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Eurasian Economic Union: Reality or Dream / Avrasya Ekonomik Birliği Bir Hayal Mi?

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ABSTRACT

Russia, Kazakhstan and Belarus have tried to establish an economic integration after the collapse of Soviet Union. After a series of unsuccessful attempts to integrate the post-soviet region under Russian leadership, the agreement on the Eurasian Economic Union entered into force on 1 January 2015 with the participations of Armenia and Kyrgyzstan. The formation of the Eurasian Economic Union comprising Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan is one of the foremost priorities in Russian politics. Free movements of workers, goods, services and capital among the countries involved in the integration will have a significant impact on region economy. Establishment of single market will effect world economy by the increasing trade and investment opportunities within the Union as well as by common transport and energy policies. After the Global Financial Crisis, Russia has forced the Eurasian Economic Union members to protectionism. This means that importing from China and the European Union will become more costly for the members of the Eurasian Economic Union. Although the Eurasian Economic Union covers five economies, by its enlargement potential the Eurasian Economic Union can be a strong supranational integration like a European Union in the long term. In order to being a successful economic integration, there are basic conditions such as having similar economic structures, having high levels of trade openness and intra-union trade. This study aims to make an assessment about the integration success conditions, using the key macroeconomic indicators of the Eurasian Economic Union member countries. Additionally, the exports structure of the member states will be analysed in order to understand whether the economies exhibited a sufficient level of integration.

KEYWORDS Eurasia; economic integration; dependence

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