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THE EURASIAN DIMENSION: DOES EAEU-ASEAN FORMAT HAVE A FUTURE?

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The crisis in relations with the West and the subsequent sanctions hampered the development of Moscow's cooperation with a number of foreign partners. Under these conditions, the role of the EAEU as an agent for promoting Russia's foreign trade interests has dramatically increased, including the formation of Greater Eurasian Partnership, Moscow's flagship initiative. Russia's officials have repeatedly stressed that ASEAN is one of the major pillars of the emerging geostrategic space. The 3rd ASEAN-Russian Federation Summit on Strategic Partnership held in Singapore in November 2018 resulted in signing of Memorandum of Understanding (MOU) between ASEAN and Eurasian Economic Commission (EEC) on Economic Cooperation which aims to unlock the potential of cooperation between two integration blocks. The paper addresses the following question – to what extent can Russia-ASEAN strategic partnership create a positive spillover effect on the EAEU-ASEAN ties and trigger the Greater Eurasian Partnership concept. In doing so, the paper focuses on factors which stand behind ASEAN's rising interest in Eurasian space, EAEU's strive to develop relationships with Association and the limits of bilateral cooperation in a broader Greater Eurasian framework. It is concluded that the full engagement of ASEAN member states into Eurasian initiatives (even taking into account their successful implementation) depends on several factors. Firstly, to what extent EAEU member states can eliminate structural problems - institutional imbalances, limited export supplies, internal disagreements between the participants. Secondly, it will depend on whether Russia and ASEAN will be able to back up the status of strategic partnership with economic projects. Finally, will the EAEU partners be able to offer ASEAN an attractive interaction format, for example, the Great Eurasian Partnership, which needs to be conceptually filled and linked with ASEAN key initiatives and plans.

Key words: EAEU, ASEAN, Russia, Greater Eurasian Partnership, free trade agreement, strategic partnership

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Introduction

The current stage of globalization is characterized by the de-institutionalization of the world economy and world political processes, as well as the shift of management and regulatory institutions to the level of regions. Countries compile into regional associations and groups to cope with problems which globalization causes³. In such circumstances, effective regional cooperation institutions are becoming one of the key long-term factors for their participants to increase competitiveness.

Building effective linkages with other integration platforms is part of the latter. The ultimate goal of such efforts is to achieve a multiplier effect for economic growth and development through the encouraging of business activity between countries participating in cooperation, the implementation of cooperative infrastructure projects and the development of cross-border economic growth based on the world experience and best practices of each other.

The Eurasian Economic Union (EAEU) and The Association of Southeast Asian Nations (ASEAN) have repeatedly declared their commitment to build a multivariate and multifaceted dialogue with partners⁴⁵⁶. Do the realities of cooperation between The Eurasian Economic Union (EAEU) and The Association of Southeast Asian Nations (ASEAN) confirm it, and the development of which areas can increase its effectiveness?

Why is the EAEU interested in ASEAN?

Strategic level

In the context of rising protectionism and aggravation of “strategic frivolity” on the world arena, on the one hand, and reinforcement of the global competitiveness of national economies, on the other, the strengthening of EAEU’s cooperation with ASEAN has a strategic importance both at the level of the whole organization and at the level of individual member states.

The Eurasian Union seeks to consolidate its status as a key operator of foreign economic processes in the Eurasian space. In this regard, the establishment of privileged relations with ASEAN plays an important role both in terms of increasing the attractiveness of the Eurasian integration project and in the context of the formation of the concept of the Greater Eurasian space. In Presidential address to the Federal Assembly in February 2019, Russian President

³ Dent C.M. (2013) Paths Ahead for East Asia and Asia-Pacific regionalism. *International Affairs*. Vol. 89 (4), pp. 963-985

⁴ ASEAN Official site (n.d.) ASEAN Community Vision 2025. Retrieved from: <https://www.asean.org/wp-content/uploads/images/2015/November/aec-page/ASEAN-Community-Vision-2025.pdf>

⁵ Busygina I., Filippov M. (2018) Russia and the Eurasian Economic Union: Between Bilateral and Multilateral Relations. *UIbrief*. Published by the Swedish Institute of International Affairs. Retrieved from: <https://www.ui.se/globalassets/ui.se-eng/publications/ui-publications/2018/ui-brief-no9.-2018.pdf>

⁶ Beeson M. (2018) Asia's competing multilateral initiatives: quality versus quantity. *The Pacific Review*. Vol. 32 (2), pp. 245-255. DOI: 10.1080/09512748.2018.1470556

Vladimir Putin stressed the importance of deepening cooperation with ASEAN to promote the concept of The Greater Eurasian Partnership⁷.

At the country level the development of the EAEU-ASEAN bilateral format is also a serious interest. The crisis in relations with the West and the subsequent "sanctions war" frightened many countries and made Russia the less desirable partner. In these circumstances, the role of the EAEU as a neutral platform, within which Moscow is able to increase trade and economic cooperation with the outside world including the ten ASEAN member states, increases sharply. In addition, the cooperation in a broader format can help to "restart" Russia-ASEAN relations, which despite the status of a strategic partnership, are characterized by a high degree of inertia.

In the case of the other, especially small countries - Kyrgyzstan and Armenia, the institutionalization of the EAEU-ASEAN link will create an objective opportunity to increase international legal personality by scaling up its influence in negotiations with larger partners. Finally, developing EAEU's cooperation with ASEAN corroborates its commitment to free and open trade, multilateralism, rejection of protectionism and national selfishness.

Economic and Institutional level

Taking into account the ongoing economic growth of ASEAN (the average GDP growth of ASEAN members was no less than 4,5% in 2010s and only Brunei Darussalam had a negative GDP growth in certain periods), as well as positive demographic changes (the expected growth of the population within the Association to 727 million people by 2030), ASEAN represents a promising market for products from the EAEU member States actualizing the issue of creating a bilateral free trade area.

EAEU, as a young regional integration unit, considers cooperation with such an experienced player as ASEAN in the format of "integration of integrations" as a tool, which will allow the parties to "test" the existing institutional and regulatory mechanisms and practices of multilateral cooperation. In this context, ASEAN's experience, although not always successful, plays an important role in technical regulation, reduction of tariff barriers and elimination of non-tariff restrictions (sanitary and phytosanitary measures), development of electronic commerce, attraction of small and medium-sized businesses.

⁷ Presidential Executive Office (2019) Presidential Address to Federal Assembly. Retrieved from: <http://kremlin.ru/events/president/news/59863>

What is ASEAN's interest?

Despite a number of internal restrictions, the “ten” of Association has made obvious progress in strengthening trade and economic ties with foreign partners through their involvement in ASEAN-centric dialogue mechanisms.

ASEAN's policy of institutional linking in respect to third countries is manifested in the formation of mutually beneficial formats of bilateral and multilateral cooperation. It includes full-scale dialogue partnerships, for example, with the United States, China, Russia and others, sectoral dialogue partners (Pakistan, Norway, etc.), development partners (Germany), dialogue platforms with economic focus (the East Asia summit), ASEAN+3 strategic format (China, Japan, South Korea), ASEAN-centric economic initiatives – RCEP and bilateral FTAs⁸.

The existence of a developed system of preferential and other trade agreements with external partners reflects ASEAN's commitment to free and open trade, multilateralism, the Association's priority of closer integration into regional and global value chains and increasing regional connectivity. These guidelines formed the basis for the establishment of the ASEAN Economic Community (AEC) in 2015.

Thus, for ASEAN the enhanced cooperation with the EAEU is important in terms of its status. It is an opportunity to be the first to conclude an FTA with EAEU putting at the forefront the format of “integration of integrations” and thereby strengthen the global positioning of the Association that logically fits into the concept of the Central role of ASEAN. Particularly as the interaction with the EAEU does not incur significant costs and any risks for ASEAN. The potential connection of the EAEU to the network of such partnerships will meet the long-term plans of ASEAN, part of which is the diversification of its international policy, primarily through increased interaction with international dialogue platforms and forums⁹.

Another part of ASEAN's long – term perspective plans is to increase its competitiveness in the digital space. Officials and business circles of ASEAN member countries have developed a regulatory framework for the development of digital technologies in Southeast Asia. The accepted documents are the ASEAN ICT Master Plan 2020, the Framework agreement for the development of digital integration in ASEAN, the Master Plan on ASEAN Connectivity 2025 in building ASEAN Community etc. In this context, hardly escaped the attention of the Association the focus of the EAEU on the development of information and communication technologies is reflected in the EAEU Digital Agenda 2025. By connecting the EAEU to the number of dialogue

⁸ Bordachev T., Likhacheva A., Korolev A., Safranchuk I., Malashenkova O., Malyutina D. (2019) Eurasian Economic Integration: Between Absolute and Relative Benefits. *Valdai Discussion Club*. Retrieved from: <http://ru.valdaiclub.com/files/26831/>

⁹ Kanaev E.A., Korolev A.S. (2018) Reenergizing the Russia-ASEAN Relationship: The Eurasian Opportunity. *Asian Politics & Policy*. Vol. 10 (2), pp. 732-751. DOI: 10.1111/aspp.12426

partners the Association can “stake out” role of the driving force of cooperation in the digital sphere not only in the Asia-Pacific space, but also in the Eurasian space.

Thus, ASEAN's motivation to cooperate with the EAEU has an image dimension. Its main content is the opportunity to geographically diversify their partnerships adding to their format that covers, albeit partially, Central Asia, Transcaucasia and Eastern Europe, as well as the newly formed multilateral platform.

In general, at the current stage the Union and the Association “grope” topics for meaningful dialogue more than they have a substantive and nuanced idea of what exactly they can be useful to each other. In the mood of their elites “positive neutrality” prevails, i.e. development of cooperation does not threaten the interests of any of the parties and is not costly from a financial point of view.

At the same time, the motivation of both the Union and the Association is not based on the implementation of projects, the benefits of which can be reaped “here and now”, but is aimed at the future, which is becoming increasingly difficult to predict¹⁰. Consequently, neither side has an incentive to “invest” in cooperation considering it as a self-sufficient and self-valuable direction of its current policy.

Current cooperation between the EAEU and ASEAN

The combination of the above factors has led to increased interaction between the two integration associations. The key and at the same time the first serious project of cooperation was the signing of the agreement on the establishment of a free trade area with Vietnam in 2015 after four years of negotiations, which entered into force one year later. It is characteristic that the Eurasian economic Union concluded its first preferential trade and economic agreement with the ASEAN member State.

The analysis of statistics allows us to come to the conclusion that the effectiveness of this transaction for the EAEU is ambiguous. On the one hand, during the implementation of the agreement the volume of bilateral trade with Vietnam increased one and a half times and by the end of 2018 amounted to 6.7 billion dollars. The gradual diversification of export products in Vietnam can be regarded as the positive moments. At the moment base metals, products of plant origin and coal, which together account for 45% of deliveries to Vietnam, are three key export items of the EAEU.

At the same time, the current problem is the preservation of the deficit in trade with Vietnam. At the moment about 60% of mutual trade turnover is imports of Vietnamese products

¹⁰ Zeleneva I.V., Kontsova E.A. (2015) ASEAN and EAEU: Cooperation Problems and Prospects. *Administrative Consulting*. No. 11, pp.112-123. (In Russian)

and based on statistics for the first quarter of 2019 this figure may increase. Hence, in the period from January to April 2019 the volume of mutual trade exceeded \$1.6 bln, of which 79% are Vietnamese exports to the EAEU¹¹.

Taking into account the current dynamics, it is unlikely that the parties will be able to achieve the goal of bringing the volume of mutual trade to \$10 bln by the year 2020¹². Despite this, the current agreement can be attributed to the number of important achievements of the EAEU in the framework of cooperation with ASEAN partners and it should be considered in a broader context. In addition to the purely trade component, which is described above, this transaction is strategic in nature. According to the plan of the ruling elites of the EAEU member States, the FTA with Vietnam represents the window for launching of Eurasian products on the growing markets of Southeast Asia and more active integration of the Union into already established technological and industrial value chains in the Asia-Pacific region¹³.

Another extremely important FTA agreement was signed in October 2019 – with Singapore. This country stands out among others due to its zero import tariffs on all goods, except malt beer, thus the focus was on liberalization of services sector. It is noteworthy that this agreement leads to creation of a second holistic FTA, signed between EAEU and third party (there is an interim FTA with Iran, which was signed earlier). It proves the statement that ASEAN countries play significant role in Russia's and EAEU's economic integration plans. This agreement covers not only trade in goods, but also in services (based on bilateral agreements between Singapore and every EAEU member). A targeted interest in strengthening trade and economic ties with the Union was demonstrated by the Indonesia and Cambodia.

It should be noted that even before the official entry into force of the FTA with Vietnam the idea of linking economic processes in Southeast Asia with the promotion of Eurasian integration and the development of the Shanghai cooperation organization was born in Russian political circles. For the first time this idea was announced at the official level in December 2015 during the address of Russian President to the Federal Assembly¹⁴.

Then during the anniversary Russia-ASEAN summit in Sochi in 2016 the parties confirmed their readiness to consider the issue of cooperation in a trilateral format (EAEU-SCO-ASEAN) that was reflected in the Sochi Declaration “On the way to mutually beneficial strategic

¹¹ Eurasian economic commission (n.d.) Statistics of foreign and mutual trade in goods. Retrieved from: http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_stat/tradestat/Pages/default.aspx (in Russian)

¹² Reuters (2018) Vietnam, Russia aim to nearly triple trade to \$10 billion by 2020. Retrieved from: <https://www.reuters.com/article/us-vietnam-russia-idUSKCN1NO0HO>

¹³ Mazyrin V.M. (2017) Novyj Etap Ekonomicheskoy Integracii Stran Yugo-Vostochnoj Azii [New Stage of Economic Integration of the South-East Asia Countries] *Southeast Asia: current development challenges*. Vol. 35, pp. 5-25. (in Russian)

¹⁴ Presidential Executive Office (2015) Presidential Address to Federal Assembly. Retrieved from: <http://kremlin.ru/events/president/news/50864>

partnership”¹⁵ adopted on the margins of the summit. It should be noted that even then such an initiative received a restrained, but generally positive response from ASEAN partners and the expert community in the Southeast Asian countries.

The next important event in the framework of bilateral cooperation was the holding the first business dialogue between the EAEU and ASEAN within the framework of the St. Petersburg economic forum on May 23, 2018. The representatives of business and official circles of both sides confirmed the need to exchange experience between the two regional integration associations, create a new and expanded format of cooperation for maximum awareness of the potential of the EAEU and ASEAN markets.

Finally, another significant interim achievement was the signing of a Memorandum of understanding between the Eurasian economic Commission and ASEAN at the Russia-ASEAN summit held in Singapore on November 14, 2018¹⁶. The importance of the Memorandum is evidenced by the fact that it has become only the second such document for ASEAN with an integration union. The first one was signed with the European Union.

It should be noted that the past summit was a landmark in relations between Russia and ASEAN. So, it can rightly be included in the asset of Russian diplomacy on the Asia-Pacific direction. At the Russia-ASEAN summit the parties adopted a joint statement of raising dialogue relations to the level of strategic partnership¹⁷. Moreover, Russian President Vladimir Putin paid his first official visit to Singapore, and also took part in the plenary session of the East Asian summit for the first time. The latter, although it is, by and large, a symbolic gesture, plays an important role in creating trusting environment that promotes a more productive discussion of topical issues on the agenda. The strengthening of cooperation between the EAEU and ASEAN is among such issues.

As for bilateral trade and economic cooperation, the significant increase in trade turnover between the EAEU and ASEAN is noteworthy over the past 4 years. Thus, according to the Eurasian Economic Commission, the total volume of mutual trade in monetary terms increased by more than 47%, from \$15bln in 2015 to \$22.1 bln at the end of 2018¹⁸. It was mostly caused by oil prices growth (for instance, average price for oil Urals increased by 32% in 2018¹⁹). As

¹⁵ ASEAN-Russia Summit (2016) Sochi Declaration of the ASEAN-Russian Federation Commemorative Summit to Mark the 20th Anniversary of ASEAN-Russian Federation Dialogue Partnership “Moving Towards a Strategic Partnership for Mutual Benefit”. Retrieved from: <http://russia-asean20.ru/documents/>

¹⁶ Eurasian economic commission (2018) EAEU and ASEAN deepen trade, economic and investment cooperation. Retrieved from: <http://www.eurasiancommission.org/ru/nae/news/Pages/14-11-2018-1.aspx>

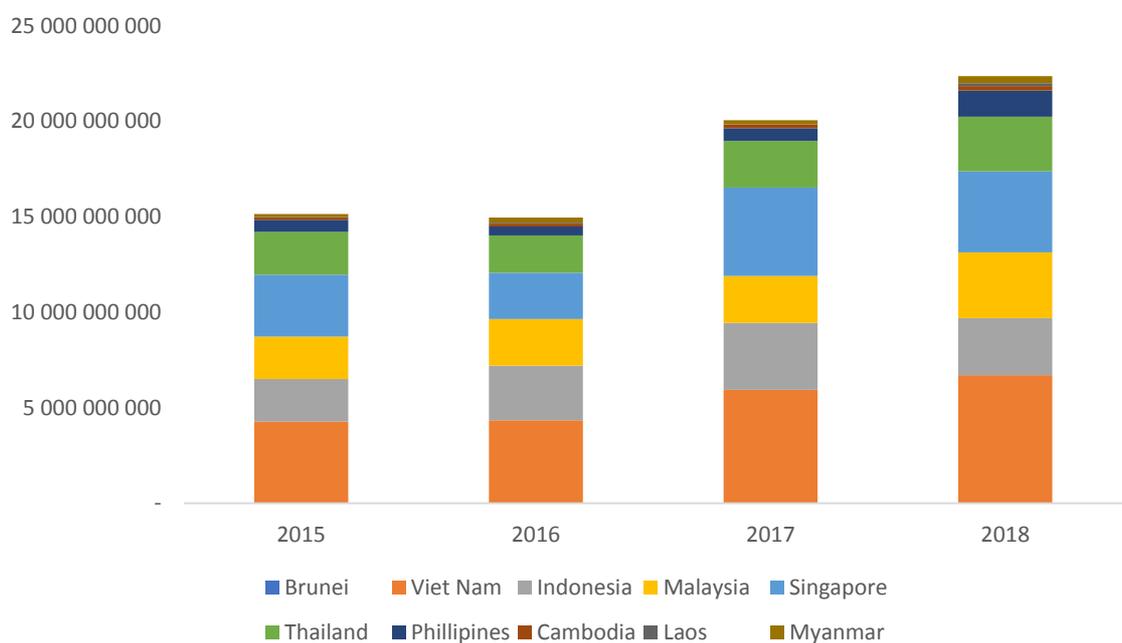
¹⁷ ASEAN Official site (2018) Joint Statement of the 3rd ASEAN-Russian Federation Summit on Strategic Partnership. Retrieved from: <https://asean.org/storage/2018/11/ASEAN-Russia-Joint-Statement.pdf>

¹⁸ Eurasian economic commission (n.d.) Statistics of foreign and mutual trade in goods. Retrieved from: http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_stat/tradestat/Pages/default.aspx (in Russian)

¹⁹ Eurasia Daily (2018) Srednyaya cena nefti Urals za 2018 god vyroslo na 32% [The average price of Urals oil in 2018 increased by 32%]. Retrieved from: <https://eadaily.com/ru/news/2018/12/29/srednyaya-cena-nefti-urals-za-2018-god-vyroslo-na-32>

for countries' dimension, aforementioned growth was possible to achieve due to an increase in exports to Malaysia by 63% over the period, mainly due to the supply of mineral and chemical products. Besides, the conclusion of an FTA with Vietnam played an important role, as a result of which exports to the country increased by 58%. These Southeast Asian countries are the two ones of three key trade and economic partners of the EAEU among the ASEAN member States (the third is Singapore), which accounted for 15,4% and 30% of their bilateral trade in 2018, respectively.

Figure 1. The volume of mutual trade between the EAEU and ASEAN, 2015-2018, dollars.



Source: calculated by the authors on the basis of EEC data

Current problems

First, that one of the problems is the initially high expectations about the intensive interaction between the two integration associations, at least, from the part of the political establishment of the EAEU member States.

Relations between the parties are characterized by the lack of a clear strategy for the development of cooperation, a wide list of successfully implemented projects, a strong institutional framework, as well as limited trade, economic and investment ties.

Contrary to the overall positive dynamics, the nature of EAEU-ASEAN trade and economic cooperation can be described as an asymmetric. The “ten” of the Association is more

important in foreign trade for the EAEU than the “Eurasian five” for ASEAN²⁰: the share of the Union in trade with ASEAN made up only 0.8%, while the share of ASEAN in foreign trade of the EAEU exceeded 3% by the end of 2018²¹.

Such certain imbalances are observed in the structure of mutual trade. Mineral raw materials continue to be the key export item from the EAEU to ASEAN by a significant margin. By the end of 2018 this commodity group accounted for 50% of the total supply of the EAEU to the Association. And the value of this group has increased over the past 4 years. In 2015 the share of fuel and energy products made up 49%. The chemical products are on the second place in the list of export goods and the share of which is 11%²². As for the EAEU imports from ASEAN, the most important commodity items include machine and equipment and food products, the total share of which in total supplies to the EAEU exceeds 63%²³.

The above indicators highlight the weak level of diversification of the commodity nomenclature both in terms of imports and exports. At the same time, another limitation is the dominance of Russia in the foreign economic processes of the EAEU, which accounts for 87% of the EAEU’s GDP and 84% of its foreign trade. Similar trends are observed in the interaction between the EAEU and ASEAN. Thus, Russia accounts for over 92% of all trade of the Eurasian Union with the “ten” of the Association, while the share of the least developed economies of the EAEU, Armenia and Kyrgyzstan, in trade with ASEAN totals only 2.2%²⁴.

It can be concluded that in view of the prevailing economic and political influence of Russia in the EAEU the ruling elites and the business community of ASEAN countries perceive the Union rather as the “Russia+” format. However, given the significant differences in the level of development of national economies of the Eurasian Union it is unlikely that its members, except Russia, will be able to make a greater contribution to the development of trade-economic cooperation between the EAEU and ASEAN in the midterm period.

In these circumstances, it becomes obvious that the basis of the multilateral format of cooperation is the strategic partnership between Russia and ASEAN. However, in this direction there are structural limitations, which are unlikely to be eliminated in the foreseeable future.

As for the practical content of Russian-ASEAN relations it should be recognized that at the time of achieving the status of strategic relations the parties are in a position of “low start” significantly yield to the majority of dialogue partners of the Association as depth. Nowadays the

²⁰ Russian APEC Study Center (2017) EAES i ASEAN: otkryvaya novye gorizonty sotrudnichestva [EAEU and ASEAN: opening up new horizons for cooperation]. Retrieved from: <https://clck.ru/JaQvk>

²¹ Eurasian economic commission (n.d.) Statistics of foreign and mutual trade in goods. Retrieved from: http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_stat/tradestat/Pages/default.aspx (in Russian)

²² Ibid

²³ Ibid

²⁴ Ibid

key point of support within the framework of the strategic partnership is the commitment to the principles and norms of international law, the ideas of open and free trade, the rejection of protectionism and unilateral hostile actions. The combination of these factors is complemented by close contacts at the highest level, as well as the absence of any serious disagreements. The latter is possible due to Russia's balanced and consistent position on key problems of the region. For instance, Russia distancing itself from the South-China sea conflict between China and Vietnam by statements that these contradictions must be resolved based on international law principles²⁵.

Nevertheless, the existing diplomatic asset is currently poorly converted into real achievements in other areas, primarily trade, economic and interpersonal relations.

Considering the development of physical connectivity, the geographical remoteness of Russia and ASEAN, the weak level of transport infrastructure in the Russian Far East and its insufficient integration into the logistics network of the Asia-Pacific region come to the fore. The low capacity of Russian ports and railways, mainly the Transsiberian railway, and also the lack of direct flights among major cities of Russia (except Moscow) and South-East Asia only exacerbate the situation.

At the same time, unlike a number of major partners of the Association (first of all, China, the USA, India), the factor , which prevents the growth of trade ties, is the absence of ethnic diasporas effectively lobbying for the conclusion of large contracts between the parties, as well as a low level of mutual awareness of the business environment.

Personal contacts of citizens of Russia and Southeast Asian countries are also limited including in the sphere of business and people-to-people connectivity. An example focused on the establishment of Russia-ASEAN humanitarian ties on a regular basis is the work of the ASEAN Centre at MGIMO, the Ministry of Foreign Affairs of the Russian Federation, however, this practice is characterized by sporadic actions.

Another constraint is the low efficiency of the institutional connectivity between the Eurasian Economic Commission and the ASEAN Secretariat. This is largely due to the fact that the Commission does not have a rich history of interaction with the ASEAN Secretariat as the EEC was previously involved in negotiations with other international structures and integration associations. Among them are the United Nations economic Commission for Europe, UNCTAD, the International Trade Center, the Andean Group, the Latin American Economic System etc²⁶.

²⁵ Presidential Executive Office (2012) Sovmestnoe zayavlenie ob ukreplenii otnoshenij vseob"emlyushchego strategicheskogo partnerstva mezhdru Rossijskoj Federaciej i Socialisticheskoj Respublikoj V'etnam [Joint statement on strengthening the comprehensive strategic partnership between the Russian Federation and the Socialist Republic of Vietnam]. Retrieved from <http://www.kremlin.ru/supplement/1279> (in Russian)

²⁶ Eurasian economic commission (n.d.) Memoranda with third countries and international organizations. Retrieved from: <http://www.eurasiancommission.org/ru/act/trade/dotp/memorandymi/Pages/default.aspx>

The important factor is the difference in the institutional format of associations. The EEC is the leading supranational body of the Eurasian Economic Union, while ASEAN and its main mechanisms are exclusively intergovernmental. As a result of this, despite the fact that in both integration associations all key decisions are taken by consensus, the supranational status of the Commission implies a more nuanced and bureaucratic approach. It often leads to complication of the decision-making process including on building external relations with regional partners.

At the same time, there are objective difficulties in the framework of the Russia-ASEAN dialogue partnership mechanisms. This mechanism includes the following structures: the Russia — ASEAN Meeting Senior Officials, the Russia — ASEAN Joint cooperation Committee, the Russia-ASEAN Joint Planning and Management Committee, the ASEAN — Russian Dialogue Partnership Financial Fund, the Russia — ASEAN Business Council, the ASEAN— Russia Working Group on Scientific and Technological cooperation and post-Ministerial conferences.

The key problem is that this multisectoral organizational structure does not fully contribute to the potential of bilateral cooperation. This is largely due to the lack of institutional support from national governments of both sides and the lengthy process of project coordination.

Moreover, an important negative factor is the ambitious agenda, which often goes beyond the scope of specific mechanisms of interstate cooperation. In particular, in the framework of the ASEAN – Russia Joint Cooperation Committee and the ASEAN- Russia Joint Planning and Administrative Committee, despite the declared economic orientation, security issues are being discussed, this is within the competence of the ASEAN- Russia Joint Working Group on Counter- Terrorism and Transnational Crime.

Major Russian initiatives, especially the Great Eurasian partnership, are not currently the subject of serious discussions both at the level of the expert community and officials of the ASEAN member States. This is due, in large part, to the lack of a clear agenda, specific projects, geographical frameworks and institutional arrangements for the concept of Greater Eurasia and more importantly ASEAN's focus on alternative initiatives promoted by its key dialogue partners.

As for China, it is “the Belt and Road initiative”, as well as the ASEAN+3 dialogue partnership format (China, Japan, Rep. of Korea). For individual ASEAN countries (Vietnam, Brunei, Malaysia and Singapore) the priority is the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) that includes 11 countries, the leadership of which passed to Japan after the US withdrawal. At the same time, the 10-member ASEAN together with 6

dialogue partners is involved in the negotiations on the Regional Comprehensive Economic Partnership (RCEP), which the parties seeked to complete by the end of 2019²⁷.

Finally, the Association countries are increasingly interested in the emerging concept of a "Free and open Indo-Pacific region" with the United States, India, Japan and Australia in the lead role. These countries are also participants in the Quadrilateral security dialogue (QUAD). Recently the United States and QUAD partners have sharply stepped up measures to involve Southeast Asian countries in their orbit, especially - Vietnam. This is evidenced by the fact that Hanoi is at the first place in the list of Washington's priority partners among ASEAN in the US Department of Defense's Report on The Strategy of The IPR published on June 1, 2019.

Additionally, it is no coincidence that during the APEC summit in Vietnam's Da Nang in 2017 the US President Donald Trump first presented the vision of "Free and open Indo-Pacific region". It is characteristic that Vietnam has the most positive attitude towards the Indo-Pacific region among all ASEAN member countries. According to a survey by the Australian Strategic Policy Institute conducted on October 2018, 69% of respondents have a positive opinion of the initiative. Moreover, 88% of Vietnamese noted the need to develop QUAD for strengthening of the regional security architecture.

Parallel to this, ASEAN seeks to promote its own vision of the Indo-Pacific region, which is significantly different from the American one. Hence, the 10-member ASEAN published a strategic document that deepens and clarifies the position of the participating countries on the Indo-Pacific region and the Association's place in the initiative on 23 June 2019. According to the drafters of the "vision", South-East Asia is at the center of dynamically developing economic and political processes in the region. Consequently, ASEAN should play a key role in the formation of a new geostrategic space.

One of the distinctive features of the document is the linkage of ASEAN economic plans with the development of multilateral cooperation in the Indo-Pacific region. ASEAN countries have long promoted the idea of building regional connectivity and strengthening the ASEAN Community.

In the view of the ruling elites of ASEAN the concept of IPR is an additional source of attracting foreign investment, activating existing projects (economic corridor BIMP-EAGA), deepening cooperation with other integration initiatives and associations (The Indian Ocean Rim Association, IORA, BIMSTEC).

²⁷ The Straits Times (2019) Speedy conclusion to RCEP talks will signal Asean's commitment to global trade: Chan Chun Sing. Retrieved from: <https://www.straitstimes.com/asia/east-asia/speedy-conclusion-to-rcep-talks-will-signal-aseans-commitment-to-global-trade-chan>

The principal point of the "ASEAN vision" is the non-confrontation of the Asia-Pacific region to the Indo-Pacific region. The main achievements and strategic plans of ASEAN are directly related to the development of key geo-economic and geostrategic processes in the Asia-Pacific region. Therefore, in official documents and statements the use of the term "Indo-Pacific region" instead of the usual "Asia-Pacific region" is unlikely to meet with support in the ruling circles of the Association.

Thereby, in the foreseeable future the ASEAN's main efforts to deepen integration processes and increase regional interconnectivity will be built around three formats: 1) ASEAN-centric based on the RCEP and partly its own concept of IPR; 2) China-centric providing for the participation of ASEAN countries in "the Belt and Road initiative"; 3) the US-centric – closer involvement in the emerging geostrategic space represented by the Indo-Pacific region.

Under the prevailing circumstances, the Eurasian track is not among the priorities of the ASEAN. The format of the ASEAN-SCO-EAEU trilateral cooperation on the transition to a strategic partnership fixed in the Sochi Declaration in 2016 is not reflected in the final statement of Russia and ASEAN about Strategic Partnership. Moreover, there is no mention of the Memorandum between the EEC and the ASEAN Secretariat in ASEAN Economic Integration Brief²⁸ and the Chairman's Statement on the outcome of the 34 ASEAN Summit²⁹. These important documents summarize ASEAN's main results of the foreign economic activity during the past year.

Speaking about the problem areas within the framework of cooperation between the EAEU and ASEAN, it is important to take into account the structural limitations of the two associations, primarily internal disagreements between the member States and the resulting difficulties in forming a consolidated position of inquiry in trade negotiations.

With regard to the EAEU, one of the stumbling blocks is the youth of the Union, as a result of which it faces double pressure. On the one hand, there is an objective need to implement integration "inside", i.e. strengthening the institutional and regulatory framework, removing barriers and raising awareness about the activities of the Association among the population of the member States. On the other hand, EAEU is focused on forming a proactive foreign economic agenda – coupling with the Chinese "The Belt and Road initiative" and reaching a systematic conclusion of the FTA with third countries.

Secondly, a serious obstacle is also the lack of powers of the EEC and the political and legal basis for the development of a flexible trade and economic relations system. In particular,

²⁸ ASEAN Official site (2019) ASEAN Economic Integration Brief. Retrieved from: https://asean.org/storage/2019/06/AEIB_5th_Issue_Released.pdf

²⁹ ASEAN Official site (2019) Chairman's Statement of the 34th ASEAN Summit. Retrieved from: https://asean.org/storage/2019/06/Final_Chairs-Statement-of-the-34th-ASEAN-Summit_as-of-23-June-2019-12....pdf

the negotiations with foreign partners on services and investments are not within the competence of EEC as the negotiations remain within the competence of national governments. It significantly reduces the effectiveness of the Union's negotiating position in agreeing of market access conditions for potential FTA partners and it delays the process. For instance, it led to a serious delay in negotiations on the agreement with Singapore, which was scheduled to be completed by the end of 2017³⁰ (but was partly signed on October 2019).

Finally, due to the administrative and resource limitations of the EEC the Eurasian Economic Union does not have significant experience in negotiating preferential trade agreements with major foreign partners yet. At the moment the only functioning FTA and at the same time the only real project of bilateral cooperation is the agreement with Vietnam.

As a result, the Eurasian Economic Union is not able to offer an attractive format for multilateral economic regulation by type of CPTTP or RCEP yet. Nevertheless, there were some statements by Minister Oreshkin that Russia and China have intentions to develop an agreement, which will cover a lot of trade aspects (services and investment, protection of investments, e-commerce, the movement of people, etc) and make it comparable to the Trans-Pacific Partnership³¹. However, due to the above-mentioned factors, it is highly likely that the FTA discussion and the negotiations on the conclusion of agreements may be delayed for many years.

The future challenges

The question raised in the previous section can be solved in the following way: what directions, measures and mechanisms may and should be used to bring cooperation between the EAEU and ASEAN to a level that ensures the expectation of its independent reproduction and multiplying effect in the future?

The answer has to start from the inviolable fact: at the present stage the Union needs the Association much more than the latter one needs the former. Therefore, the EAEU needs to act in an “advanced mode” offering ASEAN attractive projects, ensuring their intellectual elaboration and fully assuming their financing as needed.

The Union should actively build cooperation institutions with the Association. It is important to establish effective communication channels between EEC and the ASEAN Secretariat. Hence, it is advisable to use the experience and best practices of interaction between

³⁰ Sputnik (2016) Singapore, EAEU May Sign Free Trade Deal by End of 2017 - Russian Deputy PM. Retrieved from: <https://sputniknews.com/business/201611251047817105-singapore-eaeu-free-trade-deal/>

³¹ Leksyutina Y. (2018) Can Russia and China Reach the Trans-Pacific Partnership's Level?. *Valdai Discussion Club*. Retrieved from: <http://valdaiclub.com/a/highlights/can-russia-and-china-reach-the-trans-pacific/>

Russia–ASEAN institutions adapting them to meeting challenges facing the Association and the Union³².

The “anchor” projects financed by the EAEU in Southeast Asia are essential to be implemented timely. The information and communication technologies (an example of a "success story" - the activities of Kaspersky Lab in South Asia-already exists), the joint creation of "smart cities", digital support for infrastructure construction can be perspective directions³³.

The digital sphere can become a promising area of cooperation considering that both associations regard to digital integration as a major factor contributing to the competitiveness of their member countries. Officials and the business community of ASEAN member countries have already developed a regulatory framework for cooperation in the field of digitalization. The ASEAN ICT Masterplan 2020³⁴, the ASEAN Digital integration Framework Agreement for the development³⁵, the Master Plan on ASEAN Connectivity 2025³⁶ and others have already been adopted. There is a fixed Association's focus on the formation of a single ICT market in Southeast Asia in collaboration with non–regional partners and the creation of the necessary infrastructure for this.

It is significant that the “ten” of the Association managed to achieve 100% of the implementation of all 87 projects noted in the ASEAN Master Plan for ICT development until 2015³⁷.

The EAEU due to its youth does not have a rich "success story" in the development of cooperation in the field of ICT yet. Nevertheless, the adoption in 2018 of a new Common Customs Tariff providing for the introduction of a “single window ” mechanism to accelerate document flow can be attributed the achievements of the Union. By 2020 it is planned to issue 64% of declarations in automatic mode and register 99%³⁸.

³² Zeleneva I.V., Kontsova E.A. (2015) ASEAN and EAEU: Cooperation Problems and Prospects. *Administrative Consulting*. No. 11, pp.112-123. (In Russian)

³³ Korolev A.S. (2019) Rossiya — ASEAN: poisk novykh «tochek rosta» [Russia-ASEAN: search for new "growth points"]. *Russian International Affairs Council*. Retrieved from <https://russiancouncil.ru/analytics-and-comments/analytics/rossiya-asean-poisk-novykh-tochek-rosta/> (In Russian)

³⁴ ASEAN Official site (2015) The ASEAN ICT Master plan 2020. Retrieved from: https://www.asean.org/storage/images/2015/November/ICT/15b%20--%20AIM%202020_Publication_Final.pdf

³⁵ ASEAN Official site (2019) ASEAN Digital Integration Framework. Retrieved from: <https://asean.org/storage/2019/01/ASEAN-Digital-Integration-Framework.pdf>

³⁶ ASEAN Official site (2016) Master Plan on ASEAN Connectivity 2025. Retrieved from: <https://asean.org/storage/2016/09/Master-Plan-on-ASEAN-Connectivity-20251.pdf>

³⁷ ASEAN Official site (2015) ASEAN ICT Master plan 2015 Completion Report. Retrieved from: <https://www.asean.org/storage/images/2015/December/telmin/ASEAN%20ICT%20Completion%20Report.pdf>

³⁸ Eurasian Economic Commission (n.d.) The Customs Code of the Eurasian Economic Union (Annex No. 1 to the Treaty on the Customs Code of the Eurasian Economic Union) (In Russian)]. Retrieved from: http://www.eurasiancommission.org/ru/act/tam_sotr/dep_tamoj_zak/Pages/tk_eaes.aspx

Furthermore, the leaders of the Union countries adopted a strategic document – the EAEU Digital Agenda 2025, which, as well as in the priorities of ASEAN, set the task of forming a single digital market of the participating countries³⁹.

In view of the high importance of personification of business decision-making in the practice of ASEAN, a timely measure is seen as a large-scale campaign aimed at expanding personal contacts between representatives of the business communities of the EAEU and ASEAN. In this direction it makes sense to organize a series of meetings with owners and managers of companies from ASEAN countries with the presentation of potential projects in the EAEU States. Such meetings can be incorporated (built) into the format of existing platforms, where joint discussion of this issue is already taking place - the St. Petersburg International Economic Forum(SPIEF), the Eastern Economic Forum (EEF), the Krasnoyarsk Economic Forum (KEF), as well as new platforms, in which ASEAN representatives are not involved – the Far Eastern investment Congress in Vladivostok, the Astana Economic Forum in Astana, the International Business Forum “Eurasian week”.

Undoubtedly, these important and timely events should be accompanied by the development of cooperation between the EAEU and ASEAN “from below”, i.e. among enterprises, trade networks, online platforms, entrepreneurs and etc. Although currently the dialogue is mainly among large companies, the need to involve small and medium-sized businesses in the dialogue is objectively essential. The launch of joint B2B platforms can facilitate the first step.

The EAEU has already had a successful experience in developing platforms designed to promote high-tech exports and already integrated ones with similar platforms in Singapore, Indonesia and Malaysia. The most striking example is the Russian export – import B2B platform *RStrade4* focused on the promotion of non-raw materials to the markets of South and South–East Asia. The continuation of this practice is more important, because the current global trend is the transformation of the distribution chain from manufacturer to retail, by passing distributors and now many retailers are investing in their own logistics facilities.

Strengthening ties with ASEAN the EAEU will have to act in a spirit not only contradictory, but also contrary the opposite of the modality of cooperation that is familiar to the Association and repeatedly tested. This assumes originally consolidation the "lower" contacts to a level that subsequently let form the working institutions. However, the Union has neither the time nor the skills, nor the previously accumulated resources for this purpose, therefore, in any

³⁹ World Bank Group (2018) The EAEU 2025 digital agenda: prospects and recommendations – overview report. Retrieved from: <http://documents.worldbank.org/curated/en/850581522435806724/pdf/EAEU-Overview-Full-ENG-Final.pdf>

case, progress will be made without dramatic breakthroughs and implemented slowly and stage by stage.

Conclusion

The analysis of the results of cooperation between the EAEU and ASEAN and the prospects for its development does not give bases to expect its qualitative energization. At the present stage most of the problems that the EAEU and ASEAN face directly or indirectly do not involve developing solutions on the basis of increasing contacts with each other. The EAEU, which is engaged in the formation of its own institutional framework, objectively is not able to provide the Association “added value” of cooperation in comparison with its existing options.

For its part, the Association can compensate for the modest results of the dialogue with the EAEU through interaction with other partners. Accordingly, in practice in the foreseeable future both the EAEU and ASEAN will be motivated to build cooperation on the principle of “minimum sufficiency”.

Consideration of the interaction between the parties is remarkable as it clearly demonstrates that cooperation even with a friendly and not having a "hidden agenda" partner does not bring tangible results, as the cooperation is not backed with the necessary resources.

However, the EAEU will have to work out the latter ones acting on several fronts in conditions of temporary time pressure and develop such directions of dialogue in which the value of the Union for ASEAN is objectively weaker than what its other partners have. In such circumstances it can be expected only “spotted”, but not systemic success.

However, looking at the same situation from a different angle, it leads to a completely different conclusion. ASEAN is almost an ideal partner for the EAEU to establish meaningful and institutional interaction with an effective multilateral dialogue platform. If this happens, the current tendency towards de-institutionalization of international relations is slowed down by the efforts of the Union and the Association, and perhaps reversed.

Even taking into account the systemic obstacles facing them, is it not the historical mission of cooperation between the EAEU and ASEAN precisely to start this process?

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