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# **Interaction of the European and Post-Soviet Integration in Eastern Europe<sup>\*</sup>**

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## **1. Introduction**

The modern world is characterized by the development of numerous overlapping and interconnected regional integration agreements (RIA) and international unions. Usually the international economic activity of a particular country is influenced by the interplay of the spaghetti bowl of numerous international institutions and regimes. A particular example of this interaction is the development of the Eastern European countries of the former Soviet Union (FSU) – Ukraine, Belarus and Moldova. On the one hand, these countries participate (more or less willingly) in numerous integration attempts and initiatives developed in the post-Soviet space, from the original Commonwealth of Independent States (CIS) to a number of subregional integration groups. On the other hand, Eastern Europe – as the whole European continent and surrounding countries – is under heavy impact of the probably most successful and in any case unique international institution –European Union (EU).

The interaction of these two institutional systems (with different strategies for the Eastern European region) seems to have a significant impact not only on external economic policies, but also on the general process of economic development and institutional transformation of the CIS countries. Nevertheless, it would be too simplified to reduce the impact on both post-Soviet and European integration to the “intended” action. An even more important aspect is related to the “unintended” results of their interaction, as well as the very existence of the integration projects. This paper aims to analyze this sophisticated system of interrelations and competition.

The paper is organized as follows. The second section presents the current level of development of the post-Soviet integration and the European integration with respect to the

Eastern European countries, as well as strategies implemented. The third section summarizes the mutual interaction effects on both policy and existence level. Finally, the last section deals with institutional alternatives from both purely normative point of view and their implementation opportunities for the post-Soviet region.

## **2. Post-Soviet and European integration in the Eastern Europe so far**

### *2.1. Post-Soviet integration*

The current account of the *post-Soviet* integration seems to be dismal. Indeed, the Eastern European region encompasses a variety of integration projects. The oldest initiative, the CIS, includes all countries of the region, while the latter and more concentrated Eurasian Economic Community (EurAzEC) comprises only Belarus (alongside with Russia, Kazakhstan, Kyrgyz Republic, Tajikistan and Uzbekistan). Belarus and Russia form a specific Union State, which theoretically aims to go beyond the simple international integration towards a more or less developed confederation. Finally, the Common Economic Space (CES) including Belarus and Ukraine (as well as Russia and Kazakhstan) was based on the idea to move from institutional integration to a functional model, based on the consequent implementation of the “four freedoms” principle; however, due to the position of Ukraine the CES remained at the stage of negotiations and is currently often replaced by the idea of a close union of the group of most developed countries of the EurAzEC – Russia, Belarus and Kazakhstan (the so-called EurAzEC-3 project). The absolute majority of the post-Soviet integration projects are formed by Russian-centric structures with similar functions, underlying ideas and strategies, but different membership.

The wide network of integration projects established a huge institutional infrastructure. For example, in autumn 2005 the CIS included eight “statutory bodies” established according to the CIS treaty, 67 sectoral bodies (ranging from disaster prevention to libraries exchange) and nine affiliated public and private institutions like Inter-State Bank, Agricultural Union, Leasing Confederation etc.). Most of the supranational institutions duplicate themselves in all integration structures. The total number of agreements exceeds 2,500. Different unions experimented with different voting rules and formal arrangements. However, one should clearly state, that all integration agreements have one particular common feature: they all failed! Even the most ambitious projects did not exceed the level of an FTA From the economic point of view, despite formal agreements (and partly in line with

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them, if they contradict each other) member countries introduce new (often unilateral) restrictions on trade, investments and migration. The trade wars (e.g. for pipes, meat or sugar between Russia and Ukraine or wine between Russia, Moldova and Georgia) have an important influence on trade relations. Even Belarus, which claims to achieve the highest success in the integration process, still imposes severe restrictions on Russian exports: for example, government sets a mandatory share of goods of Belarus origin to be offered in retail stores, thus discriminating against Russian producers. A typical situation in the CIS and other subregional groups is that the majority of treaties are not implemented in national legislation; a survey of the CIS Executive Committee in 1997 found out, that only 130 of 880 agreements really came into force. The gap between formal law and behaviour of authorities in the post-Soviet countries even deepens the problem.

The positions of post-Soviet countries of the Eastern European region with respect to the post-Soviet integration differ substantially. A very simplified approach could be based on distinction between two groups of countries. Ukraine and Moldova form the first group. Both countries are extremely reluctant to actively participate in the post-Soviet integration processes; in fact, this skepticism remains a constant feature of their international activity for the last decade. Indeed, both states had a short period of “romantic relations” to the post-Soviet projects: for Ukraine it was the late Leonid Kuchma period, when the idea of the CES was actively used in internal political conflicts; for Moldova the very early period of the government of Vladimir Voronin was based on the idea of close cooperation with Russia (and even Moldova’s membership in the Union State); however, in both cases the political process does not seem to be sustainable. The critical attitude towards the post-Soviet projects is a common feature of a wide political spectrum in both countries: the differences are rather whether the post-Soviet project should be rejected completely or it is reasonable to develop a limited and specifically designed integration system. For Ukraine, for example, the main goal from the point of view of the post-Soviet integration has always been a consequent FTA within the CIS or CES framework, which does not include any goals of further institutional integration and establishment of supranational institutions. There are political forces supporting stronger integration, but their impact on decision-making is negligible.

On the other hand, the countries of this group are strongly dependent from Russia and the CIS in terms of their economic relations. The first and the most obvious reason is the energy factor. Ukraine receives most of its energy resources from Russia and (through the Russian territory) from Turkmenistan. The same is true for Moldova; moreover, the largest power plant in the country located in Transdnestrrian region is controlled by the Russian

Unified Energy Systems Stock Company (RAO EES). For both countries the CIS is an important trade partner; however, while Ukrainian ferrous metallurgy is much more competitive on international markets, Moldova is primarily an agricultural state: the reality of the EU agricultural policy and the existing market situation makes the post-Soviet space the unique market for Moldovan exports. A good example is the wine export from Moldova to Russia, which seems to belong to crucial issues of the development of the Moldovan economy. Russia's restrictions on the export of Moldovan wine seem to have a severe negative impact on the development of the country (see Grigoriev, Salikhov, 2006, p. 101).

Both countries play an important role in terms of Russian FDI. Since 2000 Russian corporations actively explore the post-Soviet space establishing their investment presence in the majority of former Soviet republics. Ukraine is the main aim of Russian investments: in several industries like oil refinery they even have the dominant position on the national market. On the other hand, in Moldova Russian corporations seem to control the largest industrial enterprises, especially in Transdnistria (the data are, however, quite difficult to interpret). Last but not least the migration issues should be mentioned. They are especially important for Moldova, which is currently the second country in the world in terms of remittances from migrants (data of the Global Economic Prospects 2006 study). In fact, the situation is complicated: Moldovan citizens work both in Europe and in the CIS (mostly in Russia, but also in Ukraine). The specific status of Moldova allows them to receive the double Romanian citizenship; in the same way many people of Transdnistria (where Moldovan, Russian and Ukrainian groups form about 30% of the population each) possess Russian passports. According to the data available to us, the Russian direction is by far more important, than the European (at least, now): about 62% of labor migrants from Moldova work in Russia, and Ukraine is also an important target (CBS-AXA, 2005, p. 15). However, this indicator can change (if one takes issues like language characteristics of Moldova, the only CIS country with a language of the Romanian group and other issues into account) and be biased because of shadow migration (Sleptova, 2003). In fact, one cannot deny that Moldova is a very specific country, which is hardly able to fit any pre-designed concept.

Another group is formed by Belarus. Belarus is a very active supporter of the post-Soviet integration and even of the re-unification of the countries of the region. However, this position seems to be to a large extent caused by the internal political situation. The legitimization instruments used by the current leadership of Belarus define this country as a kind of "better Russia" – "Russia" free of drawbacks of transition and preserving the best from the past. In this case the support of the re-unification becomes necessary element of the

strategy of political survival. Cheap Russian gas also created an additional incentive for this kind of behavior. Yet the same factor – the need to support the perception of Belarus as the “better Russia” and to prevent its “corruption” makes the active support of *real* integration beyond rhetoric impossible. Belarus has been one of the most closed economies in the post-Soviet world from the point of view of the opportunities for Russian FDI and Russian business in general. After the administration of Putin turned to a more pragmatic and economically motivated policy with respect to the post-Soviet space, the previous system of integration rhetoric became impossible. The relations between Russia and Belarus are currently influenced by permanent conflicts. However, Belarus is still supports integration: in fact, it became an alternative center of the regional integration concepts in the post-Soviet space competing with the projects of Russia and of Kazakhstan. Belarus, Ukraine and Moldova have been subject to intensive energy conflicts with Russia in the last years; this factor obviously has a negative impact on the integration initiatives.

## *2.2. European integration*

Unlike the post-Soviet integration, which already includes the countries of the region as its “co-owners” and members (although the primarily role belongs to Russia), for the EU the membership perspective is currently neither offered by the European Union nor set as an explicit goal for any of countries. However, the EU still has two important instruments to influence the situation in the region and to establish its own integration project. One is the traditional system of Partnership and Cooperation Agreements (PCA); the second is the recently established European Neighborhood Policy. The official goal of the ENP project is to provide an instrument of “Everything but Institutions” integration for the countries at the borders of the EU: the integration should give them the opportunity to gain access to the European market and to participate in the European cooperation projects, but does not propose any membership perspective (see Chilosi, 2007, for a critical overview).

The same two groups of the Eastern European countries, as in case of the post-Soviet integration, can be considered for the European integration perspective. Moldova and Ukraine are actively involved in both ENP and PCA systems. PCA with Ukraine was signed in 1994 and came into force in 1998. The EU-Ukraine Action Plan for the ENP was agreed upon in 2005. The Ukrainian government includes a vast institutional structure for the European integration issues, which e.g. does not exist in Belarus (Verpoest, 2007). The idea of a more active integration with the EU (in different forms, but in final account aiming the membership) is supported by all major political forces. Moldova also takes part in ENP and

PCA (in force since 1998); both government and opposition support the European integration vector. Given the financial and organization resources of the EU, the cooperation seems to be quite fruitful in many issues.

The situation with Belarus is different. The institutional framework does not exist; PCA was not ratified and participation in the ENP is on hold. The government of Alexander Lukashenko faces the sanctions of the EU. The Belorussian policy towards the EU is mixed: on the one hand, the declarations of the country is often critical or even hostile towards the European Union, but on the other hand, there are repeated (although unsystematic) attempts of reconciliation, which are also used as a bargaining instrument against Russia.

To conclude, the results of the European and post-Soviet projects for Eastern Europe differ substantially. The post-Soviet project with magniloquent goals still remains ink on paper integration; the support of the countries of the region for a more pragmatic and realistic approach is limited. On the other hand, the European presence in the region was much more pragmatic and much less ambitious; however, the outlook is more optimistic and the project receives larger support.

### **3. Post-Soviet integration and the EU**

As we have shown in the previous section, the Eastern European countries seem to become an area of indirect competition between two integration projects: the “large EU” including ENP and the post-Soviet integration. This is both a competition on the policy level and on the conceptual level when different designs for regional integration are discussed. Hence, it becomes important to understand the economic and political consequences of this competition for the functioning of both integration projects and, more importantly, for the economic transformation in the region.

To start with, it would be wrong to claim that any competition between integration projects is *per se* a negative process. In fact, one can consider the competition of integration projects as described above a specific form of institutional competition, which is mostly associated for rivalry between individual governments for mobile labour and capital. The competition of integration projects is for sure a very specific form of institutional competition, which, however, also includes both “classical” mechanisms of institutional competition: voice and exit. Economics has developed a substantial literature on advantages of institutional competition as an instrument of organization of economic relations (see Vaubel, 2007, for a comprehensive survey). Many of these issues can be used to characterize the institutional competition between integration projects:

- First, the institutional competition facilitates the policy innovations and mutual learning between partners. While imitating the advantages of the alternative integration group, seeking for previously unexplored policy opportunities to sustain competition pressure or concentrating on specific institutional advantages, which, however (like the competitive advantages of a firm) can be discovered only in turn of the institutional competition.
- Second, the Tiebout sorting argument can also be present in the discussion of institutional competition among alliances. The original Tiebout logic assumes that individuals in turn of institutional competition “sort” themselves according to their (heterogenous) preferences and develop homogenous groups, which thus are able to sustain higher quality economic institutions. It is also reasonable to assume, that international unions and alliances are formed among homogenous partners. However, the only way to find out the preference homogeneity (and, following the evolutionary economic policy approach, even to *develop* the preferences, which are originally unknown to policy-makers (Witt, 2003), is to engage in the institutional competition.
- Third, institutional competition can function as a restriction to over-centralization. Alesina et al. (2005), among other prominent scholars, demonstrate that the real-world international unions are quite likely to centralize the areas where, according to the subsidiarity principle, the non-centralized solution through individual countries would function better. If institutional competition and therefore choice between different unions is present, countries can successfully mitigate this problem.

The arguments presented above are of general nature. However, it is straightforward to argue, that the post-Soviet space could be characterized by a specific constellation of institutions (both formal and informal) causing a different outcome. In our previous work (Libman, 2007a) we have claimed that the institutional competition on the country level in the post-Soviet space does not completely follow the described “optimistic view”. Hence, it is probable that also in other fields the situation is different, and one has to examine the relations between two integration projects more closely.

The first aspect is the *policy level* of the problem, i.e. the (intended and unintended) outcomes of the policy decisions of both integration groups. The most prominent problem influencing the post-Soviet and the European integration projects with this respect is what one may call a “security dilemma”. There are two forms of security dilemmas (Collins, 2004). The *system-induced* security dilemma is based on systematic misperception of the *goals* of the counterpart: any attempts of the counterpart to improve its economic position or achieve humanitarian goals are mistakenly considered an attempt to attack or to cause any harm to the



international actor and therefore results into inadequate reaction. The *state-induced* security dilemma goes even deeper: in this case not just a certain activity of the counterpart, but *any measure* improving the position of the counterpart is perceived as a threat: so, the counterpart is considered an unambiguous enemy, and the only solution to the security problem the reduction of its potential to an absolute minimum.

The misperceptions in the relations between Russia and the Western countries are broad, and the post-Soviet integration / ENP is just a particular example of the problem. Yet the integration attempts are connected with different problems for the partners. Russia misinterprets the Western attention to internal policy in post-Soviet countries as an exclusively interest-lead *realpolitik* (Piel, Schulze & Timmermann 2005), although humanitarian or idealistic reasons may cause it, since those play an important role for the EU foreign policy. On the other hand, many Western observers reduce the post-Soviet integration to a new instrument of “Russian imperialism” (Link 2001), thus ignoring its economic component. The problem is, that *realpolitik* component is of course indeed present in the policies of the EU (the readmission debate or the energy issues are just one example), and hegemonic component is also part of Russia’s political activity in the CIS. Both partners are guided (as it is always the case in the real-world politics) by a combination of different goals, which are often hid behind each other: so, the misperception is inevitable.

Unfortunately, in a low-trust environment it is likely to cause social dilemma situations with inefficient outcomes. The problem is, moreover, that at least in Russia we observe a clear shift from system-induced to the state-induced dilemma: a very good example was the reaction of a large part of Russian media and expert community on the failure of the EU constitution. In fact, several observers seemed to consider the results of the referenda in France and in the Netherlands a “lucky event” for Russia, since in this case the EU would remain too weak to become an active player in the CIS region.

However, as already mentioned, the results (both intended and unintended) of the EU and CIS/Russian policy is only one aspect of institutional development. As Caizer (2007) puts it, “the EU ... impacts on its neighbouring countries more from what it is than from what it does”. So, it is reasonable to discuss the impact of the EU on the post-Soviet integration, which result from the internal development of the European Union and its very specific position in the international community (as a union theoretically open for all European countries). From this point of view, the very existence of the European Union as an attractive international institution establishes at least three further “traps” with significant negative impact on the development of the post-Soviet institutions.

The first trap can be referred to as a “*trap of integration illusions*”. It develops when countries expecting the EU accession are not ready to enter any post-Soviet integration projects, even if the European integration is less realistic in the short and medium term and there are possible gains from deeper cooperation with the neighbours. In fact, it implies, that the EU neighbouring countries both overestimate their accession probability (or underestimate the duration of the accession negotiations period) and consider the alternative integration projects a threat for the EU membership. The first fact results from extremely vague policies and policy-making in the EU, which is able to create enough hope on the one hand and to delay any real process indefinitely on the other hand. The second fact is an expectable result of the model of “*fortress Europe*” implemented in the European Union since its very beginning and typical for the old regionalism approach.

The second trap, the “*trap of integration disillusion*” appears, when the failing disciplinarian pressure of the European perspectives allows the incumbents to block the necessary reforms, thus preventing not only European, but also post-Soviet integration. It is well known that perspectives of the EU accession can act as an efficient instrument for disciplining national governments in order to promote necessary economic reforms and restrict rent seeking. The guiding principles for the reforms are the Copenhagen criteria and the *acquis communautaire* (*common law*) of the EU, which, in spite of all its problems and contradictions, still incorporates a significantly superior institutional authority to that of most EU neighbouring countries. This effect can obviously go down in two cases. On the one hand, if the accession is certain (e.g. because of political reasons), the countries do not really need to implement reforms necessary, since the evaluation of their progress is biased anyway. This problem, however, does not seem to have an impact on the post-Soviet countries. A more important case is when there is no clear relation between the results (or the effort) of reforms and the perspectives of accession; at least, the elites of the EU neighbouring countries do not perceive this relation as straightforward. In this case the costs of strengthening up are perceived to be higher than potential benefits. The problem is not only that the institutional development per se becomes less successful, but also that the probability of development of alternative (to the EU) integration projects, which heavily depends upon the institutional and governance quality in the member countries (see Libman, 2007). Paradoxically both traps influence political decisions of the CIS countries simultaneously. The most prominent example is probably Kuchma’s Ukraine. On the one hand, the country officially declared its aim to develop close integration with the European Union and remained a relatively reluctant member of the CIS (in fact, the perspective towards post-Soviet integration changed only after

the Common Economic Space was established and mostly because of internal political struggles.

The third trap may be related to the problem of *institutional isomorphism* (Powell & DiMaggio 1983) between the EU and the post-Soviet space. In fact, most of the post-Soviet integration projects to a certain extent attempt to imitate the European integration (in fact, it is true for the majority of non-European integration initiatives). However, despite the strong isomorphism of the post-Soviet integration projects with the institutions of European integration, it is not clear, whether the European experience of regionalism is exactly the most appropriate one for the specific case of integration in the CIS space. The open regionalism, the competitive regionalism, or even the “simple” functional integration focusing on selected economic projects may be more interesting for this region. Once again, since the crisis of the old regionalism (and the early integration studies) it is straightforward that the European project was a unique integration institution, which could not be simply transplanted to other regions. In fact, one can see parallels with the “European miracle” discussion: while a unique constellation of economic, social and political factors (and, probably, pure luck) the European countries managed to achieve unique success and create the modern world-economy (Jones, 2003). So, probably the European integration of the 20s century is as unique as the European miracle of the 15s century. There are certainly lessons to be learned from the EU experience, yet the degree of imitation should be limited. The CES was the first less ambitious project in the region that included several elements of open regionalism, however, since Russia, Belarus and Kazakhstan have decided to insist on the “package approach”, i.e. adoption of all agreements of the CES establishing a custom union, it is doubtful, whether the CES is going to hold these principles in the future.

So far our analysis assumed that the economic and institutional effects of both structures (EU/ENP and the post-Soviet integration) are more or less identical. This assumption is definitively not completely true. The integration process is important not only from the point of view of international economic relations, but because of its impact on the internal institutional progress and reforms. So far post-Soviet countries face a systematic problem of the relatively low quality of institutions, mostly resulting to three main negative consequences: deficit of trust in society and economy, deficit of law (because of both poor legal design and poor enforcement) and abundance of economic power. The institutional system of the EU, although also definitively subject to disadvantages, is definitively superior to that of the post-Soviet economies.

As mentioned above, EU *can* act as an actor supporting positive institutional changes. Kyvelidis (2000) considers the problem of “state isomorphism”, which shows, that countries in relative proximity to the EU seem to demonstrate higher advancements in institutional development. Obydenkova (2007) in her empirical study comes to the conclusion that communication with the EU is more important, than geography. Unfortunately, for the Eastern European countries (unlike several other post-Soviet republics) one can hardly expect a positive impact from the post-Soviet integration from the point of view of the quality of governance and institutions. So, what one observes is a kind of “asymmetric” economic and political effects. The “illusion” of the post-Soviet alternative can therefore also limit the disciplining effect of the EU and the improvement of the quality of institutions. As Grinberg (2005) puts it, the post-Soviet elites are willing to follow the Russian “rules of the games” (i.e. semi-authoritarian institutions), but are reluctant to support integration with Russia; vice versa, they are willing to support the EU integration, but reluctant (or unable) to live under the European rules of transparency.

Under these conditions the deepening of economic and political relations with the EU beyond the joint declarations could become questionable. But, since low quality of institutions at the same time plays an important role in the disaster of the post-Soviet integration, this situation also undermines the post-Soviet integration. So, the post-Soviet integration is a kind of “self-undermining” institution in terms of Greif and Latin (2004): its persistence limits reforms and therefore also limits the set of parameters under which integration is self-enforcing. Moreover, this particular situation supports the inefficient ink-on-paper integration, as it exists in the post-Soviet world.

Finally, the basic assumption of the institutional competition theory was that the competition between integration projects is likely to improve the quality of institutions through the learning process. Unfortunately, the opposite development, namely the mutual learning leading to spreading inefficient institutions is also possible. In this case exactly the most developed countries import institutions and rules of behaviour from their less developed counterparts (e.g. in the field of corruption). Oleinik (2007) calls this alternative the “negative convergence” hypothesis and demonstrates it considering the example of Russia and Europe. It is yet to be seen whether negative convergence is empirically founded and therefore indeed represents a threat for economic development; however, the problem should be seriously considered.

To conclude, although the institutional competition could generally be beneficial for the international union, there are many problems in the post-Soviet space reducing this effect.

Therefore, the outcomes of competition could become dismal. However, one should not overestimate this result: the very nature of competition makes its outcome even theoretically hardly predictable (since the necessary knowledge can be acquired only in turn of the competition process).

#### **4. Outlook**

The pessimistic conclusions of the previous section make it necessary to discuss, whether more efficient alternatives exist and can be implemented. The problem is actually, whether it is possible to re-design the post-Soviet integration so that it moves from current inefficient model to a situation promoting institutional quality. In fact, if one looks at the problem from this point of view, the post-Soviet project could even benefit from the European project. In what follows we list a number of different directions of transformation, which could improve the interaction between the European Union and the post-Soviet integration processes in the Eastern European region. Note, that we do not consider the implementation problems: our aim is to provide a purely normative analysis.

If the institutional competition is criticised, an alternative always present and probably attractive could be the support of co-operation of both institutions. It can become especially important in the security issues, like the resolution of frozen conflicts in Transdnistria and in Caucasus. However, it does not solve the problem of impacts on institutional quality.

Although currently both the post-Soviet and the European integration concentrate on identical goals, it is possible to consider a “division of labour” between these two institutions. For the post-Soviet integration an alternative could be the Commonwealth model (following the example of the (British) Commonwealth, which, by the way, also constituted a competitor to the European integration for the United Kingdom for a certain period of time). The common perception of the Commonwealth is that of an extremely weak and ineffective institution based mostly on traditions. In our opinion, this point of view overestimates the disadvantages of the Commonwealth and ignores its benefits. In fact, many aspects of the activity of the Commonwealth in humanitarian and social issues, as well as the permanent interaction of private and public actors as parts of its structure can have quite important positive impact on the member countries. For example, the cooperation in the education sphere (e.g. the association of the universities of the Commonwealth) is an important factor promoting the social integration across countries.

If one still does not accept the Commonwealth model, it is reasonable to consider an alternative *regional integration* model for the post-Soviet space. As already mentioned, an

attractive alternative coming from APEC, is the open regionalism: a system where countries are free to enter any integration agreements outside the structure and decide on the degree and direction of economic opening up through individual and collective action plans. The open regionalism model does not function well if the number of participants is too high, and therefore the heterogeneity increases enormously. But for a smaller group of countries this approach (by the way, explicitly supporting the institutional competition and avoiding negative effects like security dilemma) could be very helpful for the development of the regional cooperation. It also explicitly encompasses the variety of integration patterns (also due to different status in international economic relations, e.g. with the EU) preferred by individual countries. Yet the open regionalism alternative, though very attractive, requires also re-design of the European policy (in particular, ENP) towards the CIS region.

Another integration design to be considered is the *direct link* between the European and the post-Soviet integration. In this case the post-Soviet integration should be co-ordinated with the European policies of the member states. In fact, ENP explicitly supports the cooperation among participants; moreover, the experience of enlargement gives rise to another attractive example of the Central European Free Trade Area (CEFTA), directly supported as enforced by the EU as an intermediary step in the economic integration and economic reforms of the countries of the Central and Eastern Europe. The presence of the European Union as an “external” and “active” partner in the program could be helpful to mitigate the permanent obstacles for the post-Soviet integration: deficit of trust between post-Soviet countries and problems of overwhelming weight of the Russian Federation. However, this approach also requires the co-ordination between the ENP and the system of four common spaces, connecting Russia with the EU.

Moreover, an important issue where the post-Soviet integration could be effective is the establishment of transcontinental linkages in the Eurasian space. Linn and Tiomkin (2006) empathize the importance of the development of economic and political ties across the Eurasian continent, focusing on four areas: energy trade, transport infrastructure, communications/knowledge and capital movements. So far the institutional infrastructure of the Eurasian integration project has been limited and includes a variety of overlapping institutions. One can claim that the post-Soviet integration (properly designed) could become a helpful instrument to facilitate the implementation of projects in the Eurasian space. It definitively means the decision in favour of a less ambitious integration system with clear focus on individual projects, but in the long run the positive effects even of this limited

integration approaches could be helpful. A necessary precondition is also the interaction with other regional projects, like the Shanghai Cooperation Organization.

Finally, one should not forget, that even the most modest form of integration as a “permanent forum” for the meetings and discussions at the top level is important. There are only few regions of the world where institutions establish regular meetings and communication among leaders. In the post-Soviet space this institutional environment is present: one should definitively not underestimate it.

The variety of institutional alternatives able to establish the framework of efficient interaction between post-Soviet and European integration naturally raises the problem of implementation. Unfortunately, significant transformation of any international organization is a very costly and time-consuming process. The organizational inertia and path dependency can be overcome only with huge effort. Yet in the post-Soviet space the existence of the security dilemma between Russia and the West / EU is also a crucial factor with negative influence on the probability of transformation. In fact, the dilemma (because of reasons beyond the issues of the post-Soviet integration) increased a lot in the last two years. Therefore the question of political feasibility of transformation remains open.

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