. Formal ratifiers include political actors who play a role in administering a country's foreign political activity. They include the Council of Ministers and the Parliament. In addition, the domestic level in the case study countries comprise of a number of informal ratifiers who can affect foreign policy-making. This research will consider the role of business elites (oligarchs) and the mass public as well. Foreign policy preferences of all these actors shape the win-sets of Belarus and Ukraine.

According to Putnam, a size of a win-set depends on the relative strength of the 'isolationist' forces that are opposed to international cooperation and the 'internationalists' that are in favour of it.³⁰ In this research, the level of support for either of the integration offers depends on the size and strength of the 'Eurasianist' camp (favouring a closer integration with Russia) or a 'Westerniser' camp (supporting integration with the EU). These types of foreign policy camps are based on the categorisation advanced by Kuzio.³¹

Westernisers have nationalist views; they want to integrate into European and Trans-Atlantic structures and perceive integration eastward as 'a way to the past', a rejection of Western civilisation that can threaten a country's sovereignty.³² Thus, they support integration with the EU and want selective cooperation with Eurasian institutions and countries.³³ Westernisers can be classified into radical and pragmatic subtypes:

- Radical Westernisers oppose their country's participation in any of the pro-Russian organisations (the CIS, the Eurasian Economic Union) and demand the adoption of the 'Baltic option' (the option of integrating into the EU following the example of the Baltic states).
- Pragmatic Westernisers refuse the idea that a country's national interests are limited only to the West and support a multi-vector foreign policy. A country is considered a 'bridge' which connects Europe to the Russian Federation. They posit that cooperation with Russia is useful from an economic standpoint.³⁴

³⁰ R. D. Putnam (1988) op. cit., p. 443.

³¹ T. Kuzio (1999) Slavophiles versus Westernizers: Foreign Policy Orientations in Ukraine, In K. Spillmann, A. Wenger and D. Müller (eds.), *Between Russia and the West: Foreign and Security Policy of In-dependent Ukraine*. (Bern: Peter Lang), pp. 53–72. In this research I use the term 'Eurasianists' instead of Kuzio's original term 'Slavophiles'.

³² T. Kuzio (1999) op. cit., p. 62; T. Kuzio (2007). *Theoretical and Comparative Perspectives on Nationalism: New Directions in Cross-cultural and Post-Communist Studies*. (Stuttgart: ibidem-Verlag), pp.112-113.

³³ T. Kuzio (2007). op.cit, p.112-113.

³⁴ Ibid.

Eurasianists, on the contrary, uphold the idea of “a revived USSR or new post-Soviet Union” (based on the example of a Union State of Russia and Belarus). They are willing to cooperate with Moscow but do not support the option of becoming a Russian *gubernia*.³⁵

- Radical Eurasianists have a hostile attitude to the West and support the integration within the CIS and other Russia-led integration structures. In addition, they perceive this integration process as a means to strengthen their sovereignty and statehood;
- Pragmatic Eurasianists take a friendlier stance to the West and, for example, do not refuse Western investment and assistance. They support their country’s membership in Russia-dominated supranational organisations but at the same time are not against cooperation with the EU or the Council of Europe. Pragmatic Eurasianists also prefer to keep and sustain their country’s non-bloc status, rather than becoming a member of NATO or Collective Security Treaty Organisation (CSTO).³⁶

The analysis of Belarus, which represents a consolidated authoritarian regime, showed that the win-set of the country was stable over the entire analysed timeframe. In Belarus, the president successfully created a system of unilateral control over time. Although *de jure* the competences of international policymaking are shared between the executive and legislative branches, *de facto* the real power is concentrated in the hands of the president and his administration. Such strategies as the regular reshuffling of elites and selective prosecutions helped the regime take complete control over political institutions and business elites.

Overall, the integration preferences of the governmental actors in Belarus can be described as homogenous. For example, the Belarusian Parliament consists almost entirely of non-partisan deputies who fully support the incumbent regime. The Parliament does not play an active role in the domestic or foreign policy-making processes and serves a primarily ceremonial purpose. The preferences of additional actors, such as oligarchs, the political opposition and the general public are divided between the two camps of Westernisers and Eurasianists. However, these alternative points of view do not constrain the Level-I negotiator because the actors with opposing views do not act as veto players.

Thus, the win-set of Belarus is large, and it plays only a symbolic role in the foreign policy-making process. In practice, all the major foreign policy choices lie within the acceptability set

³⁵ Ibid., p.112.

³⁶ T. Kuzio (1999) op.cit., p. 69–71.

of the Level-I negotiator and he can pursue his own conception of the national interest during international negotiations.

In comparison to Belarus, Ukraine represents a competitive authoritarian regime and it has veto-players among formal and informal ratifiers who can constrain the power of the Level-I negotiator. The formal ratifiers are the political elites, represented by different political parties. The Eurasianist camp of political elites in Ukraine includes such political parties as the Communist Party of Ukraine and the Party of Regions. The political forces belonging to the Westernisers group are comprised of, for instance, Bloc Our Ukraine or Bloc Petro Poroshenko.

Apart from formal political institutions, important actors in Ukraine are oligarchic groups, which combine economic and political power. One of the ways in which oligarchs exert their influence is through regional networks. For example, during Kuchma's presidency, the main oligarchic networks included the Donetsk clan, the Dnipropetrovsk clan and the Kiev clan.³⁷ After the Orange revolution and during Yushchenko's tenure, the Akhmetov group and RUE group gained particular prominence.³⁸ During Yanukovich's presidential tenure the 'Family group' created around him and his sons became dominant.³⁹ Following the Maidan revolution and election of Poroshenko as president, oligarchs still continue to play an important role in the political configuration of the country. While the 'Family group' was eliminated and the power of Akhmetov and Firtash decreased, Ihor Kolomoiskyi has started to form his own regional network.⁴⁰

In some cases, the presidency and oligarchic groups have been closely intertwined. For example, President Yanukovich was an important representative of the Donetsk clan and President Poroshenko is an oligarch who was president. Due to the oligarchs' access to political parties and mass media resources gives them significant bargaining power in Ukrainian policy and decision-making processes. Hence, the national leader has to

³⁷ S. Matuszak (2012). *The Oligarchic Democracy: The Influence of Business Groups on Ukrainian Politics*. OSW Study Nr. 42, 1–113, available at: https://www.osw.waw.pl/sites/default/files/prace_42_en.pdf (accessed 23 November 2015).

³⁸ A. Szeptycki (2008). *Oligarchic Groups and Ukrainian Foreign Policy*. *Polish Quarterly of International Affairs* 17(2): 43–68.

³⁹ S. Matuszak (2012). *The Oligarchic Democracy: The Influence of Business Groups on Ukrainian Politics*. OSW Study Nr. 42, 1–113, accessed 23 March 2019, available at: https://www.osw.waw.pl/sites/default/files/prace_42_en.pdf.

⁴⁰ H. Pleines (2016). *Oligarchs and Politics in Ukraine*. *Demokratizatsiya: The Journal of Post-Soviet Democratization* 24(1): 105–127.

accommodate their preferences during his Level-I negotiations. However, this task is not an easy one for the president, because the interests of influential oligarchs are diverse. Some of the business moguls have investments in EU countries.⁴¹ Therefore, European integration suits their business interests as it ensures access to a bigger market and further investment opportunities. At the same time, however, stable cooperation with Russia is important because several major industries controlled by oligarchs in Ukraine are located in the east of the country and depend on energy supplies from Russia.⁴² Overall, the approach of oligarchs to foreign policy is pragmatic and is primarily shaped by their short-term opportunistic motives.

Furthermore, the general public is also an important *actor* in Ukrainian politics. Until the 2014 Maidan revolution, the foreign policy preferences of the population were divided relatively equally between Eurasianists and Westernisers.⁴³ Moreover, the Ukrainian population has acted as a veto player during the Orange and Maidan revolutions, posing constraints on the power of the head of state. Thus, the differences of public opinion within Ukrainian society regarding closer relations with the EU or Russia and the veto power of the population, as demonstrated during the Orange and the Maidan revolutions, contribute to shaping the size of Ukraine's win-set.

Results: Level-I negotiator and his acceptability set. Correlation between a win-set and acceptability set.

The president is the chief negotiator of international agreements in both Belarus and Ukraine. He is the main political actor charged by the Constitution to conduct foreign and security policy, and safeguarding the country's national interests (art. 106.1 and 106.3 of the Constitution of Ukraine and art. 79 and art. 84 of the Constitution of Belarus). Thus, in Putnam's terminology, they act as a Level-I negotiator of international agreements.

According to Putnam's model, the chief negotiator acts only as a formal link between the two levels. Putnam admits that this assumption significantly simplifies the two-level game approach, and in fact, the president can have independent motives, including seeking popularity or political rewards at home, shifting the domestic balance of power in favour of

⁴¹ A. Szeptycki (2008) op.cit.

⁴² S. Matuszak (2012) op.cit.

⁴³ Razumkov Center (2002–2015). Opinion poll, "Which Foreign Policy Direction Should Be a Priority for Ukraine?", accessed 30 January 2019, available at: http://razumkov.org.ua/eng/poll.php?poll_id=305.

preferred policies or pursuing his own conception of the national interest in the international context.⁴⁴ In this study I take into consideration the interests of the president in the game and conceptualise this additional set of interests as 'acceptability set'.⁴⁵ It indicates the integration stance preferred by the president. The acceptability set of a Level-I negotiator includes pursuing a foreign policy which would ensure him re-election as well as elite and popular support.

The main interests of President Lukashenka have been to maintain a constant flow of generous financial support from Russia in order to provide for the bureaucratic apparatus in Belarus, ensure the loyalty of his power base and sustain the country's paternalist social contract. Thus, the acceptability set of the Belarusian president can be defined as the extraction of rents in the form of energy subsidies and preferential loans from Russia in exchange for loyalty or a threat of reorientation to the EU.⁴⁶

The acceptability sets of the Ukrainian leadership varied during different presidential tenures. Whereas Kravchuk, Yushchenko and Poroshenko tried to ensure their elite and popular support by pursuing a pro-EU foreign policy, Kuchma and Yanukovich attempted to balance out the interests of different elite groups by following a multi-vector foreign policy approach.

The analysis showed that presidents of Ukraine are 'constrained' by the win-set to a greater extent than in the case of Belarus and cannot act on the international Level-I being guided primarily by their own preferences. Therefore, in order to ensure regime stability and elite support, their foreign policy choices have to lie within both their acceptability set and a win-set, or their acceptability set has to accommodate the interests of the powerful domestic constituents. Therefore, in countries with hybrid regimes (Ukraine), a lack of overlap between the acceptability set of the Level-I negotiator and a country's win-set, results in a defection from an international agreement followed by the president's loss of power or non-implementation of an agreement as well as a president's weakening power. A lack of overlap between the acceptability set and a win-set in countries with a consolidated authoritarian regime (Belarus) does not affect the integration stance of a country.

⁴⁴ R. D. Putnam (1988) op. cit., pp. 456-457.

⁴⁵ Based on J. Frieden and L. Martin (2003). *International Political Economy: Global and Domestic Interactions*. In I. Katznelson and H. Milner (eds.) *Political Science: The State of the Discipline*. (New York: W.W. Norton), p.123.

⁴⁶ A. Nice (2012). *Playing Both Sides: Belarus between Russia and the EU*, DGAP analyse, p.7, accessed 23 March 2019, available at: <https://dgap.org/de/article/getFullPDF/20843>.

Conclusions

The contributions of this study are based on empirical findings and theoretical observations relating to the two-level game approach.

An analysis of integration processes in Ukraine during each of the presidential tenures leads to the conclusion that during the Kuchma, Yushchenko and Yanukovych presidencies, political competition was pushed to the center ground, i.e. the course adopted by the pragmatic camps of Eurasianists and Westernisers ensured the political stability of Ukraine. The ruling elites could not allow a radical movement towards either pole of the foreign policy spectrum because it could have had detrimental effects for their power. Closer integration with Russia could have threatened the interests of Westernisers' elite groups while closer integration with the EU and adoption of comprehensive reforms could have put lucrative rent-seeking opportunities in danger. In such a political configuration, the president has to play a balancing role between the different elite groups. Therefore, to ensure re-election and elite support the president has to pursue a multi-vector integration stance. This has been the case to varying extents during each of the mentioned presidential tenures. Although the integration stance during Yushchenko's presidential tenure was pro-European, the pragmatic interests of ruling elites resulted in a merely declarative Europeanisation, demonstrating the weakness of the president's acceptability set in comparison to Ukraine's win-set. Similarly, a defection from signing the AA in November 2013 by Yanukovych, i.e. adopting a pro-Russian integration stance posed a threat to the regime's stability and resulted in the ousting of Yanukovych, a foreign policy crisis in Ukraine and a change of Ukraine's integration stance to a pro-European one.

An analysis of integration processes in Belarus leads to a conclusion that the president, who acts as the Level-I negotiator, remains the main figure in the decision-making arena. Belarus' pro-Russian integration stance is determined by the Level-I game and influenced by international (structural) factors. The huge asymmetrical economic dependency of Belarus on Russia, primarily in the energy sector, contributed to turning Belarus into a kind of 'sponsored authoritarianism' with a specific economic model, owing its existence to Russia's financial and political support.

Apart from the empirical findings, this analysis allows to draw several theoretical observations based on the two-level game approach. First, the study demonstrated how a political regime

influences the size of a win-set: the less democratic the political regime, the larger the win-set of a country and the less “constraints” on the Level-I negotiator. Second, the size of a win-set becomes more significant under the conditions of uncertainty or imperfect information which can originate from different sources. For instance, Level-I negotiators may be misinformed about their domestic level or win-sets can alter with a change of government or during protracted negotiations.

Third, bargaining advantages of the Level-I negotiator increase in case of a three-board configuration, even if the win-set is large. This type of configuration allows a leader of a recipient country (Ukraine or Belarus) to play out one external actor (the EU) against another (Russia). This finding contrasts with Putnam’s original assumption about the distribution of bargaining advantages in a two-board configuration, according to which, a big win-set is a bargaining disadvantage for the Level-I negotiator.

The developed typology can be tested for other cases. In fact, the other four EaP countries are recipients of both of the offers coming from the EU and Russia and they experience similar challenges of being positioned between Russia and the enlarged EU. Inter alia, the case of Armenia provides an example of a country which had been pursuing a multi-vector policy vis-à-vis the EU and Russia until 2013, when it opted for a pro-Russian integration stance by joining the EEU. Although Moldova and Georgia have signed and ratified the AA and DCFTA, their implementation, especially in the case of Moldova has been limited. Azerbaijan, which pursues a neutral policy vis-à-vis the external actors, is a country with strong leverage against both the EU and Russia as a result of its energy resources. Application of the two-level game approach to the analysis of integration policy in the rest of the EaP countries will lead to a comprehensive understanding of the bargaining dynamics in the entire region as well as strengthen analytical rigour and further develop the two-level game analytical model.

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GABRIEL LORCA AICARDI¹ – Relational asymmetries in Russia's gas pivot to China

Introduction

In 2014 an important shift in Russia's gas export strategy took place when the state-owned company Gazprom inked a massive agreement with the China National Petroleum Corporation (CNPC) for natural gas delivery through pipelines. It represented a 'turning point' that drastically changed Moscow's geostrategic focus and pushed the Kremlin to reassert China's potential role in enhancing Russia's economy. Indeed, in 2013 the European Union (EU) accounted for 50% of Russia's total trade, compared with China's 11%. Only a year later, China became Russia's number one trading partner.²

This shift was considered to be of vital importance for the country's future economic perspectives. Despite the notorious importance of the EU as an outlet for Russia's gas exports, the future outlook of this market turned out to be rather unfavourable. A first economic crisis in 2008 created uncertainty with regard to gas demand in Europe, and a subsequent collapse of oil prices in 2014 led to a 29% drop in natural gas prices and a fall of Russia's GDP.³ The detrimental effect of new EU legislation to regulate the energy sector, combined with the Ukraine crisis and the downturn in Russia-West relations that came thereafter, compelled Russia to turn decisively towards China.⁴

For China, these occurrences and Russia's desperation to find a compensating economic market elsewhere became a welcoming buying opportunity.⁵ A stronger leverage, in economic

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² Skalamera, M. (2018). *Understanding Russia's energy turn to China: domestic narratives and national identity priorities*. Post-Soviet Affairs, Vol. 34, No. 1, pp. 55-77. <https://doi.org/10.1080/1060586X.2017.1418613>, p62;

Odgaard, L. (2017). *Beijing's Quest for Stability in its Neighborhood: China's Relations with Russia in Central Asia*. Asian Security, Vol. 13, No. 1, pp. 41-58. <http://dx.doi.org/10.1080/14799855.2017.1287697>, p50.

³ Gerasimchuk, O. (2017). *Russia's Gas Pivot to Asia: A Short-Sighted Policy or A Long-Term Strategy?* Conference Paper: 6th International Youth Conference on Energy (IYCE). DOI: 10.1109/IYCE.2017.8003748, p1;

Roberts, J. (2016). *Russia's gas challenge: the consequences for China, Central Asia, Europe and the USA*. Journal of World Energy Law and Business, Vol. 9, pp. 83–104. Doi: 10.1093/jwelb/jwv040, p84.

⁴ Gerasimchuk, O. (2017), p1; Charap, S., Drennan, J. and Noël, P. (2017). *Russia and China: A New Model of Great-Power Relations*. Survival, Vol. 59, Issue 1, pp. 25-42, p25.

⁵ Chase, M.S., Medeiros, E.S., Stapleton Roy, J., Rumer, E.B., Sutter, R. and Weitz, R. (2017). *Russia-China Relations: Assessing Common Ground and Strategic Fault Lines*. The National Bureau of Asian Research (in partnership with Carnegie Endowment for International Peace), NBR Special Report No. 66. Available at:

and market terms, was immediately visible in the way the new gas partnership was forged. Hence, apart from constraining Moscow to concede in gas pricing and export routes, China succeeded in getting a stake in the Russian upstream industry through investment in Russia's major liquefied natural gas (LNG) projects.⁶ But China's leverage, however, was reflected in a more subtle way as well, through the connections that Beijing established with other energy partners, namely in Central Asia. China managed to become a top-level energy player and, differently from Russia, it has been effective in its gas-trade diversification strategy. What is more, by implementing this policy, China gained a 'geopolitical' stake after becoming the main consumer of Central Asian gas, thus challenging Russia's traditional dominance in the region.⁷

This paper offers an analytical understanding of Russia's gas strategy with China with an emphasis on the interdependency aspect. It describes the way in which an asymmetry of interdependence, in both a direct – the interdependence that involves the main actors of this partnership – and an indirect form – that is, a market interdependence with third actors –, have considerably conditioned the relationship of these two powers in the gas sector. It recalls the idea coined by Keohane and Nye, according to which an asymmetric interdependence is the result of "the uneven power relations between states, which usually derive from the degree that a state is capable of control or to exert impact on resources" (Zhao et al, 2019:135). Beijing, being the more resourceful side, is less dependent on this relation. Moscow has found itself in a position of *demandeur*, reinforcing the imbalance with Beijing further.⁸

To elaborate this argument, this essay commences with the situational reasons that motivated the overture of Russian gas exports to China, followed by an historical review of the main facts of energy cooperation between both countries. Later on, the paper develops its key arguments in connection to the idea of asymmetric interdependence. It stresses the advantage that China has in the process of negotiation from being less dependent than Russia, as well as its advantage in 'market' terms because of its more diversified network of gas providers.

The necessity of a pivot

https://carnegieendowment.org/files/SR66_Russia-ChinaRelations_July2017.pdf [Accessed: 27 February 2019], p9.

⁶ Gerasimchuk, 2017:6; Chase et al, 2017:9

⁷ Freeman, C.P. (2018). *New strategies for an old rivalry? China–Russia relations in Central Asia after the energy boom*. The Pacific Review, Vol. 31, No. 5, pp. 635–654, p635.

⁸ Charap, Drennan and Noël, 2017:25

During the 1990s and 2000s, Gazprom's predominant interest was to keep its position as the top supplier of natural gas in the EU market. This led to a very high dependency of Russia on the EU export market: more than 60% of total Russian gas exports went to the EU market.⁹ In comparison, until 2005 China was insignificant to Russia's energy sector. However, this situation was about to change in the aftermath of the financial crisis in 2008-2010. It became evident at that point that Russia's future economic opportunities lay in Asia.¹⁰

There are a couple of relevant causes that boosted the overture for gas trading to China. First of all, the EU market was reaching a point of saturation in which growth prospects were limited. In fact, there was a continuous decline in gas consumption, from 464.5 billion cubic metres (bcm) in 2009 to 439.8 bcm in 2012 and even 384.5 bcm in 2014.¹¹ In addition, in those years the EU implemented concrete steps towards gas liberalisation and diversification to ensure security of supply. For instance, the European Commission adopted new regulation – the Third Energy Package in 2009 – with the implicit purpose of terminating Gazprom's monopolistic dominance in Europe.¹² Most of all, there was a discontent with the company in relation to its pricing formula. Gazprom relies on a pricing mechanism based on oil indexation that penalizes EU customers because of the impossibility of switching to suppliers offering a cheaper gas at a spot price.¹³ Furthermore, in the context of the gas transit crises in Ukraine in 2006 and 2009, the EU wanted to gain advantage of the increasing production of shale gas in the US to expand the range of supply options to EU customers.¹⁴

The events that occurred in 2014 provided a strong sense of urgency for speeding up the opening of the gas channel with China. With the collapse of oil prices, Russian exports shrunk more than twofold – in 2014 oil and gas revenues accounted for more than 50% of Russia's federal budget revenues¹⁵ – and the ruble lost over 60% of its value.¹⁶ The cost for the Russian

⁹ Locatelli, C., Abbas, M. and Rossiaud, S. (2017). *The Emerging Hydrocarbon Interdependence between Russia and China: Institutional and Systemic Implications*. Europe-Asia Studies, Vol. 69, No. 1, pp. 157–170, p161; Aune, F.R., Golombek, R., Moe, A., Rosendahl, K.E. and Le Tissier, H.H. (2017). *The future of Russian gas exports*. Economics of Energy & Environmental Policy, Vol. 6, No. 2. pp. 111-135, p112.

¹⁰ Røseth, T. (2017). *Russia's energy relations with China: passing the strategic threshold?* Eurasian Geography and Economics, Vol. 58, No. 1, pp. 23-55. <http://dx.doi.org/10.1080/15387216.2017.1304229>, p24, 36.

¹¹ Henderson, J. and Mitrova, T. (2016). *Energy Relations between Russia and China: Playing Chess with the Dragon*. The Oxford Institute for Energy Studies, OIES PAPER: WPM 67. Available at: <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2016/08/Energy-Relations-between-Russia-and-China-Playing-Chess-with-the-Dragon-WPM-67.pdf> [Accessed: 27 February 2019], p5; Gerasimchuk, 2017:1.

¹² Gerasimchuk, 2017:3; Roberts, 2016:92.

¹³ Gerasimchuk, 2017:2; Locatelli, Abbas and Rossiaud, 2017:161.

¹⁴ Henderson and Mitrova, 2016:5; Skalamera, 2018:66.

¹⁵ Røseth, 2017:24.

¹⁶ Skalamera, 2018:69.

economy was estimated at USD 90-100 billion, while Gazprom was forced to reduce its gas production nearly 13% to 440 bcm in relation to its previous year (its lowest record in 15 years had been 461 bcm in 2009).¹⁷ Moreover, the annexation of Crimea in the same year produced a drastic deterioration of political relations with the EU and the US. These crises made Moscow's strategy of seeking gas complementarity with Beijing an absolute priority.¹⁸

China was seen as a good alternative market for Russian gas exports. After all, since 2009 China has become the world's largest energy consumer and importer with more than 3 billion tonnes of oil equivalent of energy demand (these figures are 2.3 billion tonnes in the US and 2.8 billion tonnes for the whole Eurasia).¹⁹ And although China's total gas demand was nearly 150 bcm in 2013, some calculations suggest that it could rise to 400-420 bcm by 2020.²⁰ The Kremlin was confident that the access to the Chinese gas market could compensate for the huge financial losses that the country suffered with the economic downturn in 2014. In fact, it was expected that Russian gas deliveries could rise up to 75 bcm by 2030, representing a projection of 19-20% of Russia's total gas exports.²¹ Russia conceived this 'pivot to Asia' as a strategic plan that aimed at creating an 'energy bridge', so that gas flows could be easily redirected depending on the market situation in both Europe and Asia.²² This plan followed the same logic implemented by Gazprom in the EU market, with a strong emphasis on surplus capacity maximisation – which is the difference between total distribution capacity and total pipeline throughput – as a way of minimisation of transit and market risks.²³

China had, in turn, important incentives to embrace Russia's opening for gas supply. The country has seen its external energy dependence increased from 7.2 to 16.74% within 16 years, so energy security has become a rising sensitive issue.²⁴ Because of this situation, the Eurasian bloc has been deemed as strategically important for ensuring alternative energy supplies. Most of China's energy imports like Middle-Eastern oil and LNG must pass through the Strait of Malacca, which is perceived as an unsafe route by Chinese authorities. And while

¹⁷ Roberts, 2016:84,85.

¹⁸ Henderson and Mitrova, 2016:5; Charap, Drennan and Noël, 2017:31..

¹⁹ Zhao, Y., Liu, X., Wang, S. and Ge, Y. (2019). *Energy relations between China and the countries along the Belt and Road: An analysis of the distribution of energy resources and interdependence relationships*. Renewable and Sustainable Energy Reviews, Vol. 107, pp. 133-14, p134; Henderson and Mitrova, 2016:1.

²⁰ Aune et al, 2017:119.

²¹ Charap, Drennan and Noël, 2017:28; Locatelli, Abbas and Rossiaud, 2017:160.

²² Henderson and Mitrova, 2016:15; Gerasimchuk, 2017:5.

²³ Vatansever, A. (2017). *Is Russia building too many pipelines? Explaining Russia's oil and gas export strategy*. Energy Policy, Vol. 108, pp. 1-11, pp2, 4, 8; Aune et al, 2017:111.

²⁴ Zhao et al, 2019:136.

China has been able to establish pipeline connections with Myanmar and Central Asia, an extra energy link from the north was widely welcomed.²⁵ However, there were also relevant boundaries in this partnership. It is clear that, for instance, China has had no interest in making Russia the centrepiece of its foreign policy; and as a consequence, the approach that Beijing adopted to Moscow has been more economic than geopolitical. Even in economic terms, Russia has constituted a mere peripheral market with limited commercial value for Chinese exports. On the contrary, for Moscow China represents the only viable strategic option right now.²⁶ As this essay will show later on, this relational asymmetry had crucial repercussions on how Russia's gas policy towards China was shaped, as well as on its outcomes.

Background of Energy Relationships

Early rapprochements for energy cooperation between Russia and China developed first in the oil sector during the 2000s. In the late 1990s, a project for pipe oil delivery to China was put forward by the Russian private company, Yukos. The idea was to transfer oil from Yukos's oil refinery in Angarsk to Daqing in northern China, but the arrest of its CEO, Mikhail Khodorkovsky, and the subsequent company bankruptcy temporarily postponed the initiative.²⁷ When the Russian state company, Rosneft, took over Yukos's assets in 2004 the project was reactivated. The Eastern Siberia and Pacific Ocean (ESPO) pipeline, whose construction was finalized in 2010, rapidly augmented the amount of oil exported to China. It grew from only 88 thousand barrels per day in June 2000 to 920 thousand in June 2015, surging nearly 60% from 2013 to 2015 and making China the most important destination of oil exports in 2015.²⁸

However, in the gas sector no agreements were concluded during the 2000s, despite several bilateral meetings on the matter. Mostly, there was a combination of political and commercial issues, as well as tough bargaining tactics on both sides, that complicated the negotiations and led to something of a stalemate, making progress slower than expected.²⁹ A first attempt for gas partnership considered the region of Sakhalin instead of Siberia. In 2006, a consortium of companies operating in Sakhalin I, including ExxonMobil and Rosneft, agreed to set a pipeline into North-East China for gas delivery, but Gazprom blocked the deal.³⁰ A year later, Gazprom

²⁵ Locatelli, Abbas and Rossiaud, 2017:163; Henderson and Mitrova, 2016:6.

²⁶ Charap, Drennan and Noël, 2017:25,26,28; Chase et al, 2017:9,14.

²⁷ Chase et al., 2017:35; Henderson and Mitrova, 2016:13.

²⁸ Chase et al., 2017:24,46; Henderson and Mitrova, 2016: 14.

²⁹ Chase et al., 2017:36; Henderson and Mitrova, 2016: 46.

³⁰ Henderson and Mitrova, 2016:52.

launched its Eastern Gas Programme, whose goal was to develop major Eastern Siberian gas reserves – the Irkutsk centre (3.4 trillion cubic metres (tcm) of gas reserves), the Yakutsk centre (2.2 tcm), the Krasnoyarsk centre (1.3 tcm) and the Kamchatka Peninsula and the Sakhalin island (2 tcm estimated) – to supply the Asian markets.³¹ This latest location became the base of Russia's first gas liquefaction plant in 2009, and it was the first successful step to enter into the Asia gas markets. Today, nearly 72% of the LNG produced at Sakhalin II is exported to Japan, the rest is sent to South Korea (24%), Taiwan (2.5%) and China (1.5%).³²

The pressing situation of the Russian economy in 2014 urged Moscow to make important concessions towards the completion of a big pipe-gas delivery project. In a presidential summit in Shanghai in May 2014, the construction of a pipeline from Chayanda and Kovykta fields in Eastern Siberia – dubbed 'Power of Siberia' – was agreed. The project considered a 30-year gas purchase and a sale agreement worth USD 400 billion, under which CNPC committed to buy 38 bcm on an annual basis (with a starting rate of 12 bcm/year). A second contract was being negotiated and should raise these imports to over 68 bcm/year by 2030. 'Power of Siberia' is expected to cover 20% of China's 2014 gas consumption and 60% of its 2014 gas imports.³³ However, the way in which Gazprom conducted its negotiations with the Chinese was negatively perceived by the Russian establishment. Mostly, the state-owned company was widely criticised for its indecisiveness and its inflexible stance on gas price maximisation. It should be noted Gazprom controls the totality of Russia's gas transmission and until 2006 it was the only company allowed to export natural gas.³⁴ Given the unsatisfactory results, the Kremlin took the decision to grant export rights to two new gas players, Novatek and Rosneft, which launched LNG projects in Yamal peninsula and Sakhalin, respectively. Novatek concluded a 20-year sales contract to supply 3 metric tonnes per annum (mtpa) of LNG to China, while Rosneft signed initial agreements with two Japanese companies and a trader (Vitol) to produce and deliver 5 mtpa of LNG.³⁵

Figure 1: Main gas pipelines, current and prospected, with relevance for exports to Asia

³¹ Henderson and Mitrova, 2016: 46; Gerasimchuk, 2017:6.

³² Gerasimchuk, 2017:5.

³³ Charap, Drennan and Noël, 2017:30; Roberts, 2016:87; Locatelli, Abbas and Rossiaud, 2017:159.

³⁴ Henderson and Mitrova, 2016:55; Orlov, A. (2016). *The strategic implications of the Russia-China gas deal on the European gas market*. Energy Strategy Reviews, Vol. 13-14, pp. 1-10, p2; Vatanserver, 2017:6.

³⁵ Henderson and Mitrova, 2016:55.



Source: Open source map from Map.comersis.com with authors' adjustments based on Gazprom.com (in Røseth, 2017:41).

Asymmetries in Dual Interdependency

Russia's gas strategy towards China was sharply affected by a first form of direct asymmetry of interdependence that came out during the negotiations. In this sense, this mutually-perceived asymmetry of interdependence granted to Beijing an extra leverage not only to resolve the most controversial aspect of the negotiation at its favour, but also, to win direct participation in Russia's energy industry. Moscow, being the smaller partner in this relationship, has no other choice but to accommodate its position accordingly, even at the expense of its own expectations about the profitability that it could get from this gas partnership.

A first important point of controversy that arose during the talks involved gas pricing. Just as with the EU, this issue proved to be a sensitive aspect for Beijing as well. A key distinction from the oil sector is that for gas there are no international price benchmarks, and this was a main reason why the negotiations stalled several times in the past. It took nearly a decade for Beijing and Moscow to agree on the price of gas in 2014, and even afterwards, there were still discrepancies involving the base price used for calculations for the gas price formula and the formula itself.³⁶ In particular, Moscow was interested in having a gas price that reflected the tightening of the LNG market in the aftermath of the Fukushima accident in 2011, when the gas demand from Japan increased substantially, whereas China rejected the idea of binding itself to such a high price for a long period of time and argued that the gas price should be linked to its own domestic market dynamics. At the time when the 'Power of Siberia' project was agreed,

³⁶ Roberts, 2016:88; Vatansever, 2017:7; Aune et al, 2017:119.

the oil price (which Russia uses as an indexing benchmark, as previously commented) was at USD 105 per barrel, while one year later it fell below USD.³⁷ A very last concession on this point from Moscow's side permitted the agreement to take place, although the price concession was regarded as being well below Russian estimations previously.³⁸

A second point had to do with the geographical location of the pipelines for gas delivery. Russia wanted to prioritise the development of the western option, the Altai pipeline (also called 'Power of Siberia II'), for a number of reasons. Firstly, the project would be, geographically speaking, closer to the Chayanda and Kovykta gas fields and it would permit the usage of existing resource base and infrastructure, making the total investment for Gazprom considerably cheaper.³⁹ Secondly, Gazprom wanted to solve the problem of 'gas bubble' in the Western Siberian gas fields due to excessive overproduction, and this project could allow then to redirect this excess of gas to new export markets.⁴⁰ Most of all, the Altai pipeline would bring an important lever for Russia, since the project would set the 'energy bridge' mechanism that allows Russia to arbitrage between European and Asian markets by using gas from one single region, thus ensuring a higher price for Russian gas.⁴¹ Still, for China this project was less convenient, given that its gas demand is mostly located in the eastern side of the country, but also, as the Altai would require the construction of an extensive west-to-east line from Xinjiang.⁴² Broadly speaking, even by having this alternative approved, it is still doubtful that the Altai gas could be price-convenient for the Chinese market. An analysis suggests that this gas would need to be priced below USD 4/million British thermal units (mmbtu) at the Russian border to be competitive with average Chinese import prices and at around USD 3.60/mmbtu to be on a par with the price of gas set to be delivered by Gazprom via 'Power of Siberia'.⁴³ This could have been one of the main reasons why Beijing declined this option in favour of the eastern line. In July 2015, the Chinese government announced that the Altai project was delayed, possibly indefinitely.⁴⁴

A third main point of disagreement regarded the loans-for-assets logic advanced by China. Since early stages of the interaction, Beijing showed a manifest desire to get a stake in Russia's

³⁷ Henderson and Mitrova, 2016:54; Roberts, 2016:88.

³⁸ Skalamera, 2018:62; Henderson and Mitrova, 2016:55.

³⁹ Røseth, 2017:40; Gerasimchuk, 2017:6; Aune et al, 2017:119.

⁴⁰ Røseth, 2017: 46; Gerasimchuk, 2017:6; Henderson and Mitrova, 2016:53.

⁴¹ Aune et al, 2017:119; Roberts, 2016:88; Gerasimchuk, 2017:6; Vatansever, 2017:7.

⁴² Henderson and Mitrova, 2016:53.

⁴³ Henderson and Mitrova, 2016:56.

⁴⁴ Røseth, 2017:40.

upstream industry, although Moscow had remained reluctant about this.⁴⁵ In parallel, it became also quite evident that Chinese financial support was fundamental in the development of these projects. In the oil sector, for instance, China promoted oil-backed loans (a strategy used elsewhere with other Chinese partners across the globe), consisting of loans issued by Chinese banks for the construction of infrastructure and industrial projects in exchange of oil deliveries.⁴⁶ In 2007, the Chinese Development Bank provided USD 15 billion to Rosneft and USD 10 billion to Transneft for the delivery of 300,000 barrels per day over a 20-year period via the ESPO pipeline.⁴⁷ China also actively supported gas investments to serve its own demand. In March 2015, Gazprom obtained a five-year loan worth EUR 2 billion from the Bank of China to invest in its large-scale infrastructure projects.⁴⁸ The controversy arose after 2014 when China took advantage of Russia's desperation and made a leap forward by bluntly asserting its interest for equity stakes, and asked for bilateral contracts that involved assets exchange.⁴⁹ However, given that the Russian upstream oil and gas industry was a major target of Western sanctions, Russia found itself with no significant financial alternatives, and had to accept Chinese demands. For example, for the Yamal LNG mega-project CNPC acquired a 20% stake in 2013, while the Silk Road Fund, a Chinese sovereign fund, acquired another 9.9% stake in 2016, bringing Chinese ownership to nearly a third of the total project.⁵⁰

Asymmetries in Market Interdependencies

Another key aspect that must be considered in the energy interaction between Russia and China is their relative position in global energy markets. In fact, there is a second – broader – asymmetry of interdependence of these two powers in relation to third energy actors and their ability to control energy relationships at their own advantage. What can be observed is that even here, Russia is in a more difficult position than China, and its capacity to diversify gas consumers has been lower than Beijing's capacity to diversify gas suppliers. In its attempt to execute alternative upstream and transmission projects away from China, Moscow has been seriously constrained by the adverse market landscape. Beijing, on the contrary, has not failed in building a wide supply network. Indeed, China has become so relevant in energy trade, to a point in which its preferences and decisions “can modify the economic configuration (price and

⁴⁵ Roberts, 2016:88.

⁴⁶ Locatelli, Abbas and Rossiaud, 2017:164.

⁴⁷ Idem.

⁴⁸ Charap, Drennan and Noël, 2017:29.

⁴⁹ Skalamera, 2018:62; Locatelli, Abbas and Rossiaud, 2017:158.

⁵⁰ Charap, Drennan and Noël, 2017:29; Henderson and Mitrova, 2016:18.

volume), the equilibria of the international political economy and the structures of international hydrocarbon market governance”.⁵¹

The necessity of Russia to look for alternative consumers of its natural gas was a consequence of the inflexibility that China demonstrated throughout the negotiating phase. Countries like Japan, South Korea, and India have arisen as potential alternatives; moreover, main regional gas providers like Malaysia and Indonesia have reduced their natural gas available for export in recent years due to increasing domestic demand.⁵² Mostly, expanding to these markets would satisfy Russia’s desire to create competition for its own natural gas as a way to increase its bargaining power against China.⁵³

Nevertheless, the enormous costs involved in additional infrastructure and gas liquefaction and transportation have made any LNG project for gas delivery to these markets quite unattractive, especially given the more-than-double decrease of LNG prices in Asia in 2014-15.⁵⁴ A project that was recently postponed was the LNG terminal at Nakhodka, near Vladivostok. This terminal would have received its gas through a second string of the ‘Power of Siberia’ pipeline; however, the project contemplated 3,500 km of extra pipeline construction at a cost of USD 8-9 million per kilometre and additional liquefaction and regasification for final delivery, which make it extremely expensive.⁵⁵ Rosneft also considered the construction of a new Far East LNG plant after Gazprom rejected Sakhalin I. This project was expected to produce 6.8 bcm/year. Still, Rosneft’s failure to get access to the Sakhalin II gas pipeline and to bring 8 bcm/year of gas from its fields in the north of Sakhalin required the plant to be constructed in a new site, and after the sharp drop of LNG prices, the project lost much of its attractiveness.⁵⁶ Another project considered in the island, the Sakhalin III in the Yuzhno-Kirinskoye field, would need deep-water technology, something that is not available due to the sanctions regime with the west (US and EU).⁵⁷

Even the main gas-delivery projects that were approved and completed might have a dubious profitability under current market conditions and would request government intervention for their

⁵¹ Locatelli, Abbas and Rossiaud, 2017:157.

⁵² Gerasimchuk, 2017:6; Røseth, 2017:46.

⁵³ Henderson and Mitrova, 2016:54.

⁵⁴ Gerasimchuk, 2017:7.

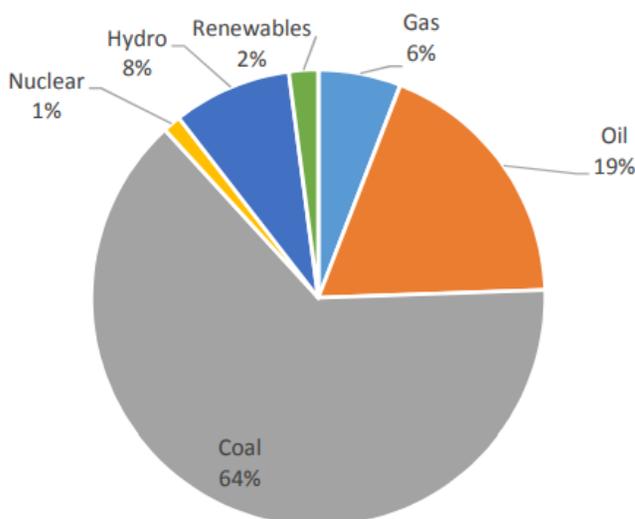
⁵⁵ Roberts, 2016:87; Henderson and Mitrova, 2016:54,57.

⁵⁶ Gerasimchuk, 2017:10.

⁵⁷ Røseth, 2017:41.

survival. Regarding ‘Power of Siberia’, it was estimated that if the oil price stabilises at less than USD 50/barrel and this price level lasts for well into the 2020s, it would then incur in a negative net present value and USD 17 billion of losses. Still, the losses could be mitigated if the Kremlin were to waive all or a part of the 30% natural-gas export duty.⁵⁸ Similarly, Yamal LNG could be concluded, in spite of the adverse market conditions, thanks to the huge financial contribution and tax incentives that the Kremlin provided for its completion and operation.⁵⁹

Figure 2: China’s primary energy demand by fuel (2015, % share)



Source: *BP Statistical Review of World Energy 2016* (in Henderson and Mitrova, 2016:49).

The situation is different in China, with a wide degree of diversification of the country’s energy needs. Figure 1 shows the total energy demand of China by fuel. What is evident from this figure is that gas makes up a relatively small share of China’s total energy requirement, being only 6% in 2014 compared with 17% for oil and 65% for coal. This could have had relevant implications on the Chinese gas import trend, which has been quite recent and less urgent than that of oil.⁶⁰ In addition, even the Chinese gas sector is quite diversified itself. In 2013, China has imported 27.4 bcm of pipe gas mainly from Central Asia and Myanmar, and 25 bcm of LNG mostly from Qatar and Australia. Importantly, China’s LNG imports are quite variegated due to high market liquidity – China counts on a wide range of different LNG suppliers. LNG accounts

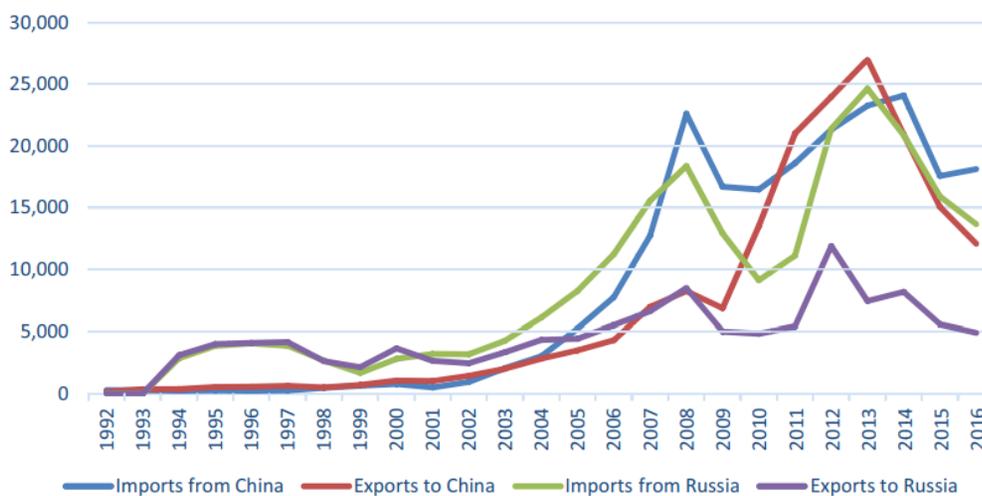
⁵⁸ Charap, Drennan and Noël, 2017:32.

⁵⁹ Henderson and Mitrova, 2016:58.

⁶⁰ Henderson and Mitrova, 2016:48

currently for 48% of the total gas consumption in the country, and it has been estimated that China could reach 90 bcm of LNG regasification capacity and a surge of LNG imports to 70 bcm/year by the end of the 2020s.⁶¹ It should be taken into account, moreover, that China is itself a large gas producer and has large indigenous reserves of conventional and unconventional gas. In fact, in 2012 the import share of gas was only 28% of total Chinese gas consumption.⁶²

Figure 3: China-Central Asia trade and Russia-Central Asia trade (USD Million)



Source for data: *Direction of Trade Statistics Database, International Monetary Fund (in Freeman, 2018:642).*

What is interesting to note is that through the development of its energy diversification strategy, China has earned an important foothold in Central Asia and displaced Russia’s geopolitical influence in the region considerably. Already in 2003, China amassed a total trade with Central Asia worth USD 3.3 billion (from less than USD 300 million in 2000) and this trade was underpinned by a vast network of oil and gas pipelines.⁶³ By comparison, Russia has seen its trade with Central Asia progressively reduced. Figure 2 clarifies this point. Until 2003-2004, Moscow had a preponderant trade position over China with the region. In 2016, by contrast, the region imported nearly USD 4 billion more from China than Russia, and exported to China more than twice as much of what it exported to Russia.

⁶¹ Henderson and Mitrova, 2016: 50; Locatelli, Abbas and Rossiaud, 2017:163.

⁶² Orlov, 2016:2.

⁶³ Freeman, 2018:641.

Russia has attempted, however, to maintain a strong grip in the region by means of energy infrastructure development, issuing of long-term contracts and writing-off of debts. It also engaged in diplomatic and cooperation programmes with Uzbekistan, Kazakhstan and Kyrgyzstan to reaffirm the importance of its strategic and economic ties, and promoted an Energy Club within the Shanghai Cooperation Organisation to coordinate energy policies.⁶⁴ But whereas Moscow successfully managed to position itself as a ‘middleman’ of the pipeline network between Central Asia and Europe⁶⁵ this has not been the case when it comes to China. Between 2004 and 2009, China managed to set a large network of pipeline corridors connecting with the region, including a massive gas pipeline that links Turkmenistan and Hong Kong. By 2012, China had completed pipelines connecting all five Central Asian states to it, and nearly half of China’s total gas demand was supplied by the region.⁶⁶ The BRI initiative, launched in 2013, gave a further reinforcement to this trend.⁶⁷ Under this framework, China renewed its comprehensive supply contracts with Central Asian countries and launched a new Trans-Asian Gas pipeline project, which is expected to increase the capacity delivery from 55 bcm to 85 bcm/year by 2020.⁶⁸ In particular, Turkmenistan, a country that has had various disagreements with the Kremlin over contractual relations for gas supply, dismissed an offer from Gazprom for the construction of a new pipeline in 2009.⁶⁹ After that, Ashgabat turned completely to Beijing’s side and today Turkmenistan is the main supplier of pipe gas to China – and a major competitor of Russia – with 65 bcm/year.⁷⁰

In such a scenario that considers both direct and indirect interdependences of the gas market, it should be added that the future projections of this gas partnership remain largely uncertain. On the one hand, despite the above-mentioned forecasts that depict a surge in Chinese gas consumption, it is also true that official estimates have been constantly adjusted as a result of lower economic growth and a renewed interest from Beijing in spurring its national production.⁷¹ On the other hand, China’s overall supply situation looks far better: the rate of gas-demand growth in China has declined sharply; prospects for Chinese shale-gas production has improved; a gas-supply deal with Myanmar has been placed on the agenda; there are new

⁶⁴ (idem.:643,646,647.

⁶⁵ Freeman, 2018: 635; Vatansever, 2017:8.

⁶⁶ Freeman, 2018: 645; Roberts, 2016:90.

⁶⁷ Samokhvalov, V. (2018). *Russia and its shared neighbourhoods: a comparative analysis of Russia-EU and Russia-China relations in the EU’s Eastern neighbourhood and Central Asia*. Contemporary Politics, Vol. 24, No. 1, pp. 30–45, p40.

⁶⁸ Aune et al, 2017:119; Roberts, 2016:90; Locatelli, Abbas and Rossiaud, 2017:163.

⁶⁹ Roberts, 2016:89; Freeman, 2018:646.

⁷⁰ Zhao et al, 2019:134; Henderson and Mitrova, 2016:49.

⁷¹ Aune et al, 2017:119; Gerasimchuk, 2017:6.

sources of LNG available (like the US); and finally, Turkmenistan has been eager to increase its exports to the east.⁷² It is undeniable that sooner or later these factors will have an impact on Russia's gas strategy in China. The asymmetry of interdependence is not about to go away anytime soon.⁷³

Concluding Remarks

This paper aimed to highlight that in Russia's gas-policy shift from Europe towards China there have been important dependency factors impacting relative power of both Russia and China not only in terms of the direct interaction between Moscow and Beijing, but also in terms of their strategic position in international energy markets and geopolitics. The essay leveraged the concept of asymmetric interdependence in two ways. First, it stressed the extent to which the significance of the gas relationship between these two players has considerably different strategic implications. The Kremlin regarded this new bond as a key piece of high strategic value and, given the hardships that the country was suffering in its relationships with the EU, perceived its establishment a major success. But for China, the gas relationship with Russia is much more mundane. China has not been in any great hurry to get Russian gas, and therefore, it has been under no pressure to compromise on its interests.⁷⁴

The second way in which the concept of asymmetric interdependence was used was to describe how successful these two players have been in putting themselves in an advantageous position in the global gas market. This aspect refers to the diversification capacity for opening to alternative gas consumers (in the case of Russia) or suppliers (in the case of China), and asserts that the gas exchanges between Russia and China responds to a strategic approach concerning international interdependence in energy. Therefore, they cannot be considered in isolation of other major external factors.⁷⁵ Again, China has shown to be much more successful in creating a vast network of different gas suppliers, including post-Soviet countries in Central Asia, something that has embarrassed the Kremlin. Russia has not been successful in finding alternative gas partners in Asia, due to prohibiting capital requirements that such a plan entails

⁷² Aune et al, 2017:119; Charap, Drennan and Noël, 2017:31.

⁷³ Røseth, 2017:29.

⁷⁴ Charap, Drennan and Noël, 2017:31.

⁷⁵ Locatelli, Abbas and Rossiaud, 2017:160; Roberts, 2016:83.

and low price levels of gas. Russia found itself confronted with higher-cost production at home and lower profit from its exports.⁷⁶

Some experts claim that Gazprom might have overplayed its leverage in seeking geopolitical diversification.⁷⁷ But this was perhaps mainly a matter of timing, in the sense that under more profitable market conditions, like during the high-commodity prices in the 2000s, Russia might have had a higher bargaining power. It should be noted, for instance, that after the first Ukrainian gas crisis in 2006 Moscow tried to approach Beijing. Nevertheless, it dropped this strategy to launch the Nord Stream project in Europe.⁷⁸ In conclusion, what is evident from the insights offered in this essay is that the asymmetry of interdependence has been broadly a result of market factors. Russia's late awareness of this changing power balance may have been a main obstacle in Russia's gas strategy. Still, President Putin himself has downplayed this issue by affirming that "projects such as 'Power of Siberia' are long-term investments that do not reflect short-term market realities".⁷⁹

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⁷⁶ Røseth, 2017:47.

⁷⁷ Skalamera, 2014: 36.

⁷⁸ Samokhvalov, 2018:39.

⁷⁹ Charap, Drennan and Noël, 2017:33.

<https://www.oxfordenergy.org/wpcms/wp-content/uploads/2016/08/Energy-Relations-between-Russia-and-China-Playing-Chess-with-the-Dragon-WPM-67.pdf> [Accessed: 27 February 2019].

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