

Rapprochement between the EU and the EAEU offers more than economic benefits

A strong case why the vision of a common economic space from Lisbon to Vladivostok can and must become reality.

According to [recent studies](#), the EU could increase its exports to the countries of the Eurasian Economic Union (EAEU) by more than 50 percent if there were a comprehensive trade agreement between the two unions. The economic benefits are obvious, but close economic cooperation between the EU and the EAEU would have advantages that go beyond economics. An agreement would not only offer a strong statement in favour of multilateralism and against growing protectionism, but it would also provide an anchor of stability for the era after Putin, Lukashenko, and Nazarbayev, and it would contribute to bringing the Chinese-led Belt & Road Initiative into better balance.

Take opponents' arguments seriously

Frequent arguments against official cooperation between the EU and the EAEU are Russia's dominance among the five EAEU countries (Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia), that Minsk II must first be implemented, and that Russia must stop its protectionism. It is also often said that the US is against such an economic space, or at least that Poland and the Baltic States oppose it.

Russia's economic dominance within the EAEU is an undeniable fact. However, the question should be whether an economic space of the EU and EAEU would actually contribute to increasing the importance of smaller EAEU member states. Much indicates this, including the history of the EU itself. Minsk II and relations with the EAEU should not be made into a package deal, as this entails taking four EAEU countries hostage. There is no doubt that Russia is practicing protectionism, similar to that of the US and China and, to a certain extent, of the EU.

Talks with the EAEU would help to reduce protectionism. [Studies](#) show that Poland and the Baltic states – those particularly skeptical about the EAEU – would benefit

disproportionately from a trade deal between the two unions. The businesses of these countries are well aware of this, but politics holds the higher ground. Politically, the US would not welcome an economic space from Lisbon to Vladivostok and, if necessary, may impose harsh measures similar to those applied in [Nord Stream 2](#). This raises the question of European self-assertion. Europe did not interfere with the agreement on NAFTA or the new USMCA agreement, even though USMCA is a clear example of the law of the strongest, not the strength of the law.

What comes after Putin, Lukashenko and Nazarbayev

Such an agreement with the EU would also greatly increase the importance of the EAEU. In the event of the retirement of Presidents Putin or Lukashenko, or the Leader of the Nation Nazarbayev, a strong EAEU, and in particular a much stronger Eurasian Economic Commission, could help to smooth an orderly transition to successors and have a positive impact on economic and societal development.

Europe's answer to the Chinese New Silk Road

One of the questions commonly raised is how the Lisbon-Vladivostok project relates to the Belt and Road Initiative. The answer is simple: it is not in competition, but rather it is the logical European-Eurasian complement. Common standards of the EU and the EAEU would be the benchmark also applying to China. The concerns of people in Europe, Siberia, and Kazakhstan regarding the Chinese and their New Silk Road could thus be addressed.

How the vision can become reality

While the idea of an economic space from Lisbon to Vladivostok is not new, it has so far remained a vision rather than a concrete plan, though that vision is reflected in the coalition agreement of the German government. Even Charles de Gaulle spoke of an area from the Atlantic to the Urals.

Fortunately, however, there was a first small breakthrough in 2019. Various constructive discussions took place between the Eurasian Economic Commission and the EU Commission at a working level. These included initiatives such as the Lisbon-Vladivostok working group, which is supported by more than 60 companies and associations from eight countries, the German-Russian Chamber of Commerce (AHK) and the German Eastern

Business Association (OAOEV). The support of the German Federal Ministry for Economic Affairs also contributed to this first breakthrough.

The dialogue began with technical regulation issues, but also important and promising were discussions about customs procedures and value added tax (VAT) systems. The EU and the EAEU should rapidly address these issues further. This would be a major gain, especially for the shrinking EU. The EU has trade agreements with most countries and regions of the world and would thus address one of the few remaining blank spots.

While talks between the two commissions on a working level are a good start, the commissioners themselves, or even the presidents or chairmans of the commissions, should talk to each other in order to strengthen the dialogue. A common initiative by France and Germany and potentially others would be helpful in order to give Brussels a clear sign that such talks with the Eurasian commission are appreciated.

On a working level, the two commissions should involve businesses from their member countries in order to understand in what areas harmonisation of regulations are most useful to stimulate more trade and investments between the two unions.

Economic research studies [show](#) that EU-business would benefit more than business from the EAEU. In order to make it a real win-win-situation, the EU should consider the interests of the EAEU countries, for instance significant visa liberalisation, just like these countries did for EU-citizens. This, in turn, would benefit EU businesses, for example those working in tourism, aviation or fashion.

Technical standards may decide on war and peace

Such a common economic space can be part of a European-Eurasian security architecture, from Lisbon to Vladivostok, and should include countries such as Georgia, Serbia, Moldova, and Ukraine. Trade can be decisive in power politics. And as the tragic Ukraine conflict has shown, the power setting the technical standards is the one who gains the upper hand in foreign trade.

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