

**REGIONAL
COOPERATION
IN THE CIS**

The major parameters in the post-soviet area development after the USSR collapse were determined in the Agreement on establishment of the Commonwealth of Independent States signed in Visuli on December 8th, 1991 (the so-called “Belovezhskoye Agreement”).

This document declared establishment of the Commonwealth of Independent States at the scene of the former USSR, and formulated the main principles of its members’ interrelations.

On January 23rd, 1993, the Charter of Commonwealth of Independent States was accepted at the meeting of heads of states and governments of the CIS member countries. Specifically, in art. 1 of the Charter it was stressed that the CIS “is not the state and is not empowered with supranational authorities”. Directions of collaboration in the economic and social fields were provided in art. 19:

- forming of the common free market zone on the basis of market relations and free traffic of commodities, services, capitals and labor force;**
- assistance to development of the common information zone.**

The main directions of collaboration in the military-political field were secured in the Agreement on collective security signed on May 15th, 1992, in Tashkent. In accordance with art. 1 of the Agreement, the member states undertook to desist from applying force or violence threat in the interstate relations and amicably solve all controversies among themselves and with other countries.

The CIS activity analysis as of an integration unit allowed determining the major achievements of this interstate relations institution:

1. CIS formation interrupted the process of the USSR chaotic disintegration.

2. The regulatory legal framework has been created for integrative collaboration development.

The following treaties and agreements are quite important for extension of the Commonwealth states trade-economic relations:

- a) Agreement on the economic union (September 24th, 1993);
- b) Agreement on a free economic zone creation (April 1994);
- c) Agreement on cooperation and mutual assistance in customs affairs (April 1994);
- d) Agreement on creation of the interstate economic committee (April 1994);
- e) Agreement on establishment of the payment alignment (1995).

3. Organizational pattern of the interstate collaboration within the CIS framework is shaped.

Main integration problems on the CIS area:

1. Absence of organizational-legal mechanism for implementing interstate decisions accepted in the CIS.
2. Inefficient measures on the national legislations unification and harmonization by the Commonwealth countries.
3. Various barriers interfering with efficient development of the CIS trade-economic relations.

Lack of coordination prevents intertrade development of:

a) the customs policy in the CIS countries.

б) tariff policy in the CIS states.

In the field of transport - a high level of railway tariffs on goods transportation remains on the territory of the Russian Federation.

In the field of power engineering – the Commonwealth states have not still developed the unified approaches to tariffs formation on oil-and-gas resources transit.

4. Weak level of CIS countries interaction in the social sphere.
5. Different level of CIS states level development.

CIS countries gross domestic product

Table 1

(in % against the previous year)

CIS countries	2000	2001	2002	2003	2004	2005	2006	2007	Jan. 2008
Azerbaijan	111,1	109,9	110,6	111,2	110,2	126,4	134,5	125,0	111,3
Armenia	105,9	109,6	112,9	113,9	110,5	113,9	113,3	113,8	109,9
Belarus	105,8	104,7	104,7	106,8	111,4	109,4	109,9	108,2	108,3
Georgia	101,9	104,8	105,4	111,1	105,9	109,6	109,4	112,7	...
Kazakhstan	109,8	113,5	109,8	109,2	109,6	109,7	110,6	108,5	103,8
Kyrgyzstan	105,4	105,3	99,5	106,7	107,0	99,8	102,7	108,2	107,4
Moldova	102,1	106,1	107,2	106,3	107,4	107,5	104,0	103,3	
Russia	109,0	105,0	104,3	107,3	107,2	106,4	106,7	108,1	107,9
Tajikistan	108,3	110,2	109,1	110,2	110,3	106,7	107,0	107,8	101,5
Turkmenistan
Uzbekistan	103,8	104,5	103,3	104,4	107,7	107,0	107,3	109,8	...
Ukraine	105,9	109,2	104,1	109,4	112,1	102,6	107,1	107,3	104,9

Source: information provided by the CIS International statistical committee, Agencies of the Republic of Kazakhstan for statistics.

Analysis of the regional unions activities in the CIS

1. Union of Belarus and Russia

The union of Belarus and Russia was established in accordance with the Treaty on the Union state creation of December 8th, 1999.

2. GUUAM

The integration union GUUAM was established in November 1997 by signing the Protocol between the MFA's of four countries – Georgia, Ukraine, Azerbaijan and Moldova, which declared a new structure creation. Uzbekistan officially entered this organization in April 1999.

3. Common free market zone (CFMZ)

The Common free market zone (CFMZ) was created in accordance with the Agreement on the common free market zone formation (further – CFMZ) signed by the Presidents of Belarus, Kazakhstan, Russia and Ukraine in September 2003.

4. Eurasian economic community (EurAsEC).

The Eurasian economic community (EurAsEC) was created under the Agreement on establishment of Eurasian economic community dated October 10th, 2000.

The performed analysis of the EurAsEC countries integrative collaboration, functioning of the existing regional unions allowed making the conclusion that the Eurasian economic community is becoming the “locomotive” of integration on the post-soviet area.

The EurAsEC countries governments accepted a number of practical and effective measures on development of integrative collaboration, enhancement of the EurAsEC countries transport and energy complexes interaction.

Therefore elaboration of the mechanism for the EurAsEC countries integration interaction enhancement is extremely important.

Recommendations on the EurAsEC
countries integrative collaboration
development and forming the Common free
market zone.

- 1. Forming of the Customs union**
- 2. Interaction in the real sector of economy.**
- 3. Forming the Common transport zone.**
- 4. Creation of the Common energy (power supply) zone.**
- 5. Forming of the common market of services.**
- 6. Forming of the common financial market.**
- 7. Cooperation in the social-humanitarian sphere.**