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Eurasian Economic Union and the Difficulties of Integration: The Case of South Ossetia and Abkhazia

Elizaveta Egorova and Ivan Babin*

"And here comes in the question whether it is better to be loved rather than feared, or feared rather than loved." Niccolò Machiavelli, The Prince

Introduction

The Ukrainian crisis of 2013, followed by the annexation of Crimea, has redistributed the balance of power among the political players of the world arena. Moreover, since Putin's return to the presidency in 2012, the concept of a shared neighborhood between the Russian Federation and the European Union (EU) becomes a strategic challenge not only for both but foremost for those post-Soviet republics struggling between two strategic decisions: to accept Russian protection or to choose Western development.¹

The aim of this paper is to shed light on the forthcoming 2015 Eurasian Economic Union's (EEU) economic and political perspectives, on South Ossetia and Abkhazia's economic attractiveness, the sentiment inside those breakaway regions of Georgia and the Russian Federation standpoint in resolving or maintaining the situation in the disputed territories.

Originating in 2009, the Eurasian Customs Union or Customs Union of Belarus, Kazakhstan, and Russia (CU) came into existence on 1 January 2010 as an attempt to establish a defensible economic integration model. However, the EEU was also enthused by the creation of the Eastern Partnership (EaP), an initiative of the European Union to establish closer ties with the six post-Soviet countries in Eastern Europe and the South

^{*} Elizaveta Egorova is an expert at Niccolo M Strategic Communications Agency, specializing in international relations, international conflicts, political leaders' psychological profiling and their decision-making analysis. With a deep understanding of the former Soviet Union's domestic and foreign policymaking, Dr. Egorova has a long-standing interest in the Eurasia region. Dr. Egorova received her Ph.D. from the Institute of World Economy and International Relations. She worked as a researcher at the U.S.-Russia Business Council, analyzing the U.S.-Russia trade and economic environment and developments, as well as at the Fund for Peace in the Transnational Threats program, studying political, social, and security issues, including illicit trafficking and weapons of mass destruction smuggling in the South Caucasus. Ivan Babin, Ph.D. in Science of Policy, is Director of NGO "Center of Science and Social Innovations," Stavropol, North Caucasus, Russia. He has graduated the Military-Political Academy (Moscow, Russia). Dr. Babin has worked on various peacekeeping projects in the North and South Caucasus 1999-2015 (Coordinator, Project Director) performing research on ethnic conflicts, intercultural dialogue, public diplomacy, national and regional security. E-mail: ibabin@mail.ru

¹ Iris Kempe, "The Eurasian Union and the European Union Redefining their Neighborhood: The Case of the South Caucasus," *Caucasus Analytical Digest* 51–52 (2013): 2.

Caucasus (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine), designed to promote regional stability between the EU and its Eastern neighbors trough trade and economic agreements, and democratic institutions building.² Aimed at supporting these countries in overcoming economic and political challenges, the EaP was perceived by the Russian government as a platform for the European Union's (EU) enlargement, close to Russia's borders and its strategic "near abroad," thereby threatening Russia's national, geopolitical and security interests.

Since 1990, Russia has openly resisted any North Atlantic Treaty Organization (NATO) expansion towards its periphery³ and reemphasized this rhetoric several times: in 2004 when Georgia declared its intention of Euro-Atlantic integration; during the war in South Ossetia in 2008 by "sending a strong message to Ukraine that its insistence on NATO membership may lead to war and/or its dismemberment"⁴; and, most recently, when Ukraine's fomented domestic crisis over the European Trade Association Agreement resulted in Putin's annexation of the Crimean peninsula as a means of securing Russia's strategic naval base in Sevastopol.⁵

Ukraine's importance to Russia has always been considered critical, even before the dissolution of the Soviet Union in 1991. Therefore Ukraine's choice to take a European path has meaningfully reshaped Putin's concept of the EEU integration.⁶

At the very beginning, the EEU was regarded as an economic foundation for prosperous shared dividends, a project of broader reintegration within the former Soviet area to cement Russia's influence within the "near abroad" and as a direct response to the EaP activities. Today, however, we face a new geopolitical reality in which Russia may amend the EEU with political and military agreements in order to tip the balance of power in the region in its favor and secure its borders. Nonetheless, this scenario is a critical topic when hypothesizing about Russia's possible reaction towards a rapidly changing foreign context.

² Jeanne Park, "The European Union's Eastern Partnership," Council on Foreign Relations, 14 March 2014, available at www.cfr.org/europe/european-unions-eastern-partnership/p32577.

³ "Putin's Prepared Remarks at 43rd Munich Conference on Security Policy," *Washington Post*, 12 February 2007, available at http://www.washingtonpost.com/wp-dyn/content/article/2007/ 02/12/AR2007021200555.html.

⁴ Ariel Cohen, "The Russian-Georgian War: A Challenge for the U.S. and the World," The Heritage Foundation, WebMemo 2017, 11 August 2008, www.heritage.org/research/reports/ 2008/08/the-russian-georgian-war-a-challenge-for-the-us-and-the-world.

⁵ John J. Mearsheimer, "Why the Ukraine Crisis Is the West's Fault. The Liberal Delusions That Provoked Putin," *Foreign Affairs* 93:5 (2014), http://www.foreignaffairs.com/articles/141769/ john-j-mearsheimer/why-the-ukraine-crisis-is-the-wests-fault.

⁶ Doug Bandow, "Ukraine Crisis Reminds Americans Why NATO Should Not Expand: Not To Ukraine, Georgia, Or Anyone Else," *Forbes*, 28 July 2014, http://www.forbes.com/sites/ dougbandow/2014/07/28/ukraine-crisis-reminds-americans-why-nato-should-not-expand-notto-ukraine-georgia-or-anyone-else/2/; Vladislav Inozemtsev and Anton Barbasin, "Eurasian Integration: Putin's Futureless Project," *Aspen Review – Central Europe* 2 (2014): 71.

Eurasian Economic Union: Perspectives and Drawbacks

On 1 January 2015 the EEU, an economic bloc comprised of Armenia, Belarus, Kazakhstan and Russia, was launched. Founded on the basis of the CU, the EEU will continue the policy of reducing tariff barriers, establishing free trade zones in all economic sectors among member states, facilitating trade and allowing the free movement of goods and services. In addition, all members must adopt common external and internal economic and trade policies, free movement of citizens and capital and possibly a common currency.⁷ Putin views the EEU as an efficient alternative to the EU, a choice the remaining post-Soviet republics should eagerly select. However, the international expert community doubts that the EEU is capable of becoming a center of economic power.⁸ For example, Richard Giragosyan describes the concept of the EEU as "incoherent and undefined, marked with its lack of practical benefits and absence of substance."⁹

Moreover, Belarus and Kazakhstan are unconvinced regarding the union's enlargement and of Russia's sincere intentions to preserve this bloc from politicization.¹⁰ Outside is Kyrgyzstan, negotiating the roadmap to access the new bloc.¹¹ At the same time, muddying the waters, there is an active discussion in the Russian government on the creation of free economic trade zone with Vietnam, Israel, India and Egypt.¹² This curious mix of minor and major emerging national economies, is comprised of countries that are already major arms trading partners of Russia.¹³

It is inevitable that the EEU will grow deeper and wider, thereby facing certain difficulties such as the balance of votes among members. For example, with loyal Armenia's accession to the EEU, Russia has essentially secured a second vote, thus two out of four votes, increasing its ability to counter or at least match possible resistance from Belarus and Kazakhstan.¹⁴

⁷ Vugar Bayramov, "Considering Accession to the Eurasia Economic Union: For Azerbaijan, Disadvantages Overweight Advantages," *Caucasus Analytical Digest* 51–52 (2013): 14.

 ⁸ Inozemtsev, "Eurasian Integration," 68; Fyodor Lukyanov, "The Eurasian Union: An Experiment in Finding a Place in the New World," *Caucasus Analytical Digest* 51–52 (2013): 9.

⁹ Richard Giragosyan, "The Eurasian Union: A View from Armenia," *Caucasus Analytical Digest* 51–52 (2013): 11.

¹⁰ The President of Kasakhstan Spoke against the Politization of the Eurasian Union (President Kazakhstana vystupil protiv politizatsii Evraziiskogo Soyuza), http://gorchakovfund.ru/news/ 9709.

¹¹ "CIS leaders will discuss the prospects of the Eurasian Economic Union at the Minsk summit (Lidery stran SNG obsudyat perspektivi Evraziiskogo Ekonomicheskogo Soyuza na sammite v Minske)," *TASS*, 10 October 2014, http://itar-tass.com/mezhdunarodnaya-panorama/1498286.

¹² Ibid.

¹³ "Russian arms exports," *Sputnik International*, available at http://sputniknews.com/trend/ russian_arms_export.

¹⁴ "Two votes out of four – Armenia in EEU as a means of pressure on Kazakhstan and Belarus (Dva golosa iz chetyryeh – Armenia v EAES kak faktor davleniya na Kazakhstan i Belorussiyu)," *IA Regnum*, 12 October 2014, http://www.regnum.ru/news/1855929.html.

In order to attract other post-Soviet countries to join the EEU, Russia offers a wide array of subsides to prospective members including liberalization and the opening of its labor market, which is substantial for the socio-economic stability of migrants, as well an increase in trade turnover and revenues. Nonetheless, the EEU, Putin's personal project, is still at an early development stage. There were 15 republics in the Union of Soviet Republics between 1956 and 1991. It is not yet clear what the optimal number of members for the EEU would be, especially taking into consideration the intransience of natural resource-rich Azerbaijan, Turkmenistan and Uzbekistan to any Russian integration project.¹⁵

Likewise, with the rapid enlargement of the EEU comes the constant need for financial aid and subsidies from the older to the newest member states. The intended viable economic benefit and prosperity of the founding members may wear away over time.¹⁶ In the light of the Ukrainian crisis, the Western sanctions against Russian companies and officials and Russia's brittle economy, the EEU's enlargement may cost the Kremlin more than initially expected.

Economic Attractiveness and the Sentiment inside the Breakaway Regions: The Case of South Ossetia and Abkhazia

When analyzing the breakaway regions of South Ossetia and Abkhazia, it is crucial to differentiate between the regions. The genesis, routes and history of their conflicts with Georgia and their relations with Russia are dissimilar. The regions cannot be viewed and evaluated symmetrically, nor can they be treated as one domain. There is a fundamental diversity between these two semi-recognized territories that has to be considered as a cornerstone to any study or approach.¹⁷

Georgian political expert, Ivlian Khaindrava, emphasizes a substantial difference between the South Ossetian and the Abkhazian national projects. The South Ossetian project can be characterized as an "irredentical"; it is designed to "join and reunite with North Ossetia and resolve the problem of divided peoples." The first "brick of aspiration" was cemented on 26 October 2013 with a signed agreement between the governments of South Ossetia and the Republic of North Ossetia-Alania of the Russian Federation on socio-economic, scientific, technological and cultural cooperation. In contrast, there is no desire in Abkhazia to join any part of the Russian Federation. The Abkhazian

¹⁵ Lukyanov, "Eurasian Union," 9.

¹⁶ Nicu Popescu, *Eurasian Union: the Real, the Imaginary and the Likely* (Paris: EU Institute for Security Studies, 2014).

¹⁷ Ivlian Khaindrava, "Asymetry: On the issue of Georgian-Russian Relations (Asimmetriya: k voprosu o gruzinsko-rossiiskikh vzaimootnosheniyakh)," in I. Khaindrava, A. Sushentsov, N. Silaev, eds., *Russian-Georgian Relations: In the Search of New Ways (Rossiisko-gruzinskie otnosheniya: v poiskakh novykh putei razvitiya)* (Moscow: Russian Council on International Affairs, International Center on Conflict and Negotiations, 2014), p. 21.

national project rests on the idea of the creation of an Abkhazian independent state for Abkhaz people.¹⁸

South Ossetia

Political and economic experts in South Ossetia highlight certain domestic issues affecting the region. Among them are a degraded economy, poor social and political development, ruined and inefficient infrastructure, corruption and youth unemployment.¹⁹ More specifically, Yuri Vazagov, a journalist from South Ossetia, notes the lack of potential competitiveness and the economic unattractiveness of the republic. The "political-military context (the region's division into political-military blocs) and the threat of systematic destabilization in the Caucasus considerably narrow the corridor for prospective economic projects."²⁰

Despite the recognition of South Ossetia's independence by Russia and four other UN Member States, the deplorable lack of socio-economic development is unchanged. Moreover, extensive financing was received for the development of these programs, yet they were neither developed nor implemented.²¹

South Ossetia's determination to integrate with North Ossetia and Russia, the Republic of North Ossetia-Alania being a federal subject of Russia (a republic), is widely expressed among the governmental officials of the region. Today, a proposed treaty on "alliance and integration" between South Ossetia and Russia is on the negotiation table. Anatoly Bibilov, President of the Parliament of South Ossetia, illustrating the leading goal of bilateral relations, explains that for the leading United Ossetia party, "joining the Russian Federation is the ideal."²²

The South Ossetian government's encouragement of a national sentiment for the reunion of the Ossetian peoples also fosters a hope for the inclusion of South Ossetia into a Russia-led economic integration project, a project supported by the republic. Dmitry Medoev, Ambassador of South Ossetia to the Russian Federation, underlined that "together with the EEU project, a fundamental policy of achieving a new level of integration and security in the post-Soviet space was proclaimed, as well as the creation of an auspicious environment for profound development for each member-state."²³

¹⁸ Khaindrava, "Asymetry," op.cit.

¹⁹ "Economy for South Ossetia – Issue of National Security: Expert (Ekonomika dlya Yuzhnoy Osetii – vopros natsionalnoi bezopastnosti: ekspert)," *IA Regnum*, 19 March 2013, available at http://www.regnum.ru/ news/polit/1780311.html.

²⁰ Ibid.

²¹ Ibid.

²² "Bibilov: The Treaty on Integration with the Russian Federation will Reflect the Interests of South Ossetia (Bibilov: Dogovor ob integratsii s RF otrazit interesy Yuzhnoi Ossetii)," *Ria Novosti*, 11 November 2014, http://ria.ru/world/20141111/1032752075.html.

²³ Conference in the Diplomatic Academy on the Twentieth Anniversary of CIS. Report of the Ambassador Extraordinary and Plenipotentiary D.N. Medoev, "South Ossetia – Russia: Choice and Solutions" (Konferentsiya v Diplomaticheskoi akademii k dvadtsatiletiyu obrazovaniya SNG. Doklad Cherezvychainogo i Polnomochnogo Posla D.N. Medoeva: "Yuz-

Interestingly, the idea that "in order to avoid a conflict of interests, the great "geopolitical unions" seek to resolve their aggravated contradictions at the expense of "coercive decomposition of the post-Soviet space," while the subsequent division of the "post-Soviet-Russian" is still intact among South Ossetia's echelons and echoes the Russian attitude of all classes.²⁴ Moreover, South Ossetia's self-perception of being Russia's "strategic vulnerable point, which if triggered, may initiate the process of decomposition" was articulated in the Ambassador's report and reflected the national rhetoric of both peoples.²⁵

Furthermore, a status of "exclusivity" is attributed to the Russian-South Ossetian relationship that provides an assurance that the republic will receive economic, political and moral support.²⁶ Thus, Russia undertook the mission of being a security guarantor and protector of South Ossetia from any external military intervention in the region.

While the friendly sentiment of the reunion of the Ossetian peoples and joining the Russian Federation persists inside the breakaway region, the Russian perception of South Ossetia's foreign policy direction slightly differs. According to a 2014 poll conducted by the Russian Levada Center, a majority of the Russian population insists that South Ossetia has to be an independent state (51%) rather than a part of Russia (24%) or a part of Georgia (8%). Describing South Ossetia, the majority of respondents named it as an independent state (55%), fewer regarded it as a part of Russia (22%) and even fewer associated it with being a part of Georgia (11%).²⁷ However, some experts expressed the opinion that the independence of South Ossetia is not taken seriously, not only in Moscow, but also not earnestly even in Tskhinvali.²⁸ The tables below reflect the results of the surveys conducted for the present research.

South Ossetia has already declared its readiness to join the established Customs Union and the newer Eurasian Economic Union, yet there is no clear understanding of how Minsk and Astana could vote in favor of Tskhinvali's accession, taking into consideration the disputed status of the territory.²⁹ The future development of South Ossetia's integration trajectory hangs enigmatically in the air.

hanya Ossetiya - Rossiya: vybor i resheniya"), *IA Res*, 22 December 2011, http://cominf.org/ en/node/1166490880.

²⁴ Ibid.

²⁵ Ibid.

²⁶ The Prospects of Development of South Ossetia after the Recognition of Its Independence (Perspektivi razvitiya Yuzhnoi Ossetii posle priznaniya ee nezavisimosti), Russian Institute for Strategic Studies, 20 May 2009, http://riss.ru/actions/2876.

²⁷ Russians on the Status of Abkhazia and South Ossetia (Rossiyane o statuse Abkhazii i Yuzhnoi Ossetii), Press Release, 21 August 2014, Levada Center, http://www.levada.ru/21-08-2014/rossiyane-o-statuse-abkhazii-i-yuzhnoi-osetii.

²⁸ Khaindrava I., "Two Ossetias in the Context of Russian-Georgian Relations (Dve Ossetii v kontekste rossiisko-gruzinskih otnoshenii)," in *Russia nd Georgia: In the Search of Solution (Rossiya i Gruziya: v poiskah vyhoda)*, Gergian Foundation of Strategic and International Studies, 2011, pp. 114–128.

²⁹ "Ideas of Erasian Integration of South Ossetia and Re-unification with North Ossetia Discussed in Vladikavkaz (Idei evraziiskoi integratsii Yuzhnoi Ossetii i vossoedineniya s Sever-

	July 2004	Apr 2006	July 2009	June 2011	July 2012	July 2013	July 2014
Should be a part of Georgia	12	13	6	6	8	7	8
Should be a part of Russia	34	40	35	23	35	29	24
Should be an independent state	30	26	40	53	43	43	51
It is difficult to answer	24	22	19	18	15	20	17

What do you think, should South Ossetia be a part of Georgia, a part of Russia or an independent state? $(*)^{30}$

South Ossetia is...^(*)

	Sep 2004	Feb 2006	Aug 2009	Aug 2010	June 2011	Mar 2012	July 2013	July 2014
Part of Georgia	17	18	8	13	11	11	13	11
Part of Russia	46	36	29	29	27	30	27	22
Independent state	17	22	51	43	47	43	45	55
It is difficult to answer	21	25	12	15	15	16	16	12

noi Ossetiei obsuzhdayut vo Vladikavkaze)," *IA Regnum*, 25 February 2014, available at www.regnum.ru/news/polit/1771335.html; "In South Ossetia it is necessary to raise the Question of Hystorical Reunification of the Ossetian People (V Yuzhnoi Ossetii nyzhno stavit vopros ob istoricheskom vossoedinenii osetinskogo naroda)," *Caucasian Politics*, 10 November 2013, http://kavpolit.com/v-yuzhnoj-osetii-nuzhno-stavit-vopros-ob-istoricheskom-vossoedinenii-osetinskogo-naroda.

³⁰ The poll indicated with (*) was conducted on 18–21 July 2014 on a Russian representative sampling of urban and rural populations among 1600 people aged 18 and older in 134 communities in 46 regions of Russia. The distribution of responses is given in percentage of the total number of respondents, together with data from previous surveys. The statistical error of the data from these studies did not exceed 3.4%.

Abkhazia

The aforementioned state of South Ossetia's economic unattractiveness is incomparable to Abkhazia's potential of being an economic self-sufficient republic.³¹ Unlike land-locked South Ossetia, Abkhazia's key advantage lies in its access to the Black Sea, making it less dependent on Russia and open to international trade. However, its socio-economic, political-military, infrastructure and agricultural development require significant improvement.

In the last two years, the semi-recognized territory has experienced moderate economic growth. Russia's donations to Abkhazia comprise 25% of the republic's annual budget. Moreover, the support to the breakaway region spreads far beyond the subsidies and includes financing of infrastructure programs such as roads, governmental buildings, schools and agriculture.³² Today, the republic's government admits an urgent need for the implementation of political, economic and social reforms to overcome the crisis in its society.

Abkhazia's unwavering trajectory towards independence is the nation's most meaningful maxim. It appears in every quarter as the motto for civil society's strengthening and mobilization. Unlike South Ossetia, Abkhazia is wary of Russia: "There is no interest to become an appendix of the Adler region of Sochi."³³ A widespread anxiety is associated with the population's feeling of being less independent after Russia's recognition of their republic. The Kremlin's intention to monopolize and dominate in every sector is the foundation of Abkhazian fears of being "swallowed" by Russia.

Yet both neighbors recognize mutual benefit in their alliance. Russia provides security and economic guarantees to Abkhazia in exchange for ensuring Russia's geopolitical and national interests and maintaining the balance of power in the South Caucasus region.

In October 2014, Sukhumi was offered a treaty of "alliance and integration" with Moscow. However, Abkhazia's government altered the treaty and returned it to Russia for the settlement stage as a treaty on "alliance and strategic partnership." Its key pillars touch upon the creation of a "shared security framework," the establishment of a Joint Group of Forces from the Russian Federation's and Abkhazia's armed forces to repel aggression (Abkhazia corrected it to "integration of select troops into the Joint Group of Forces"), harmonization of Abkhazia's customs laws with the EEU and, finally, the formation of a shared social and economic space.³⁴ Additional alterations to the treaty

³¹ "Economy for South Ossetia – Issue of National Security," *IA Regnum*, 19 March 2013.

³² "Tensions Rise in Georgia's Breakaway Regions," *Radio Free Europe – Radio Liberty*, 26 August 2013, www.rferl.org/content/georgia-breakaway-abkhazia-south-ossetia/25086522.html.

³³ Markedonov, S., Russia and Abkhazia: Alliance and Integration (Rossiya i Abkhaziya: soyuznichestvo i integratsiya), Center for Political Technologies Politcom.ru, 14 October 2014, http://www.politcom.ru/18185.html.

³⁴ "The Government of the Russian Federation launched a discussion on the Treaty of Alliance with Abkhazia (V pravitelstve RF nachalos obsyzhdenie dogovora o soyuznichestve s Abkhaziei)," *The Caucasian Knot*, 20 November 2014, available at http://www.kavkaz-

by Abkhazia's government send a strong and important message: Abkhazia wishes to safeguard its domain from Russian dominance.

Consequently, there is certain anger among Russian political elites at Abkhazia's attempts to show its independence.³⁵ Moreover, in light of Russia's economic volatility, the Federation's population is irritated about the subsidies paid to the breakaway regions.³⁶ Similarly to the case of South Ossetia, Russians' perception of Abkhazia as an independent state as well as its choice to be an independent state, rather than a part of Russia or a part of Georgia, has increased within the last several years.³⁷

			July 2004	Apr 2006	July 2009		June 2011 July 2012	July 2013	July 2014
Should be a part of Georg	ria		14	13	6	6	9	9	8
Should be a part of Russia	a		32	41	35	2	5 34	30	25
Should be an independent state		29	27	41	5	3 41	42	52	
It is difficult to say			26	19	19	1	7 16	19	15
Abkhazia is	Sep 2004	Feb 2006	<u>Ана</u> 2000	0	Aug 2010	June 2011	Mar 2012	July 2013	July 2014
Part of Georgia	27	22	9		14	10	9	11	9
Part of Russia	32	31	26)	27	25	28	28	22
Independent state	17	21	52	2	44	49	45	48	58
It is difficult to answer	24	26	13	;	16	16	18	14	10

What do you think, should Abkhazia be a part of Georgia, a part of Russia, or an independent state? (*)

uzel.ru/articles/252669; "Putin, Abkhazian president to meet, sign Strategic Partnership Treaty [sic]," *TASS*, 24 November 2014, http://en.itar-tass.com/russia/761293.

³⁵ Khaindrava, Asimmetry, 24.

³⁶ Russians on the Status of Abkhazia and South Ossetia (Rossiyane o statuse Abkhazii i Yuzhnoi Ossetii), Press Release, Levada Center, 21 August 2014.

³⁷ Ibid.

	Sep 2013	July 2014
Definitely yes	14	8
Mostly yes	44	43
Mostly not	18	23
Definitely not	8	9
It is difficult to answer	17	17

Do you think that Russia is doing right by providing financial aid to Abkhazia and South Ossetia?

Although Abkhazia has expressed strong interest in joining the CU and its successor, the EEU, as reflected in the recent report on bilateral relations by Minister of Foreign Affairs Viacheslav Chirikba,³⁸ Russian experts doubt this scenario will become a reality.³⁹

Conclusion

Although there is active discussion in the Abkhazian and South Ossetian breakaway regions in favor of joining the CU and the EEU, there is neither a corresponding ambition nor a clear understanding among the founding member states of these unions of how to accomplish such scenarios in the foreseeable future.

Russia's enthusiasm to actively promote Abkhazia and South Ossetia's independence in the world community has slightly waned. While the status of semi-recognized republics grants the Kremlin an "exclusive" position in the regions, this luxury has a hefty price tag.⁴⁰ Physically, the Abkhazian and South Ossetian territories play crucial roles in Russia's strategic geopolitical interests. Both republics are used as outposts for Rus-

³⁸ Report by V.A. Chirikba to the roundtable on "Russian-Abkhazian Relations: Outlines of a New Level of Integration" (Doklad V.A. Chirikba na kruglom sole "Rossiisko-abkhazskie vzaimootnosheniya: kontury novogo urovnya integratsii"), Ministry of Foreign Affairs of the Republic of Abkhazia, 10 November 2014, available at http://www.mfaapsny.org/news_rus/ detail.php?ELEMENT_ID=3063.

³⁹ Sushentsov, A., Silaev, N., "Russia and Georgia: What Red Lines? Towards a Long-term Agenda of Russian-Georgian Relations (Rossiya i Gruziya: chto za krasnymi liniyami? K dolgosrochnoi povestke dnya rossiisko-gruzinskikh otnoshenii)," in I. Khaindrava, A. Sushentsov, N. Silaev, eds., *Russia nd Georgia: In the Search of Solution (Rossiya i Gruziya: v poiskah vyhoda*), Gergian Foundation of Strategic and International Studies, p. 54.

⁴⁰ Markedonov, Russia and Abkhazia.

sian forces to maintain the balance of power in the South Caucasus. Georgia's persistent rhetoric on its Euro-Atlantic aspirations only fortifies Russia's roles in South Ossetia and Abkhazia. Therefore, the Georgian-Ossetian and Georgian-Abkhazian "frozen conflicts" are unlikely to be resolved in the near future without Russia's direct interest.

The South Caucasus has become a stage for geopolitical and economic battles between Eurasian Moscow-led and Western Brussels-led blocs. Moreover, Russia's strategic "near abroad" is also facing challenges (e.g. Ukraine and Moldova). The ongoing Ukrainian crisis, which developed from domestic Ukrainian disagreements over Kiev's decision to adopt a full-scale "competition" strategy toward geopolitical influence, demonstrated Russia's firm resolve to defend its strategic geopolitical interests in its periphery. Feodor Voitolovsky, a Russian political scientist, emphasized that today's crisis between Russia and the West is acute and deep. Neither the attack on Yugoslavia in 1999 nor the Russian-Georgian conflict in 2008 instigated such coldness in relations between Moscow and Washington as we observe today.⁴¹

Therefore, taking the changed geopolitical context into consideration, the strategic importance of the EEU to Russia has increased significantly. In order to have an accurate assessment of the EEU's efficiency and its future developments, it is vital to monitor the motives of its member states and prospective members with regard to compatibility, economic development and political stability. The cases of South Ossetia and Abkhazia demonstrate the difficulties of joining the EEU. Although both republics have strong security ties and a shared border with their major benefactor, Russia, neither Russia nor other EEU member states have shown a willingness to assist the republics in their accession processes. However, if the balance of power shifts away from Russia in the South Caucasus, Moscow would strongly encourage South Ossetia and Abkhazia to proceed with the Russian-led integration projects.

⁴¹ Interview with an Expert: "By worsening the relations with Russia, it won't be possible to normalize the situation in Ukraine" (Intervyu s ekspertom: "Ukhudshaya otnosheniya s Rossiei, normalizovat situatsiyu na Ukraine ne ydastsya"), *Lenta.ru*, 16 May 2014, http://lenta.ru/ articles/2014/05/16/usacrisis/.

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