

Eurasian Economic Union: in the European Union's footsteps or on new paths?¹

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Abstract

The European and Eurasian integration forms are genuinely unique, with legislative, executive, and judicial powers at the supranational level. The comparative analysis used in this article was aimed at evaluating the Eurasian Economic Union's (EAEU) integration in comparison with the European Union's (EU). The article presents some common characteristics of the European and Eurasian integration processes, as well as several differences that may arise from the reasons for integration. The authors analysed, structured, and evaluated the features of the EU and EAEU by applying the interdisciplinary and comparative approach of the PESTEL factors analysis. The conclusion is that even though the EAEU has copied some EU operational mechanisms, the integration's differences might always be tangible. The authors found particularly interesting how the historical roots of EU integration and the political reasons for enhancing the EAEU exist with similar institutional solutions. The integration's aim in defining themselves as global actors in the globalised environment is very intriguing. It can be concluded that the EU might serve as an example worth following to the EAEU in many senses.

Keywords: integration forms, European Union (EU), Eurasian Economic Union (EAEU), global actors, comparative analysis, PESTEL-analysis

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Euroazjatycka Unia Gospodarcza: śladami Unii Europejskiej czy nowymi ścieżkami?

Streszczenie

Formy integracji europejskiej i euroazjatyckiej są naprawdę wyjątkowe, łącznie z uprawnieniami ustawodawczymi, wykonawczymi i sędziowskimi na poziomie ponadnarodowym. Analiza porównawcza zastosowana w niniejszym artykule miała na celu ocenę integracji Euroazjatyckiej Unii Gospodarczej (EAEU) w porównaniu z Unią Europejską (UE). W artykule przedstawiono niektóre wspólne cechy procesów integracji europejskiej i euroazjatyckiej, a także odnotowano kilka różnic, które mogą wynikać z przyczyn integracji. Autorzy przeanalizowali, ustrukturyzowali i ocenili cechy UE i EAEU, stosując podejście interdyscyplinarne i analizę porównawczą czynników PESTEL. Konkluzja jest taka, że chociaż EAEU skopiowała niektóre mechanizmy operacyjne UE, są widoczne różnice w formach integracji. Autorzy uważają za szczególnie interesujący fakt, że przy podobnych rozwiązaniach instytucjonalnych istnieją historyczne korzenie integracji w UE i polityczne powody wzmocnienia EAEU. Intrygujący jest cel integracji polegający na określeniu siebie jako globalnych aktorów w zglobalizowanym środowisku. Autorzy doszli do wniosku, że UE może stanowić przykład godny naśladowania dla EAEU w wielu aspektach.

Słowa kluczowe: formy integracji, Unia Europejska (UE), Euroazjatycka Unia Gospodarcza, globalni aktorzy polityczni, analiza porównawcza, analiza PESTEL

EU and EAEU: regional cooperation forms of mutual interdependence?

The international political and economic alliances are essential parts of the globalisation process that have spanned all world regions. Nowadays – even if there is a general need for nation-states to maintain the balance of interests of supranational organisations and those who make them up – states alone may face hardships in interest advocacy. Therefore, they create international, sometimes supranational groups to advocate their common interests and defend them from other interest groups. When World War II ended, the Western European nation-states decided to ally and establish the legal predecessor of the European Union. Of course, maintaining the (Western European) peace was a *fairy-tale incentive* for the cooperation; however, existing between two „empires” (USA, Soviet Union) just at the dawn of the Cold War was a strong *de facto* trigger for recognising the mutual interdependence and the general need for collaboration. In this cooperation, every founding state (West Germany, France, Italy, Benelux states) was aware of its well-conceived national interests, while understood the risk of mutual interdependence and the benefit of acting in an organised, institutionalised, and common manner.

When the Soviet Union collapsed, the constituent elements and the states belonging to its sphere of interest became free (liberalised). The rest of these recently independent sovereign states voluntarily joined international alliances, such as NATO, United Nations (UN), and the European Union in order to participate with equal terms in the intergovernmental environment. In the last couple of years, new centers of geopolitical and geo-economic cooperation have appeared worldwide. In the post-Soviet space, the

first attempts to create equal regional cooperation arose (Kinyakin, Kucheriavaia 2019). The first was the Commonwealth of Independent States (CIS). It was essential to establish international cooperation to fill the gap in the commercial, economic, and security fields previously provided by the Soviet Union, but the CIS could not achieve that. The CIS was – as Kubicek expresses – ultimately an ineffective organisation strongly affected by political and ideological tensions, faced a lack of mutual trust and commitment (Kubicek 2009). Later CIS countries have chosen to transform the integration based on the EU-model. Because the EU is considered as one of the most developed regional integration blocs, the model seemed to be worth copying. The idea and approaches of multilevel, multi-speed integration, borrowed straight from the EU lexicon and experience, proved equally useful for the Eurasian integration (Vinokurov 2017). A breakthrough in the Eurasian regional integration was achieved in 2006 by establishing a EurAsEC Customs Union by Russia, Kazakhstan and Belarus as its founding members. The Eurasian Economic Union (EAEU) was established in 2015 after signing in May 2014 the *Treaty on the Eurasian Economic Union* (hereinafter: *EAEU Treaty*) as a political-economic integration formation with common market and coordinated policies between Russia, Belarus, Kazakhstan, Kyrgyzstan, and Armenia. The EAEU – similarly to the EU – has a legal personality, and the Treaty provides for the free movement of goods, services, capital, and labour (see: EAEU Treaty 2014). The Treaty also intends to approximate a uniform policy in the economic sectors. The EAEU is an example for regional economic integration in Northern Eurasia (Eurasian Development Bank 2019). The main factors of the establishment of the EAEU are economic and geopolitical objectives. The creation of the post-Soviet regional cooperation was mostly driven by Russia incorporating this into its regionalist stage of foreign policy (Molchanov 2015). According to some critics, the EAEU's creation is an attempt to polarise the World by Russia. These critics affirm that the EAEU may become a counterbalance to the EU in the West and China in the East. The EAEU seeks to limit and restrict the Chinese economic influence and penetration in the Central Asian markets (Blank 2014). Moreover, copying the well-functioning elements from the EU integration project may guarantee successful cooperation in the East, because the EAEU can use those elements that function well in the EU and skip others. The EAEU attempts to establish an institutionalised legal regime with binding effects supported by a dispute resolution mechanism. The functioning is based on transferred competence and the principle of supranationalism.

Methodology and hypotheses

This article relies on a comparative analysis of the basic terms and functioning of the EU and the EAEU. We use the PESTEL comparative factors analysis method complemented by general institutional comparison. We examine the main **p**olitical, **e**conomic, **s**ocial, **t**echnological, **e**nvironmental, and **l**egal factors of these two organisations and draw the main similarities and differences. The aim of the article is to present the results of the comparison and to verify research hypotheses. Our

methodological assumption is that the PESTEL analysis – being an interdisciplinary one – could support the comprehensive understanding of the regional integration forms.

The comparative analysis addresses the following theses. First, we hypothesise that the two examined integration forms had different reasons to evolve: the EU met peace-building, economic-rising, and ally-seeking (historical) reasons, while the EAEU had rather geopolitical intentions. Secondly, we hypothesise that the EAEU copies some institutional, decision-making, and functional elements from the EU. Thirdly, we hypothesise that different reasons for integrating within different historical, political, and social environments cause variations in the implementation, even if there are significant similarities in the institutional systems. Finally, we hypothesise that the influence of the bigger Member States of the EU (Germany, France, Italy, Spain, Poland) and the biggest state of the EAEU (Russia) are different within the two integration processes, and we analysed in what sense this difference occurs. The solid commitment to environment protection or technological development can reveal the integrations' attitude towards geopolitical leadership. The actual steps in these fields can demonstrate the policy-forming power of the integration. Our further hypothesis is that the EU's positive results of regional international cooperation in the last seven decades may serve as an example to follow for the EAEU in many aspects. We assume that the EU is a model of regional cooperation that can prove the "good" and "best practices" of economic integration, legal harmonisation, and institutional balance (*bureaucracy*) on the supranational level.

On the other hand, the EU's history is also proof of difficulties arising from diversity. The diversity of the nations and languages, the constitutional systems and legal regimes, the attitude towards integration are all the generators of tensions and future conflicts. Thus, the EU is also an indicator of "practices to be avoided" or negotiated in a more consensual way. However, we have to note that the differences between the EAEU and the EU are significant for the first instance due to the different historical, religious, and cultural dimensions of Europe and Asia. Therefore, a *copy-paste* of the EU model will presumably not work properly. In addition, the economic development level of each Eurasian country is much different from the Member States of the EU. Therefore, the EAEU has a chance to examine, evaluate, consider and decide, whether it fully or partially follows the EU's path. Due to these unique conditions, it is challenging to develop the overall mechanism for Eurasian integration. Finally, according to the modern Eurasian integration theory, Eurasian integration can be called „pragmatic Eurasianism”, because it follows a purely pragmatic approach to building an integration without any ideological content (Kofner 2019).

Similarities and differences of the EU and the EAEU integration paths from institutional point of view

The differences between the EU and the EAEU could be grabbed in the main constitutional, economic, geographic, and social features of the countries involved. Of course, the founding states (Benelux states, Italy, Federal Republic of Germany, France) of the EU

integration were in a much different situation after the World Wars in a fragmented Europe than the founders of the EAEU in 2015 in Eurasia. The states' historical heritage included in these integration forms determine their level and way of cooperation. The geographical location is also a significant factor, because the countries' location obviously determines their possibilities regarding their production and their international commercial relations.

The EAEU consists of five states: Armenia, Belarus, Kazakhstan, Kyrgyzstan, and the Russian Federation. While the EU – due to the withdrawal of the UK – has 27 Member States. The population of the EU is nearly 450 million persons (it was approx. 500 million before the Brexit), and the EAEU has approx. 184 million citizens. While the EU's territory is 4,236,351 square kilometers (CIA 2021), the Eurasian Economic Union covers over 20,000,000 square kilometers (approximately 15% of the World's land surface) (EAEU 2021). A significant fact for our comparison is that the EAEU has a territory five size bigger than the EU while has a population that is approx. 40% of the EU's one. This proportion influences the role and situation of the constituting Member States. Therefore, we also have to consider the size of each Member State. We can conclude that the EU (after the Brexit) has two dominant Member States, namely Germany and France, and has several medium-sized and smaller Member States, while the EAEU has the Russian Federation as a dominant state owning the approx. 85% of the territory (17,098,246 km²) and four smaller countries (CIA 2021). It is also important that the Russian Federation's territory is itself more than three-times bigger than the whole EU. Regarding the population of the EAEU, we can conclude that from the 184 million citizens the Russian Federation has approx. 147 million (EAEU 2021). Size matters in this sense. The larger the state is, the more it has opportunities in several fields (military forces, industry, sports, science, etc.).

There are several similarities between these two integration forms in economic and political sense, because both were firstly formed on the basis of economic coercion. Political ambitions were less visible in the beginning than economic interests. The historical background strongly determines the contracting states' engagement, which could be very various. We can see that in the EU, several Member States are engaged in pushing forward the integration towards a federal state direction, while other members instead participate in intergovernmental cooperation with multispeed policies and opt-out systems. There are also some differences in the societies of Europe regarding their attitude towards integration depending on their level of nationalism and their current political intentions.

The EAEU sought to base its model on the EU. According to the *EAEU Treaty*, the EAEU is a regional project with pure economic strategies. In this respect, the Eurasian integration precedes the *European Economic Community (EEC) Treaty*, signed in Rome in 1957. The EAEU – similarly to the ancestors of the EU – completed all the necessary phases of integration in order to become a Union. It completed to become a free trade area, then customs union, common market, and economic union. However, the EAEU has not become a monetary union yet.

The European Union is evolved to become a Union from different Communities during the last seven decades. Each development phase had novums, and by the enlargement

processes parallel to the speed and levels of cooperation, it slowly became a complex Union. The integration process in the EU went through several stages from free trade area, via customs union, later common, then internal and single market, and it is also a partially existing monetary union. The European Coal and Steel Community (ECSC) in 1951, the European Economic Community (EEC) in 1957 boosted the common development of the participating states by continuously elaborating common economic policies. Besides the pure economic aspect, the strategically important European Atomic Energy Community (EURATOM) was also established in 1958. Soon, the European Community (EC) in 1967 turned to a more complex cooperation with not only economic, but more general divisions as well. The significant and politically important step towards a Union was the signing the *Treaty on the European Union* (the Maastricht Treaty in 1992, and later, to finalise the project started by Maastricht, the Lisbon Treaty in 2007) via establishing contemporary European Union having a legal personality, functioning with a proper single market, applying a common currency for more than 340 million citizens, etc. Now, the EU is the biggest market in the World with its 450 million consumers. From the legal point of view, the EU has an extraterritorial legal potential, which – together with the market potential – a significant factor of geopolitical ambitions. In many senses, the EU has supranational characteristics, a well-balanced institutional system and a consciously planned share of powers with the Member States. By the different decision-making processes, the EU and its Member States can keep the balance of supranational and intergovernmental levels based on their interests.

The EU's institutional system consists of seven institutions and two consultative bodies. The institutions are the following:

- *European Council* that functions on an intergovernmental base and could be considered as a strategic decision-maker that provides the EU's future directions. The heads of states and / or governments sit there.
- *Council of the European Union (Council)* is a legislative body equally participating in legal decision-making (legislature) together with the European Parliament. Formerly, the Council had the privilege of lawmaking (at that time, the Parliament was only a consultative body). It consists of the Member States' ministers depending on the field of legislation. The Council generally represents the Member States' interests.
- *European Parliament* is the only body that is directly elected by the citizens of the EU. Now the Parliament is an equal partner in legislative decision-making. Formerly, it was a consultative partner of the Council in decision-making representing the Member States' national parliaments. Currently involving 705 Members of the Parliament (MEPs) elected by the nationals of each Member State (MS). The MEPs number depends on the size (number of population) of the MS.
- *European Commission* has multiple roles. On the one hand, it provides legislative proposals based on the European Council's decisions regarding the future directions of the EU development. On the other hand, it supervises the execution of the legal acts of the Council and the Parliament fulfilled by the Member States,

and in case of deviances, the Commission initiates an infringement procedure. The Commission also functions as a competition agency of the EU, which – together with the National Competition Agencies (NCAs) – creates a complex competition institutional system. The Commission represents the EU's interests and is often named the "guardian of the Treaties".

- *Court of Justice of the European Union* (CJEU) is functioning as the institution that is exclusively competent in interpreting the legal acts of the EU to make sure that they are applied in the same way in all Member States. The Court also settles disputes between national governments and EU institutions. By its interpretative privilege, the Court is a powerful and dominant institution.
- *European Court of Auditors* was established in 1975 in Luxembourg to improve EU financial management. By the increasement of the financial mechanisms of the integration, the Member States decided to establish an institution liable for the protection of the financial interests of that. Functions as a "guardian of the EU finances".
- *European Central Bank* (ECB) is located in Frankfurt and serves as a central bank of the nineteen Member States which have adopted the euro. Its main task is to maintain price stability in the euro area and preserve the purchasing power of the single currency. The ECB is also important for those states, which have not introduced the euro yet, as it leads the European System of Central Banks (ESCB), which comprises the ECB and the national central banks (NCBs) of all Member States.

Two consultative bodies are the *European Economic and Social Committee* (ESEC) and the *Committee of the Regions*, both located in Brussels. They prepare written opinions regarding legislative packs.

The Eurasian Economic Union was created by the "Troika" (Belarus, Kazakhstan, and Russia) that still form the "nucleus" of the integration association, signed the *Customs Union Treaty* in 1995. That instrument was designed to remove barriers hampering free economic interactions between economic agents, to facilitate the free exchange of goods, and to assure good-faith competition. The next step of the integration was the *Eurasian Economic Community* (EurAsEC) established in 2000. Thus, the Customs Union's Commission became technically a EurAsEC body, which encompasses a common customs territory, legislation, common customs tariff, non-tariff regulation measures, and common procedures for customs clearance and control. Later, the EurAsEC was officially dissolved on 1 January 2015, concurrently with the Eurasian Economic Union's establishment. From a cooperative point of view, the emergence and development of the EAEU seem to be faster than the EU's integration steps. One reason of such development is the fact that the EAEU had an example to follow, namely, the EU, while the EU had no existing model to "copy". Secondly, the Soviet Union was collapsed in 1991, and former republics of the socialist state in Northern Eurasia needed a new net of economic cooperation that enables participation in the global market competition (EAEU 2021).

The whole institutional structure of the EAEU is built on the EU model (Haukkala 2013). The Treaty declares that the "bodies of the EAEU shall act within the authorities that are given to them under the present Treaty and international agreements within the EAEU"

(EAEU Treaty 2014: art 8. par.2). Compared to the EU, the EAEU is governed by international agreements signed by its Member States; thus, it is more similar to an international organisation than the EU. Article 8 of the *EAEU Treaty* names the four institutional bodies of EAEU: *Supreme Eurasian Economic Council* (the Supreme Council); *Eurasian Intergovernmental Council* (the Intergovernmental Council); *Eurasian Economic Commission* (the Commission, the EEC); *Court of the Eurasian Economic Union* (the Court of the EAEU).

The institutional system resembles some parts of the EU's institutions, but there are significant differences. In the following, we summarise the main features and functions of the EAEU institutions:

- *Eurasian Economic Commission* (EEC) is located in Moscow. It is similar to the European Commission, because it is a supranational executive body of the Union, which develops and implements EAEU policies and legislation. The EEC is the permanent governing body of the Union according to the *EAEU Treaty* (Article 18). The Commission shall consist of a Council and a Board. EEC is led by a Board of ten members (two representatives from each Member State). Similar to the Commissioners of the EU, the Board members are to serve the EEC full-time and do not take instructions from the Member States. The Board adopts decisions, dispositions, and recommendations by a 2/3 majority of its members, except for sensitive issues requiring unanimity (Russell 2017). From this point of view, namely, the way of designation of the members and the methodology of decision-making, the EEC resembles the EU Commission.
- *The Council of the Commission* resembles the Council of the EU. However, it is not a separate institution. It is an intergovernmental body that can overturn or amend the Board's decisions. The Council is a part of the Commission, and not a separate institution as in the EU. At the Council of the Commission, the Member States are represented by the deputy prime ministers, rather than by ministers. In addition, the decisions are always made by consensus, and there is no room for majority voting (Russell 2017).
- *Supreme Eurasian Economic Council* (The Supreme Council) is the supreme body of the EAEU. Similar to the European Council in the EU, it consists of the heads of the Member States. This body decides about the overall directions of the integration process during its summits. The meetings are held at least once a year, and their role (besides determining the future trends) is to select the members of the Commission Board. Article 12 of the *EAEU Treaty* declares the powers of the Supreme Council. According to that, the Supreme Council shall consider the main issues of the Union's activities, define the strategy, directions and prospects of the integration development, and make decisions to implement the EAEU's objectives. Moreover, it has the competence to approve the composition of the Board of the Commission and distribute responsibilities among Board of the Commission members and terminate their powers. The Supreme Council also decides on personnel matters, such as the appointment of the Chairman of the Board of the Commission, the judges of the *Court of the Union*. The judges are

recommended by the Member States. The Supreme Council also has the power to adopt the Union's budget (EAEU Treaty 2014). In addition to the above-mentioned, the Supreme Council may adopt decisions and dispositions, which means that the institution has legislative competence. We can see that the Supreme Council is the most dominant institution of the EAEU, incorporating several powers of different institutions. The "Supreme" body is the most powerful among the integration bodies. The separation of powers – in the sense of the Montesquieu's theory (see: Montesquieu 1748) – is not equal to the European trends; therefore, the institutional bodies of the EAEU are not identical either.

- *Eurasian Intergovernmental Council* consists of the heads of governments of the Member States, who meet at least twice a year. It has the competence to ensure implementation and control of the *EAEU Treaty* and international treaties within the EAEU and the decisions of the Supreme Council. The Intergovernmental Council considers on the proposal of the Council of the Commission any issues, for which no consensus was reached during decision-making in the Council of the Commission. Moreover, it prepares instructions to the Commission. It has some budgetary competence, because it approves the drafts of the budget of the EAEU, the Regulation on a budget and the report on the implementation of the budget. It also has the competence to approve the Regulation on the audit of financial and economic activity of the Eurasian Economic Union's bodies, standards and methodology for conducting audits of financial and economic activities, to decide about the execution of audits, and to determine their periods (EAEU Treaty 2014). Moreover, the Intergovernmental Council shall issue decisions and dispositions, similarly to the Supreme Council; thus, it has some legislative powers.
- *The Court of the Eurasian Economic Union* is like the European Court of Justice. It ensures that the *EAEU Treaty* and legislation are properly applied. It is based in Minsk (Belarus) and operates permanently.

The *EAEU Treaty* does not provide a clear division of competences between the supranational and national levels. It does not clearly define the balance of the institutions of the EAEU either. The creation of the EAEU demonstrates pursuing enhanced economic integration through a high degree of coordination and harmonisation of economic policy (EAEU 2021). The objective was to create a highly institutionalised structure with binding legal provisions that become a part of the domestic legal regime of the Member States of the EAEU – similarly to the EU's legal order. The delegation of the key national policy-making powers to common supranational institutions, such as the Eurasian Economic Commission, might strengthen the cooperation between the Member States. The concept was borrowed from the EU's example that is already a well-elaborated and detailly structured model. The EEC's directly binding legal sources were expected to facilitate legal unification within the EAEU.

The Member States also established a dispute resolution system via the EAEU Court's infrastructure. The EEC represents a more radical step towards forming

a developed supranational bureaucracy entrusted with extensive functions than in the case of the EU. European development is a much slower process. The steps towards an "ever-closer Union" are series of well-thought-out decisions consciously made by the EU Member States during the last seven decades. The development process was never a linear "conflictless fairy tale". However, due to the conscious negotiations and altering the dominant EU Member States' political ambitions, the process could be defined as a well-balanced development under changing circumstances followed by continuous enlargements and openness towards the cooperation. The EAEU – as international organisation – is functioning with a Russian dominance in all dimensions. Even if the members were (are) supposed to perform their duties in an "EU-style", the different cultures, geographical and economic features of the countries involved, necessarily determine the conclusions of the cooperation. The EAEU may never fully follow the EU's path in the same way.

Both the EU and the EAEU are supranational organisations, but the EU is unique. From the inside, it is considered to be a *sui generis* international organisation that has several exclusive competence, some shared competence applied together with the Member States. There is also competence in the Member States' hands, and the EU only can support them in fulfilling its objectives. However, looking from the outside, the EU is closer to be a federal state than a general international organisation. Of course, it is not a state. Due to the common institutional system and legal order, the seven decades of mutual cooperation and engagement both in economic and political aspects, the EU cannot be seen as an average international organisation. Therefore, even if the EAEU is a supranational organisation with some similarities to the EU (e.g. a certain level of legal harmonisation and unification, several similar institutions, common market, etc.), it is currently instead of looking like an international organisation consisting of independent states. A significant difference is also the tangible dominance of a Member State, namely the Russian Federation, in the case of the EAEU. Until the Brexit, France's and Germany's continental dominance was counterbalanced by the UK. However, now the two biggest states of the EU are balancing each other. Also Visegrad Group countries (Hungary, Poland, Czechia and Slovakia) can balance the UK's dominance if they vote together (Kiss 2020b). In addition, compared to the supranational principle, the EAEU promotes mostly the interstate/intergovernmental principle of cooperation among the Member States. This attitude strengthens the international concept, too.

Similarities and differences of the EU and the EAEU based on the PESTEL factors analysis

The primary purpose of establishing the EAEU was to help its Member States make the most of their intraregional economic ties, modernise their national economies, and forge an environment conducive to stepping up their global competitiveness (see: Eurasian Development Bank 2017). This proves mainly economic intention (and maybe need) of the cooperation. It is similar to the beginning of the EU integration, where the economic

necessity for the cooperation in the post-war Europe was understandable. In addition, the tension of the emergence of the Soviet Union from the East and the increasing power of the USA on the West emphasised the need of cooperation. The outside-effect of the Cold War and the geopolitical environment in the European integration case is different from Eurasian countries' current situation. However, behind their recently established cooperation, the global economic circumstances and political mechanisms are necessarily involved. In the following, we compare these two integration forms via PESTEL-analysis.

Table 1: PESTEL-factors analysis

Factors	European Union	Eurasian Economic Union
Political	<p>The political ambitions of the integration were less tangible in the 1950s than the economic pressure after the World War II. Europe was fragmented, the Russian expansion on the East side of the World was an apparent coercive factor that pushed the European states to negotiate and cooperate. The political objective was multiple: firstly, to create peace; secondly, to bring the leaders of Europe to negotiation; thirdly, to decide the frames of the cooperation politically. The great question came up, whether they are going to establish a United States of Europe or the integration is instead an intergovernmental partnership. The federalist approach was incorporated into the Treaty of Rome, which declared that the European Economic Community is for unlimited period and functions to create an ever-closer Union among the peoples of Europe. An ever-closer Union perspective might mean that the outcome of the cooperation is federative. However, the well-balanced institutional system and decision-making mechanisms (e.g., the requirement of consensual voting in several legislative fields strongly affecting the sovereignty of the Member States) reveal the founders' consciousness.</p>	<p>The political ambitions of the establishment of the Eurasian Economic Union and its <i>quasi</i>-ancestors (if we can name the CIS, the Customs Union, the Economic and Humanitarian Integration, the Single Economic Space, and the Eurasian Economic Community as the quasi-ancestors of the EAEU) were less tangible than in the EU's case.</p> <p>The political ambitions are strongly interlinked with the economic aspects in this case.</p> <p>As the official webpage of the EAEU informs the visitor, the EAEU is "an international organisation for regional economic integration" (EAEU 2021). The Member States of the Eurasian Economic Union are: Armenia, Belarus, Kazakhstan, Kyrgyzstan, and the Russian Federation. All of these states were in the interests sphere of the Soviet Union. This cooperation was headed by the Russia, however, the cooperation frames are moderated and legally framed.</p> <p>Its political attitude is less ambitious than the EU's one, at least from the outside. The EAEU does not want to enhance global peace or boost the global tendencies on human rights, democracy, and other similar issues. Its geopolitical ambitions are mainly seen in economic issues, especially when it is a global economic actor near China and the East of the EU.</p>

<p>Political</p>	<p>The ever-arising debate on the Future of the EU is accompanied continuously by the question of <i>ever-closer vs. ever-loser</i>, or, in other words: <i>federation vs. Nation's Europe concept</i>. Regardless of the negotiations' results about the future (Witkowska 2015), we can conclude that the EU found its geopolitical roles. Now the EU defines itself and acts as a global actor and intends to influence both the global economy and geopolitics. The EU, by its dominance, encourages the emergence of democracy, increase-ment of freedom and peace, and takes part in security activities all over the world. The EU is also a Contracting Partner of the NATO.</p>	<p>In addition, the creation of the Eurasian Customs Union (ECU, the first version of the EAEU) demonstrates the goal of pursuing enhanced economic integration through a high degree of coordination and harmonisation of economic policies. This goal has been strengthened by "the creation of a highly institutionalised and binding legal regime", whose regulations become part of the domestic legal regime, which extends "delegation of key domestic policy-making powers to a common institution, the Eurasian Economic Commission (EEC)" and strengthens the cooperation between the parties "through the direct binding effect to the EEC's decisions as well as improved dispute resolution through the Court" (Dragneva, Wolczuk 2013).</p>
<p>Economic</p>	<p>The whole integration process was started by creating a customs union, then a common market. The free movement of goods, services, workers, and later persons, and last but not least, the capital, are all significant steps towards the global economic players' field. Especially if we consider that by the approx. 450 million citizens, and 21 million small and medium-sized enterprises (SMEs), the EU is the world's biggest market. The supranational economic giant affects the global economy extraterritorially by the harmonisation and unification of the activities of the EU institutions to facilitate the proper functioning of the internal market. The Single Market is governed by harmonised standards and compulsory production requirements that push third countries to meet the needs to access the market. The political, economic and legal factors are going hand-in-hand.</p>	<p>The EAEU was created to comprehensively upgrade, raise the competitiveness of and cooperation between the national economies, and to promote stable development in order to increase the living standards of the nations of the Member States (EAEU 2021). The EAEU – similarly to the EU – provides for free movement of goods, services, capital and labor, pursues coordinated, harmonised and single policy in the sectors determined by the <i>EAEU Treaty</i> and international agreements within the Union (EAEU 2021). The <i>EAEU Treaty</i> applies similar expressions to the EU, when it establishes free movements. The free movements are also harmonised but less elaborated than the EU's legal sources. This is not weird, because the EAEU is a very young integration compared to the EU, where the provisions were slowly emerged and creepingly increased. Besides the free movement principle,</p>

<p>Economic</p>		<p>the economic intention for a coordinated, coherent common policy in the economy, trade and custom is available. The aim is to create a common financial market in the banking and insurance sector, applying a single currency (ruble) is planned to be reached by 2025. (Kasyanov 2019)</p>
<p>Social</p>	<p>The EU is proud of its diverse, multicultural (Kucheryavaya et al. 2020) and multinational environment, where the mutual respect of the states and citizens is expected. The sociological and cultural heritage is as rich as the nations' diversity demonstrates.</p> <p>From the sociological perspective, the EU is unique among international organisations. Special, because the Treaty of Maastricht (1992) introduced the EU citizenship status for the Member States' nationals. This means that an acquired supranational status with several political and economic rights is provided for the nationals of the Member States, by which the EU directly entitles the citizens to act (e.g., European citizens' initiative, see: Zdanowicz 2019; Tárnok 2020), petition, vote at parliamentary elections, etc.) and move (free movements and residence within the EU) (Lukács, Molnár 2014). However, specialty of this status is that the rights are arising from the supranational level, but the base for citizenship is grounded on national law provisions (Kiss 2019). The EU is currently facing social challenges such as demographic decrease and the aging of the societies, changing unemployment rates, irregular immigration into the continent, Brexit, and finally, the current crisis of the COVID-19 pandemic.</p>	<p>Whole idea of the EAEU is that it is better to first work with "ours" – a small group of post-Soviet states with shared history, a common language, and a similar elite with a shared Soviet socialisation (Roberts, Moshes 2015). Unfortunately, the EAEU has rather declarative ambitions without effective programmes for implementing such standards. According to the <i>EAEU Treaty</i>, the citizens' national treatment regards social security, including health care, is applied (Mostafa, Mahmood 2018). A commitment to easing labour migration is one of the key elements of the EAEU. Under the <i>EAEU Treaty</i>, migrants and their families are exempt from requirements that they register within 30 days of entering the territory of another Member State.</p> <p>The EAEU has no common citizenship yet that is a soft power to foster social relations in Europe. Joint cultural programmes could support the approximation from a social point of view (Kirkham 2016).</p> <p>Identity and Eurasian integration are much more complex and actually is a barrier to transformative integration, and nowhere is this more evident than in the divergent views of "Eurasianism" in each Member State (Roberts, Moshes 2015). For example, Eurasian thinkers reflect on the fact that Eurasianism is a polysemantic, multivalent concept that is open to multiple interpretations (Laruelle 2012).</p>

Social	<p>The last two crises seriously affected the EU from a social perspective. The pandemic highlighted the social inequity and, in some cases, the diverse levels of solidarity among the Member States. In addition, the pandemic also impacted the way of life of the European citizens (Kiss, Sziebig 2021), especially the rights for free movements.</p>	
Technological	<p>The EU is committed to achieving a digital future for cooperation in several fields (see: European Council 2021). The strategic goal of establishing the Digital Single Market (see: European Commission 2020) goes back to 2015. However, the roots of e-transformation could be found around 2002, when the eEurope2002 Programme was adopted (Szabó 2017). The EU is a scientific powerhouse and has contributed immensely to science and technology. By 2020, the EU has significant digital achievements (Pató 2021). Currently, the most essential issues are covering the taxation of <i>dotcoms</i> (Erdős 2019), the role and opportunities of Artificial Intelligence (AI) technology, data protection issues (Gültekin-Várkonyi et al. 2021), and cyber-security (Andraško et al. 2021). In addition, the next topics also govern the recent meetings of the decision-makers within the Digitalisation: boosting e-commerce on the digital single market (Angyal 2020), reducing geo-blocking (Kiss 2020a) and discrimination in the online sphere, transforming public administration into e-government (Kerikmäe, Dutt 2014) and m-government (Szabó 2019), protecting the data (Maksó 2017) of the European citizens and last, but not least, cryptocurrency (Nagy 2019).</p>	<p>The Eurasian Economic Union is considering the transition to a digital economy. The Eurasian Economic Commission has started a research programme to examine the prospects of implementation and mutual recognition of electronic shipping documents within the EAEU, and development of conceptual framework for the EAEU digital transport corridor ecosystem (see: Eurasian Development Bank 2017).</p>

<p>Environmental</p>	<p>The EU treats Green Transition and Environment Protection as a priority in the last couple of years. The Commission led by Ursula von der Leyen (2019–2024) intends to foster the Green Deal and actively participate in reaching the 2030 goals (European Commission 2021a).</p> <p>The environmental problems are global and are continuously expanding to several legislative areas. The environmental damages, air pollution, climate change, ozone depletion, and the continuous loss of biodiversity (Sziebig 2017), the water pollution, forest degradation, and chemical risks are more tangible. The EU adopts and applies strict standards in several sectors. By adopting the seven-year budget from 2021, the green goals became implemented into the budget for the first time (see: IISD 2020). The new tendencies are expected to reduce polluting materials and legislation on European-level environmental documents.</p>	<p>Member States of the Eurasian Economic Union face many common problems in the field of environmental protection inherited from the Soviet Union (Akopova et al. 2018). For example, there is a tension between the sovereignty over water resources on the one hand, and the necessity to cooperate regarding economic development and the protection of transboundary water resources on the other hand.</p> <p>The EAEU can work as an institution to bridge the different interests regarding the usage of water resources (Janusz-Pawletta 2015).</p> <p>The Eurasian Economic Commission has the opportunity to focus on identifying the "best practices" in environmental sphere and use them for further harmonisation.</p> <p>Moreover, effectively eliminating negative environmental impacts and their implications demand the modernisation of legislation in the EAEU Member States.</p> <p>All EAEU countries have adopted the COP21 Paris Climate Deal, which could prove the engagement towards global sustainable development goals.</p> <p>Now the industry's environmental modernisation involves the gradual transition of industrial enterprises to new, advanced, and more systematic environmental standards (European Commission 2015).</p>
<p>Legal</p>	<p>The EU has a well-elaborated, structured, and balanced institutional system. Since the Lisbon Treaty entered into force, the EU has a legal personality. Thus, it may participate in international relations without the separate empowerment given by the Member States. The institutions' functioning is mainly governed by the Treaty level sources of European law.</p>	

<p>Legal</p>	<p>Primary sources entitle these institutions to adopt secondary legal sources, such as directives, regulations, and decisions. The Treaties enable the Member States and the EU institutions (and via preliminary ruling procedures, the national courts as well) to turn to the Court of Justice of the EU. Therefore, the EU legal sources also include the practice of the CJEU. As a result, the EU could be defined as a <i>sui generis</i> organisation functioning by its institutional system and governed by its legal order. The European Union law has a primary effect. Therefore, the EU – on the grounds of the mutual application of the competence transferred (borrowed) by the Member States – could operate on a supranational level. The principle of subsidiary counterbalances the supranational level. The competence generally connected to state sovereignty fields (e.g., taxation, criminal prosecution power, healthcare, and education) are left in the hands of the Member States.</p> <p>The balance of the institutions and the power sharing between the EU and its Member States is significant. The system was developed during the last seven decades and determined by multilevel and multinational, extremely diverse constitutional environment. The nature of the EU's legal order is also determined by the fact that the single market's proper functioning (both digital and offline) requires legal harmonisation and a certain level of unification. The market conditions are sensitive to changes. Therefore, the mutual recognition principle (Witkowska 2008) application – elaborated by the CJEU – is essential.</p>	<p>The EAEU has an international legal personality. The bodies are functioning within the institutional frames provided by the <i>EAEU Treaty</i>.</p> <p>The EAEU – similarly to the EU – provides for the free movement of goods, services, capital, and labor. It pursues coordinated, harmonised, and single policy in the sectors determined by the Treaty and international agreements within the Union. The Court's decisions are binding on parties, facilitating the harmonisation and uniform application of the laws adopted by the EAEU bodies.</p> <p>Since the EAEU is a relatively <i>newborn</i> construction, evaluating the legal factors is awaited.</p>
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The Conclusions of the PESTEL-analysis of the EU and the EAEU

Ad P) political factors

The European Union and the Eurasian Economic Union are supranational international organisations operating on a regional basis. They were established for partially similar reasons (ensuring stability and peace in the certain region, reaching economic growth), but at different times and in different political environment. Both were established to reach economic growth rather than meeting purely political ambitions of making Europe or Eurasia *'great again'*. However, the political factors were also motivating besides economic issues. The ambition of strengthening the economic power may serve (geo) political purposes *vice versa*.

Some European leaders – such as Robert Schuman – intended to create a federal state from fragmented Europe. By laying down the concept of the "United States of Europe" (see: Schuman 1950), Schuman determined an alternative for the integration, following the USA's model and experience. Others – such as Charles de Gaulle – have stood for the "Europe of Nations" concept. In 2021, the open question of where Europe is heading is still not answered. This is because the European leaders think differently about the future of Europe, just as they did seven decades ago. The legal trap here is the requirement of consensual decision-making on this issue. Europe is fragmented in this sensitive topic. Establishing a federation would mean the resignation from national sovereignty to push all competence to a supranational level, and obviously, there are Member States, which oppose that. Of course, there are other forms and levels of co-operation, such as multispeed Europe concept with differentiated integration fields that work in practice.

The EAEU was created to fill the gap that the collapse of the Soviet Union left in economic sense. The economic pressure and coercion of cooperation could be found in both integration forms. Considering that in the case of the EAEU, the dominant superstate is the Russian Federation in many senses, the political balance may be much different from the European reality. In Europe, the bureaucratic decision-making processes with several checks and balances operate together with unanimous decisions in the most sensitive fields. The decision-making is generally made unanimously in the cases affecting sovereignty, while in other cases by a qualified majority of the Council. Regarding the decision-making of legislative acts (regulations, directives, decisions), the EU is special. The co-decision procedure (ordinary) is the main rule, where the Council and the Parliament are equal collaborators working their drafts on the European Commission's proposal. When the decision-making is extraordinary, on the grounds of the proposal of the Commission, the Council acts alone. However, depending on the type of the process (whether it is consultation or consent procedure), the Parliament's role is different. If the process is consultation, the Council must consult with the Parliament to negotiate and listen. But, if the Parliament disagrees, it only has the opportunity to tell or not to issue an opinion at all. Until the Parliament gives the opinion, the process is not accomplished. When the procedure

is consent, the Parliament needs to agree. If there is a disagreement, the Council cannot adopt the legal act. However, since the Lisbon Treaty extended the scope of the ordinary procedure's application, the consent and the consultation procedures are applied rarely (see: TEU). The EAEU promotes the interstate principle of cooperation. The decision-making procedure in the EAEU is based on the hierarchical principle of decision-making. This means that the Supreme Council's decisions have priority over decisions of the EEC's intergovernmental Council. The adoption of decisions is made in each governing body by consensus (Glittova, Kosov 2016). Although the EAEU has a four-tiered governance structure, that is more pyramidal than the more diffuse decision-making processes in the EU (Mostafa 2015).

A politically important fact is that while the Treaty of Rome calls for an "ever-closer Union", the *EAEU Treaty* does not incorporate such objective. In addition, the *EAEU Treaty* contains shared values of the Member States compared to the EU. This may arise from the differences in Eurasian and European nations' attitudes, cultures and societies or prove that the constitutional systems (value systems) vary. Maybe these values are significant in implicit way too. An ever-closer Union call indirectly incents the Member States to act in this spirit. These magic three words contain all political ambitions, which federalist leader may wish. However, until now, the words were not magical enough to fulfill the integration process as the intention of the Member States lacked to reach that stage. The EAEU intended to create policies – such as Customs Union and the implementation of technical standards – that are limited to those areas strictly necessary for the economic integration (Russell 2017).

From the political viewpoint, we can conclude that both integration forms are economically engaged in their cooperation and have fewer political ambitions. However, in the EU's case, the political objectives have always been clear – since the Treaty of Rome wished for an "ever-closer Union". Even if the road is rocky and not silky, the political and economic ambitions go hand-in-hand. In the case of the EAEU, the political ambitions are not clear, the *EAEU Treaty* does not determine them, neither determines the common values of the Member States. The EU is incorporating the fundamental values of the common constitutional and human right heritage and stand for the respect and spread of these values all over the world. To sum up, the differences in the political factors of the two cooperation forms could be highlighted: the EU is a political actor. At the same time, the EAEU is instead an economic player (now).

Ad E) economic factors

Both integration forms were established to reach mainly economic goals, as mentioned above. Both operate as a common (internal) market with the four freedoms: the free movement of goods, capital, services, and persons (labor). The EU's market serves approx. 450 million consumers, while the EAEU has 184 million. Both markets have a great geo-economic potential. The first difference is that the EU enables people's free movement regardless of their economic value (students, tourists, unemployed, retired – of course with adequate coverage). In contrast, the EAEU enables this only to the workers.

The EU is also a monetary union, this is unique compared to the EAEU. According to some authors, no Member State is ready to accept the ruble as a common currency in the EAEU. It has always been unstable, suffering from continuous depreciation and lost value *vis-à-vis* other currencies (Strzelecki 2016).

Eurasian integration's financial mechanisms are implemented within the Eurasian Development Bank (EDB) – which is not a body of the EAEU – and the Eurasian Stabilisation and Development Fund (ESDF). Essentially, the ESDF is a “regional IMF”, acting primarily as the lender of last resort in extending public budget loans. It also specialises in preferential lending to finance infrastructure projects (Vinokurov 2017). Then, the Eurasian Intergovernmental Council approves the EAEU budget as a later step (see: EAEU Treaty 2014). The regional competition authority in the EAEU acts within a centralised enforcement mechanism (exclusive competence in dealing with anti-competitive practices in the regional markets) as indicated in the Supreme Eurasian Decision Council (see: UNCAD 2020).

Ad S) social factors

The societies of the EU and the EAEU are both complex, but compared to each other, they seem more unique. We mean that if we look at the EU from the inside, it is wildly heterogenous; however, it seems homogenous if we look from the outside. The same should be valid for the societies of the EAEU. However, the two integration forms are very different from the society's point of view. The European continental legal systems, constitutional traditions, and ancient cultural heritage are very important.

Regarding the EAEU, the Russian Federation and Russian heritage's cultural dominance is tangible. Moreover, the rest of society consists of Russian people, as we mentioned previously. The diversity of the EAEU is a natural reflection of the complex national, historical and cultural composition of the Eurasian region. The EAEU faces substantial challenges in separating from their Soviet past; members are protecting their titular languages (national), nonintegrating diverse ethnic cultures. The Soviet impact could also be reached in the EU. However, the Central-Eastern EU Member States (Hungary, Slovakia, Poland, Czechia, Romania, Bulgaria) and the Baltic States (Estonia, Latvia, Lithuania) had various experiences of the same Soviet sphere. The impact and effect of the Soviet era were much diverse also within the societies. By the 1989–1990 changes in the regime, e.g., in Hungary or in Poland (Wojtaszczyk 1993), the society steps onto a brand new road with much enthusiasm and wish for liberty and freedom. The accession to the European Union of these countries in 2004 was a significant and symbolic decision to belong to Europe and believe in European values.

As we noted, the EU is diverse, multicultural (Kucheryavaya et al. 2020) and multinational environment. This means that the sociological and cultural heritage is as rich as the diversity of the nations. This completed by the introduction of EU citizenship for the Member States' nationals by the Maastricht Treaty in 1992. The supranational status of the Member States' nationals is a direct intention to strengthen the feeling of belonging together (Kiss, Sziebig 2021).

The EAEU has no common citizenship yet. Therefore, we cannot compare the features of the supranational citizenship of the two integration forms at this point. Moreover, the EAEU members are relatively new states that are creating their own nations, while facing substantial challenges in separating from their Soviet past, promoting and protecting their titular languages, integrating diverse ethnic cultures and minimising internal disputes, and cooperate with Russia at the same time (Mostafa, Mahmood 2018).

Socially, the geopolitical ambitions of the EU to spread the values of democracy and human rights standards all over the world is a significant factor. The ambitions meet action plans and movements toward humanitarian actions (asylum policies, life-saving campaigns, etc.). The EAEU has only declarative purposes without effective programmes for implementing such standards. According to the *EAEU Treaty*, the citizens' national treatment regards social security, including health care, is applied.

We have to add that these ambitions to protect human rights globally came up later, not directly in the beginning of the EU integration. The aims met political intentions (having influence externally) and economic circumstances. However, the core of the European value-system is humanitarian. The economic pressure of respecting human rights around the world is very significant. If we consider that global supply chains may be abolished if one member tramples human rights with his foot... We may understand the economic interest behind compliance. In addition, the value of life, health, and freedom of decision (eg., religion, self-management, etc.) is higher in Europe than in other places. The European culture is proud of being humanitarian and focusing on fundamental rights.

Ad T) Technological factors

The EU is committed to achieving a digital future for cooperation in several fields, as mentioned above. The EU's digital policy is directly linked to the objective of achieving economic growth and prosperity parallel to transforming green.

In 2016, the EAEU started developing proposals on forming a digital space. The vision of the EAEU common digital space is based on the creation of a common, secure, scalable digital infrastructure and platforms for the development of the Union's digital economy, which would include broadband internet access in all countries of the Union and would create opportunities for the emergence of innovative industries, new types of services, new jobs, growth and increased efficiency of interactions between countries (World Bank Group 2017).

Ad E) Environmental factors

The European environmental programmes are focused on achieving the European Green Deal and, in general, the green transition. The legal basis for the actions on the EU level is granted by Articles 11, 191, and 193 of the TFEU. According to that, the EU is competent to act in all environmental policy (air and water pollution, waste management, and climate change). Its scope for action is limited by the principle of subsidiarity and the requirement for unanimity in the Council in the fields of fiscal matters (such as environmental taxes), town and country planning, land use, quantitative water resource management, choice of

energy sources (eg., renewable and fossil) and structure of energy supply (see: European Parliament 2021). The European environment policy dates back to the European Council held in Paris in 1972, at which the Heads of State or Government (in the aftermath of the first UN conference on the environment) declared the need for a Community's environment policy flanking economic expansion and called for an action programme (see: European Parliament 2021). The Single European Act entered into force in 1987 introduced a new "Environment Title", which provided the first legal basis for a common environmental policy. The Treaty of Maastricht (entered into force in 1993) made the environment an official EU policy area, introduced the co-decision procedure, and made qualified majority voting in the Council the general rule. The Treaty of Amsterdam (entered into force in 1999) established the duty to integrate environmental protection into all EU sectoral policies to promote sustainable development. "Combating climate change" became a specific goal with the Treaty of Lisbon (entered into force in 2009), as did sustainable development in relations with third countries. Legal personality now enabled the EU to conclude international agreements (see: European Parliament 2021). The European environment policy applies the "polluter pays" as a general principle and the principle of prevention, precaution, and rectifying pollution at source. The European level policy consists of Environment Action Programmes, horizontal strategies, international environmental cooperation (eg., together with the UN), implementation, enforcement and monitoring, environmental impact assessment, and public participation. The different institutions have various roles in the policy-making and enforcement, later, during the supervision. The operative implementation is in the hands of the Member States. The European Commission (2019–2024) led by Ursula von der Leyen, was nominated as a priority of the next five years to deliver the green transition. The *European Green Deal* provides an action plan to boost resources' efficient use by moving to a clean, circular economy, and restore biodiversity and cut pollution. The plan outlines investments needed and financing tools available. It explains how to ensure inclusive transition. The EU is very ambitious, aims to be climate neutral by 2050. In order to reach that, an approx. 40% decrease in emission is expected by 2030. The Commission also proposed a European Climate Law (a regulation) to turn the political commitment towards green transition into a legal obligation (European Commission 2021). This ambition of the EU is extraterritorial. All service providers and factories intend to participate in the single market as actors need to meet the criteria and standards. Therefore, the market interest may pressure third country providers and producers to turn green. Thus the policy has an extraterritorial scope as a result.

Regarding the EAEU, we could add that Belarus, Russia, Kazakhstan and Kyrgyzstan have submitted GHG (Greenhouse Gas) target type pledges, and Armenia has agreed to take nationally appropriate mitigation actions. All countries have adopted the COP21 Paris climate deal (see: Eurasian Development Bank 2017). While the EU has common policy in environmental issues besides fulfilling international obligations arising from UN and other partnerships, the EAEU has no common standards. The EAEU meets and intends to meet its obligations arising from international relations, but it had not defined its parameters and ambitions or separated action plans.

Ad L) Legal factors

The legal factors of the EU are complex due to the nature of the supranational international organisation that has some federal and some intergovernmental elements at the same time, and functions on a clear and risky balance of the mutual respect of diversity, and the common application (rare clear transfer) of the competences. The Treaties define the EU legal sources. The primary sources – such as the Treaties – define the institutions' exact frames. On this basis, the institutions adopt secondary legal sources that determine the single market's policy areas and standards, etc. The decision-making is happening on the proposal of the Commission, but adopted together by the Council (representing the Member States by the ministers in charge) and the Parliament (directly elected by the EU citizens). This balance among the institutions and the Member States symbolises the special, *sui generis* legal order of the EU. The content of the legal sources is not obvious; the CJEU is there to serve as an exclusive and "official interpretator" of the texts. By the case law of the CJEU, now the EU legal order is a complex, principle led mix of continental and common law traditions.

The EAEU is similar to the EU in defining the *EAEU Treaty* as a primary "governing law". According to the *EAEU Treaty*, the legal framework of the EAEU consists of various types of international treaties. The Union's law should be supplemented by decisions of the EAEU, the intergovernmental Council, and the EEC. The *EAEU Treaty* declares in Article 2 that policies implemented by the Member States in various areas suggesting the harmonisation of legal regulations, including these based on decisions of the bodies of the Union, to the extent required to achieve the objectives of the Union. Article 34 of the *2011 Treaty on the Eurasian Economic Commission*², such disputes regarding the interpretation and implementation of the Treaty are resolved first through "consultations and negotiations between the parties involved". The case can be referred to the Court only if consensus has not been reached within six months. Therefore, this caveat might significantly slow down the dispute-resolution process, should a particularly contentious yet urgent issue arises (Blockmans et al. 2012). The mandatory consequences of the institutionalised regime of the EAEU arise from decisions of the EAEU Interstate Council, Court and powers of the EEC to supervise legislation application like in EU also (EAEU Treaty 2014).

The EAEU Court does not consider complaints of citizens of national states on violation of their rights and national acts adopted, for example, in contrast to decisions of the Eurasian Commission. However, they are directly applicable in the Member States territories, do not have an absolute priority, recognised at the Eurasian and national levels in relation to acts of national legislation.

The EEC powers to supervise the application of European Union law and court decisions are derived from an EU acquis. Thus, if the Member State violates the provisions of the ECU Treaty or ECE decisions, the board with 2/3 of the votes can notify the Member State of eliminating the violation (Madalina 2016). In case the Member State fails to comply, the

² entered into force on 1 January 2012 for Belarus, Kazakhstan and Russia.

matter is transferred to the Council. In the persistent breach from the Member State, the Council may refer the case to the Court (Blockmans et al. 2012). The Court's decisions are binding (EAEU Treaty 2014).

Member States can also raise issues concerning the compliance of international agreements within the EAEU. In addition to this, the compliance of other Member states with EAEU law, the compliance of the decisions of the main regulatory body – the Eurasian Economic Commission with EAEU law and challenge an action (or inaction) of the Commission. These procedures can be respectively classified as infringements, actions for annulment, and failures to act (Karliuk 2017).

Concluding remarks on the results of the PESTEL-analysis

After the complex analysis and evaluation of the two integration forms by applying the PESTEL method, we conclude that the EAEU and the EU have similarities in forming supranational organisations in a multicultural environment. However, the results are various in each factor. The EU is very special among the international organisations due to its above-mentioned *sui generis* features and the social, cultural and historical heritage that formed its constitutional and legal characteristics.

Our conclusions are the following:

- 1) The EU may serve as a good example of multilateral and multilevel cooperation mixing supranational and intergovernmental elements. The EAEU draws from these features. A significant example of copying the EU is the institutional system of the EAEU that is a not so balanced copy of the EU's institutions. The balance – as the European traditions are committed to the division of powers draw by Montesquieu – is much different among EU institutions than in the EAEU's case. However, the bodies' functions and competence draw by the *EAEU Treaty* is similar to the European model.
- 2) The EU defines the equality of the Member States. In several institutional mechanisms (such as consensual decision-making, where every state has one vote regardless of the state's size), this is strictly respected. In the case of the EAEU, there is no balance, the Russian Federation has an overwhelming dominance in all areas of the Union. This incongruence would be most prevalent if the EAEU would move towards further integration and a deeper political union (Umland 2011).
- 3) The circumstances and intention of the establishment of the EU and EAEU are much different (regardless of the common economic pressure). Thus, the outcomes of the process from a political point of view is different – at least at this stage. The EU was formed in a fragmented post-World War II Europe with little political motivation but much more economic interdependence of the founders. However, the political pressure of cooperating on the Western part of Europe pushed by the fear of Soviet ingestion was also a dominant – but indirect – factor in our opinion. The creation of the EAEU was necessary economically to replace

and reform the former Soviet Union's interest sphere, however under modern market conditions. Therefore, the Russian dominance is obvious from the political perspective. In addition, owning 85% of the territory and nearly 80% of the population serves this ideological dominance.

- 4) Economically, establishing a Customs Union is similar to a common trade zone for the Member States. The free movements of the EU are copied almost entirely. The EAEU also introduces production standards and market access requirements, such as the EU and its ancestors did. Moreover, the EAEU signed agreements with Vietnam, Iran, Serbia and Singapore, and negotiates with Egypt, Israel and India the establishment of the free trade zones. This trade politics is similar to the EU's ambitions and achievements (agreements with Canada and Turkey). The EAEU is cautious about establishing a free trade zone with China, its largest trading partner.
- 5) In the last seven decades, the crises (oil, economic, migration, COVID-19, etc.) took the EU to the test of survival. Some competence became more supranational, while other issues were better solved on national or regional levels. These facts formed the EU's current picture and determine the discourse on its future. The EAEU – as it is a new integration model – did not face together these challenges, at least, not in this form of their cooperation. Therefore, the first real crisis they face is the current health pandemic. The evaluation and outcome is awaited.
- 6) The EU is functioning on the grounds of a principle-led legal environment, in which the respect for diversity and the promotion of the respect of human rights all over the world, is unquestionable. The EAEU's Member States are contracting parties of international human rights' conventions; however, the integration is less motivated in spreading the peace in third countries. Moreover, institutions' balance is not granted as the Supreme Council is above the others. The *EAEU Treaty* determines this imbalance.
- 7) The two integration forms are much different from each other regarding the social factor. The EU citizens are connected by the creation of a supranational *status civitatis*. This is complemented by relatively similar lifestyle and system of values. The common lifestyle is a priority of the current Commission – going to be promoted by some policies facilitating citizens' rights in the EU. On the other hand, the People of Europe are very diverse, because all nations have different cultural and historical influences. Maybe we can conclude that in Europe we have more in common than what separates us. In the case of the EAEU, this cultural and social factor is similar in the sense that Russian, Kyrgyz, Kazakh, Armenian and Belarusian people have some common values and traditions. However, they do not have common citizenship at this moment. Their legislative and policy documents do not usually strengthen the feeling of belonging together. The EAEU does not encourage its citizens to unify or move towards a federation. Even if Russia may have been suffering from a certain level of "empire syndrome" since the breakup of the Soviet Union, it is not interested

in forcing a federation among Eurasian states. The reason is that Russia has a significant dominance in the Union.

- 8) Technologically and environmentally, both integrations have ambitions but differently. The EU applies common policies, adopts legislation and urges cooperation, while the EAEU follows the trends by contracting the international conventions on environment protection, but does not take active steps to be a leader. Regarding the technical issues, the EAEU is motivated, and their interests are interlinked with economic development reasons. We can conclude that the EU's digital agenda is much more complicated than the EAEU's policy.
- 9) We often hear from politicians that the strategic aim is "the EU open to the world". This defines the geopolitical ambition of the EU to take global leadership in several dimensions. One is related to the above-mentioned system of values, namely, promoting fundamental rights' standards and democracy within and outside the EU. The EAEU has a modest regional agenda with no ambition to promote its principles in its relations with the external world (Petrov, Kalinichenko 2016).

After comparing the EU and the EAEU and drawing the above-mentioned conclusions, we have to sum up the answer to our hypothesis.

We hypothesised that the EU's positive results of regional international cooperation evidenced in the last seven decades might serve as an example to follow for the EAEU in many aspects. We assumed that the EU is a regional cooperation model that can prove the "good" and "best practices" of economic integration, legal harmonisation, and institutional balance on the supranational level. We can finally conclude that these hypotheses were proved during our analysis.

However, the diversity of the nations and languages, the constitutional systems and legal regimes, and the integration attitude are generators of tensions and future conflicts within the integration. Especially, until the balance of the institutions and the Member States are not defined clearly. Thus, it is expected to experience further tensions within the EAEU unless the Russian dominance is weighted or consolidated. The cooperation and integration process shall be based on a mutual wish and not on potential. Therefore, the *copy-and-paste* of the EU model in Eurasia in the same way is neither possible nor recommended. In our opinion, the EAEU is only partially following the EU's path: even if the processes are similar, the results are different, because the main determinators are not equal.

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