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# Russia and Eurasian Economic Space: the Case of “Strategic Partnership 1520”

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# RUSSIA AND EURASIAN ECONOMIC SPACE: THE CASE OF “STRATEGIC PARTNERSHIP 1520”

## ABSTRACT

The article argues that Putin's vision on Eurasian integration evolves around one major idea: the re-building (*обустройство/obustrojstvo*) and control of infrastructures critical for maintaining Russia's dominant position in the Eurasian economic area. The Soviet built infrastructures form a framework of economic relations in the post-Soviet space and are essential for the functioning of Russia's resource based economy. Although we should not overestimate the economic power emergent in the control over oil and gas pipelines, the railway network and logistical chains, the 'space of flows' is a key variable in current world politics. The article starts with a brief discussion on two opposite interpretations of 'Eurasia' and its importance for Russia. This is followed by a brief discussion on the evolution of common transport policy in the EU. It then focuses on the recent discussion in the EU and in Russia on standardization and integration of the 1435 and 1520 spaces. The article concludes by elaborating on the significance of the emergence of the discussion on 1435/1520 railway systems for the EU-Russia relations.

## 1. INTRODUCTION: PUTIN'S VISION OF EURASIAN ECONOMIC SPACE FROM LISBON TO VLADIVOSTOK

In an article published in the *Известия (Izvestia)* newspaper in October 3, 2011 Vladimir Putin, then Prime Minister of Russia, envisioned steps that would be needed to transform the Customs Union between Russia, Kazakhstan and Belorussia into the Eurasian Economic Space, and subsequently to a new supra-national organization called the Eurasian Economic Union. The idea is not to rebuild the Soviet Union, emphasized Putin, but to form a new structure on the basis of a common inheritance including the “infrastructure, specific industrial structures, common language and scientific-cultural space”. In direct opposition to the Soviet order, the formative logic of the new Union is openness and free trade, argued Putin. Although dubbed as “a new model of supra-national integration”, argumentation seems traditional, referring to the Eurasian Union as “a major connection point between Europe and Asia and one of the major nodes in the multi-polar world politics”.<sup>1</sup>

It is in this connection, that Putin suggested that the partnership between the European Union and Russia should be revised and the objective should be the creation of an economic zone from “Lisbon to Vladivostok”. This, in turn, would

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1 Putin, V. (2011b), 'Новый интеграционный проект для Евразии — будущее, которое рождается сегодня', *Известия*, 03.10.2011, <http://goo.gl/хрНУ1>.

result in “changes to the geopolitical and geoeconomic configurations of the whole continent and will have positive global effect”.<sup>2</sup> In a later article Putin continues the same line of argumentation, emphasizing that Russia and the EU should:

“Work toward creating a harmonious community of economies from Lisbon to Vladivostok, which will, in the future, evolve into a free trade zone and even more advanced forms of economic integration. The resulting common continental market would be worth trillions of euros. Does anyone doubt that this would be a wonderful development, and that it would meet the interests of both Russians and Europeans?”<sup>3</sup>

Putin’s rhetorical question was directed at those observers who asked whether Russia’s recent interest in the formation of the “Eurasian Economic Space” had more to do with difficulties in finalizing the negotiations on the country’s accession to the World Trade Organization (WTO), than facilitation of integration in former Soviet space. Many also doubt that Russia is actually in the position to drive such change even if it wanted to. As summarized in a study by the Centre for Eastern Studies in Poland:

“Moscow’s determination to give the customs union an appearance of reality can be interpreted as a desire to maintain a political instrument which has helped to strengthen Russian influence on Customs Union member states. In turn, the customs union has for some years played the role of a bargaining chip in Moscow’s negotiations with the WTO on the conditions for Russian accession to this organization”.<sup>4</sup>

The article argues that Putin’s vision on Eurasian integration evolves around one major idea: the re-building (*обустройство/obustrojstvo*) and control of infrastructures critical for maintaining Russia’s dominant position in the Eurasian economic area. The Soviet built infrastructures form a framework of economic relations in the post-Soviet space and are essential for the functioning of Russia’s resource based economy. Although we should not overestimate the economic power emergent in the control over oil and gas pipelines, the railway network and logistical chains, the ‘space of flows’ is a key variable in current world politics.<sup>5</sup> From this perspective, and taking into account Russia’s vastness, it is understandable

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2 Putin, V. (2011b), op. cit.

3 Putin, V. (2012), ‘Russia and the Changing World’, *Московские новости*, 27.02.2012, <http://goo.gl/euxrf>.

4 *OSW Eastweek* (2010), ‘A virtual customs union on real territory’, 26.05.2010, <http://goo.gl/XLNeY>.

5 Nye, J.S. (2011), *The Future of Power*, New York: Public Affairs, p. 69–70.

that much attention has been paid in recent years to the country's underdeveloped infrastructure system, especially its road network.

However, if we focus only on the economic power emergent in the infrastructures, we may miss an important dimension of the Eurasian integration dilemma. The reconfiguration of Eurasian economic area brings up political tensions and historical layers embedded in the physical infrastructures. This is evident, for example, in the case of "Strategic Partnership 1520", a project initiated by the Russian Railways Company in 2006. The "partnership" aims to facilitate business and political contacts between countries that share the broad railway gauge of 1520 mm.<sup>6</sup> Although it is founded on the basis of cooperation among CIS countries in the railway sector, the new format is more oriented towards business and transit issues than the administrative structures created after the collapse of the Soviet Union.<sup>7</sup>

The eighty-one millimetre difference between the so-called standard gauge of 1435 mm and the broad gauge of 1520 mm dates back to the mid-nineteenth century when the tsarist government in Russia was building its first major railway between St. Petersburg and Moscow. At the time of planning in 1842, the current standard had not yet been considered as such and the Russian railway planners preferred the broad gauge because, as suggested by foreign advisers, it would ensure stability at high speeds. Thus, when the railway from St. Petersburg to Moscow was inaugurated in 1851, a technical barrier to the integration of the Russian and European economies was created at the same time.<sup>8</sup>

Today the broad gauge network is used in Russia, Ukraine, Belarus, the Caucasian and Central Asian republics, and Mongolia. From the EU countries, Finland and the Baltic States have the broad gauge railway and some lines in Poland, Slovakia and Hungary use the 1520 mm gauge.<sup>9</sup> Until recently, the existence of the two track systems was rather insignificant, mostly but not only because the majority of trade flows between Russia and the EU countries use pipelines and trucks rather than railways.

In an interview for the Russian radio station *Маяк (Mayak)* in June 2004, the Russian Minister of Transport Igor Levitin downplayed the importance of the gap when he commented on the cooperation between Russia and the EU in the transport sphere. According to Minister Levitin, the principal problems reside in

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6 *Известия* (2005), 'Отрасль работает системно и стабильно' (interview with president ОАО Rzd Vladimir Yakunin), 29.12.2005.

7 Westwood, J.N. (2002), *Soviet railways to Russian railways*, New York: Palgrave.

8 Westwood, J.N. (1964), *History of Russian railways*, London: George Allen and Unwin Ltd, p. 30–31.

9 In the United States several gauges were used until 1886 when the railways were converted to the standard gauge.

the sphere of ideas rather than practices. “A deeply rooted belief among Europeans that Russia does not have normal roads” is more harmful to Russia’s aspirations to reinforce its status as a transit country between Europe and Asia than the technical difference between the narrow European and the wide Russian railway gauges.<sup>10</sup>

The “Strategic Partnership 1520” initiative concretizes Minister Levitin’s suggestion and as argued in this article, it provides an agentive context for Russia to position herself both in the European and Eurasian economic spaces. By juxtaposing the latest Russian initiative with the recent discussion at the EU level on the need to enhance the interoperability of the two parallel railway systems, the article takes part in the discussion on the impact of Russia’s Eurasian aspirations on the EU-Russia relations.

The article starts with a brief discussion on two opposite interpretations of ‘Eurasia’ and its importance for Russia. The other explanation can be traced to Eurasianist thinking and focuses on the geopolitical meaning of the transport infrastructure. In contrast to these interpretations, critical approaches question the assumption that the development of ‘international transport corridors’ would generate state power over territories. What is instead argued is that the ‘transport corridors’ function as a part of semi-official networks (Russia’s “patrimonial capitalism”<sup>11</sup>), that have developed in a response to market reforms and globalization and through the evolution of the administrative-bureaucratic structures embedded in the Soviet (and pre-Soviet) Russian political culture. The article reviews briefly the evolution of common transport policy in the EU and focuses in more detail on the recent discussion in the EU and Russia on the standardization and integration of the 1435 and 1520 spaces. It concludes by elaborating on the significance of the emergence of the discussion on the 1435/1520 railway systems for EU-Russia relations.

## **2. THE BACKGROUND**

### **2.1. Meaning of ‘Eurasia’ in Russian Politics: Two Interpretations**

Geographer Halford Mackinder’s juxtaposition of Russia as a pivot of the Eurasian heartland was something which Russian thinkers took to heart in the 1990s. In his classical essays Mackinder argued that with the network of railways covering the vast Euro-Asian space, Russia was bound to become a pivot of history: the

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10 Cited in Pynnöniemi, K. (2008), *New Life, New Road, New Russia. International Transport Corridors at the Conjunction of Geography and Politics in Russia*, University of Tampere Press: Tampere, p. 7.

11 Robinson, N. (2011), ‘Russian Patrimonial Capitalism and the International Financial Crisis’, *Journal of Communist Studies and Transition Politics*, vol. 27, no. 3–4, p. 436.

heartland. Mackinder's prediction about the increasing role of railway transport at the expense of ocean-going traffic was based upon the fourfold cost-time benefit he calculated that railways had over the handling of goods via shipping. Although later developments have shown that Mackinder was wrong about the prevalence of railways over sea transport, in his analysis he did locate the decisive point in the logistical chain: the time-consuming handling of cargo at ports and en route.<sup>12</sup>

For Russian thinkers, seeing their country as the heir to Eurasia became a kind of a psychological compensation for the break-up of the Soviet empire.<sup>13</sup> The influx of a geopolitical mode of thinking into Russia in the early 1990s found fertile ground on which to develop. Russian political thinking has always been keen on explicating her geopolitical self-image, leading to approximations on the boundary between European culture and her Asiatic vastness.<sup>14</sup> In the Russian discourse, the East is traditionally seen both as an empty space waiting to be conquered by the Russian rulers and as something threatening, manifested in the fear of the 'Yellow Peril'.

The most well-known of the lines of thought advocating Russia's turning to the East emerged in the midst of the Bolshevik revolution. The Russian emigrants who had fled to the West reinterpreted the meaning of the October Revolution as *Исход к Востоку* (*Ishod k Vostoku*): a turn towards the East. Even if they failed to gather momentum in the 1920s with the collapse of the Soviet Union, their writings found new readership and were popularized for the purpose of creating a new self-understanding of Russia's place in the world. Eurasianist texts were collected and republished in Russia in the early 1990s together with commentaries and new interpretations.<sup>15</sup>

Yet, with the collapse of the Soviet Union and the subsequent degeneration of the Russian state agency, the traditional juxtaposition of Russia and Eurasia acquired a new tense: Russia *should* and it *would have to* establish herself as a major

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12 Mackinder, H.J. (1951), *The scope and methods of geography and the geographical pivot of history*, London: The Royal Geographical Society, p. 41. More on Mackinder's thesis see Bassin, M. and Aksenov, K.E. (2006), 'Mackinder and the heartland theory in post-Soviet geopolitical discourse', *Geopolitics*, vol. 11, no. 1, and explicitly on the significance of the railways see Hauner, M. (1990), *What is Asia to us? Russia's Asian heartland yesterday and today*, London, Sydney and Wellington: Unwin Hyman.

13 Bassin, M. and Aksenov, K.E. (2006), op. cit., pp. 99–118. See also Tsygankov, A.P. (2003), 'Mastering space in Eurasia: Russia's geopolitical thinking after the Soviet break-up', *Communist and Post-Communist Studies*, vol. 35, no. 1, pp. 101–127.

14 See e.g. Bassin, M. (1991), 'Russia between Europe and Asia: The ideological construction of geographical space', *Slavic Review*, vol. 50, no. 1, pp. 1–17; on the discussion about Russian (non) responses to Mackinder's thesis of Euro-Asia see Hauner, M. (1990), op. cit.

15 On the Eurasianist movement and the original writings of the famous Eurasianists of the 1920s, see e.g. Pursiainen, C. (1998), 'Eurasianism and neo-Eurasianism: the past, present, and postmodernity of a Russian integration ideology', *UPI Working Papers*, no. 5. On Eurasianism and geopolitical lines of thinking in Russia in general see Tsygankov, A.P. (2003), op. cit., pp. 101–127.

power in Eurasia, and more specifically, a 'bridge' between Europe and Asia. This is hoped to be achieved by the development of "international transport corridors" in Russia. The presupposition in the mainstream argumentation was that transport infrastructures were not just a major sector of the economy, but an "instrument of state power" and a geopolitical strategy of the state.<sup>16</sup>

However, against the background of the present-day discussion on Russia's status as a 'major transit power' looms a situation that Vladimir Sorokin describes in his novel *Day of the Oprichnik*<sup>17</sup> as disappearance of the country and total emptiness. Sorokin's novel is a dystopia where Russia appears as a walled-off middleman between China and Europe, having at her disposal nothing else than a ten-lane, two-story artery running through the country. A fragment where Komjaga, the main character of the story, secures a 3 per cent stake in the "Corridor" for the *Oprichniks* is a point where the literary fiction is merged with the practices of tax evasion and corruption in present-day Russia.

With the exception of Sorokin's dystopia that provides a critical view of the official argumentation on Russia's position in Eurasian Economic Space, the post-Soviet transport networks and corridors are usually identified as the main drivers of development and in particular, re-integration of the post-Soviet space. The envisioning of the 'space of flows' as Russia's asset in the competition for economic and political leverage in Eurasia fits largely within the current discourse on globalization and the transformation of state sovereignty. What is here presumed is that infrastructure and transport policy integration has a transformative power that helps to take Eurasian integration to the next level. The historical example of European integration shows that ironically, infrastructure and transport integration may just as well be the last component of integration.

## **2.2. The Making of Common European Transport Policy**

Transport and infrastructure policy has been a part of European integration from its very start. The Treaty of Rome (1957) has an entire title dedicated to transport issues and the aim is to formulate a common transport policy (CTP) for the European Economic Community (EEC). In later years, this chapter has been characterized as an "ironical side" of European integration and "a mounting source of frustration". In fact, as late as in 1985 the European Court of Justice passed its inactivity verdict that condemned the Council of Ministers "for not having developed a

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16 Yakunin, V. (2006), *Политология Транспорта*, Экономика: Москва, p.8.

17 Sorokin, V. (2008), *Pyhään Venäjän palveluksessa*, Keuruu: Like, pp. 101–109.

common transport policy”.<sup>18</sup> It was not until the Maastricht Treaty in 1993 that a comprehensive framework for the development of so-called “trans-European networks” was agreed upon. Referring to this as a major event, Commissioner Loyal de Palacio stated in 2003, that “this was the first time since the Roman era that Europe had started to think about transport systems going beyond national frontiers.”<sup>19</sup>

In fact, historian Frank Schipper shows that the relative inactivity of the European Community was compensated by activities of both multinational companies (such as Shell in the beginning of 1960s) and inter-governmental organizations that took active part in the creation of the physical landscape for post-War Europe.<sup>20</sup> One of the key organizations in this process was the European Conference of Ministers of Transport (ECMT) that was founded in 1953 for the above-mentioned purpose. It was the key instigator of the pan-European conferences in the 1990s where the main European corridors that currently form a backbone for Europe’s transport space and provide linkages with the neighbouring areas were defined.<sup>21</sup>

### **2.3. From Europe’s Missing Links to Global Space of Flows**

The declaration approved by the second pan-European transport conference held in Crete on 12–13 March 1994 was an important milestone for transport infrastructure development in Europe. The planned EU eastern enlargement required formative actions also in the transport sphere, including a definition of the connections between the EU and third countries. The general idea was to facilitate the development of “trans-European transport networks, with due consideration being given to their interconnection and interoperability, with economically weaker regions being supported when necessary”.<sup>22</sup> The major parameters of the new network, including connections to the existing network and with the networks of neighbouring countries, was identified on the basis of the priorities of the *pan-European transport policy*. The priorities were designed as a scheme consisting of three layers largely corresponding with the spheres of the three main agencies involved in the process of defining the corridors.<sup>23</sup>

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18 Schipper, F. (2009), *Technology and European History: Driving Europe: Building Europe on Roads in the Twentieth Century*, Amsterdam: Amsterdam University Press, p. 281.

19 Jensen, O.B. and Richardson, T. (2004), *Making European Space: Mobility, Power and Territorial Identity*, New York: Routledge, p. 34.

20 Schipper, F. (2009), op. cit., p. 281.

21 Ibid., p. 287.

22 ‘Crete Declaration’ (1994), Second Pan-European Transport Conference, 16.03.1994, <http://goo.gl/74s4p>.

23 Reynaud, C. (2003), ‘The concept of corridors and networks in developing pan-European infrastructure’, Transport Infrastructure Development for a Wider Europe, Seminar, 27–28 November

The first layer was based on the long-term perspective of European-wide infrastructure development and it was prepared under the auspices of the United Nations Economic Council of Europe (UN/ECE) together with the ECMT and ECAC (the European Civil Aviation Conference). The international agreements on the European Agreement on Main International Road Lines (AGN) and the European Agreement on Main International Railway Lines (AGC) were formal expressions of the wish to design an “all-European transport policy” beyond the EU agency.<sup>24</sup> The two other layers outlined the spatial and administrative contours of the corridors in the EU context. Accordingly, the definition of the second layer was based upon existing networks and specific criteria that prioritized the needs of eastern enlargement (each Central and Eastern European country should be touched upon by one ‘corridor’) as well as economic feasibility and viability of the corridors.<sup>25</sup> This is not a place, however, to discuss in more detail the EU policies on eastern corridors and the subsequent developments in this sphere.

What is relevant to note is the currently on-going transformation of the key agencies involved in transport policy-making at the European level. While the EU has consolidated its position regarding European transport and infrastructure development, the major inter-governmental organizations in this field are becoming less Europe centred.<sup>26</sup> Since the early 1990s, the UN/ECE membership has grown by 40 per cent, making it the most encompassing European organization.<sup>27</sup> Even more telling is the change that has taken place in the ECMT. The organization that was established in 1953 to help in the rebuilding of post-war transport infrastructure in Europe was re-named in 2006 to the “International Transport Forum” and has today members from 53 countries, including for example China and Russia. Chile joined the ECMT in May 2012 as the first member from South America. Also notable is the recent inclusion of the Central Asian countries to the E-road network. Consequently, the network is extended to the borders of China, a development through which the Central Asian republics have become “part of Europe with few de facto obligations”, as Frank Schipper has remarked.<sup>28</sup>

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2003, <http://goo.gl/KR3bj>.

24 The agreements identify rail and road lines as being of international importance for Europe and define a set of technical and other parameters to which these routes should conform. For example, in the case of the AGTC agreement, the parameters include the number of tracks required, the nominal minimum speed of trains, and the average length of a stop at the border. United Nations (2000), ‘Inventory of existing AGTC standards and parameters. Note by the UN/ECE Secretariat’, UN/ECE Inland Transport Committee, Working Party on Combined Transport, <http://goo.gl/jclL2>, p. 8.

25 European Union (1997), ‘Connecting the Union’s transport infrastructure network to its neighbours – towards a cooperative Pan-European Transport Network Policy’, 172 final, Brussels, 23.04.1997.

26 Schipper, F. (2009), *op.cit.* p. 281.

27 *Ibid.*, p. 282.

28 *Ibid.*, p. 282.

Russia's recent activity in establishing "Strategic Partnership 1520" should be viewed as part of this overall trend. On the other hand, Russia's initiative is a typical example of *patrimonial capitalism* – a specific set of relations between economy and politics in Russia. As was put by Neil Robinson: "patrimonial capitalism is produced when patrimonial forms of political and economic organization, where power over the economy is highly personalized and economic exchange is particularistic and involves high degrees of relational capital, are forced to undergo market reform".<sup>29</sup> This background has to be taken into account in the discussion on "Strategic Partnership 1520" and its meaning for EU-Russia relations.

### **3. THE INTEROPERABILITY OF 1435/1520 SYSTEMS AS A PROBLEM OF GOVERNANCE**

#### **3.1. The European Railway Agency and Normative Governance of the 1435 System**

The European Commission and the Russian Railways Company signed a joint declaration of enhancing transport links between Europe and Asia at the Seventh International Railway Forum "Strategic Partnership 1520" that took place in late May 2012 in Sochi. The declaration indicates the main sectors for cooperation, including the "joining of Trans-European transport networks and corridors of OSZhD (Organization for the Collaboration between Railways), simplification of administrative procedures at border crossings, removal of 'bottle-necks' on the railway network, enhancement of railway systems interoperability, provision of an access to the railway transportation market and harmonization of liability and contractual norms".<sup>30</sup>

The declaration of cooperation is in line with the recent Commission communication on transport cooperation between the EU and the neighbouring regions, where it is stated that "closer integration between the transport markets of the EU and those of the enlargement and ENP countries *can make transport connections faster, cheaper and more efficient*, to the advantage of citizens and business"<sup>31</sup>. The EU Commission views the development of these specific arteries (development zones) as an apolitical and even a non-territorial act that acquires

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29 Robinson, N. (2011), *op. cit.*, p. 436.

30 *ITAR-TASS* (2012), 'РЖД и Еврокомиссия подписали совместную декларацию о совершенствовании транспортных связей между Европой и Азией', 07.06.2012.

31 European Commission (2011), 'The EU and its neighbouring regions: A renewed approach to transport cooperation', Communication from the Commission to the Council and the European Parliament, 415 final, p. 3, emphasis in original.

its meaning primarily in relation to the competition of the global 'space of flows'. This is emphasized, for example, by the vice-president of the EU Commission, Siim Kallas, who argued that the difference in railway gauges in the European transport area and Russia "cannot be a question of identity or political priority. If we want to develop rail transport and make it competitive vis-à-vis road transport we must analyse this problem in a rational and pragmatic manner based on technological expertise"<sup>32</sup>.

Such pragmatic expertise is offered by the European Railway Agency that has since 2004 been involved in facilitating interoperability of the EU 1435 and the EU 1520/1524 systems. The agency is responsible for drawing and revising the "technical specifications for interoperability" (TSI) of the trans-European conventional rail network.

"The Agency shall perform an analysis of the relationship between the 1435mm and the 1520/1524mm railway systems as far as technical and operational aspects are concerned, together with a strategic evaluation on the possibility of future convergence between the two systems (keeping apart the gauge differences). In this context the pertinence as well as technical and economical feasibility of a separate specific TSI valid for the 1520/1524 mm railway system shall be evaluated."<sup>33</sup>

The standardization of interoperability focuses, in accordance with the directive (2001/16/EC) of 19 March 2001, on control and command and signalling, telematic applications for freight services, traffic operation and management (including staff qualifications), freight wagons and noise problems.<sup>34</sup> The objective of interoperability is to define "an optimal level of technical harmonization", and thus, make it possible to "facilitate, improve and develop international rail transport services within the European Union and with third countries."<sup>35</sup>

In this context, the network is identified first as a geographical entity, yet it is noted that the network is not continuous within EU territory, but "it represents

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32 Kallas, S. (2011), 'Siim Kallas Vice-President of the European Commission, the Rail Baltica Growth Corridor kick-off conference', 09.06.2011, <http://goo.gl/q8aJT>.

33 European Railway Agency (2008a), 'Feasibility Study for the EU 1520/1524 Rail System Interoperability', 31.08.2008, <http://goo.gl/3KI4S>, p. 8.

34 Ibid., p. 10.

35 European Railway Agency (2008b), 'Recommendation on relationship with 1520/1524 mm railway network', 31.10.2008, <http://goo.gl/75iHq>. The inventory of existing AGTC standards and parameters from the year 2000 showed that many lines included in the network fail to meet the criteria established in the agreements. The lack of significant progress (since the first inventory in 1992) is noted to be evident in the operating conditions at the borders, ferry links and terminals. According to the report, this "seriously erodes the competitiveness of freight transport by rail in general and particularly of combined transport."

several peripheral segments of the whole 1520/1524 rail network; which main part lays outside the EU in the CIS countries”<sup>36</sup> It is further noted that:

“The differences between the 1435 and 1520/1524 railway systems are not limited to the track gauge, but include a wide range of aspects of both infrastructure and rolling stock. Generally speaking, it may be said that comparing to the EU 1435 system, the 1520 one has been developed and has evolved for moving heavier trains to longer distances.”<sup>37</sup>

A general characteristic of the two systems recognizes the specificity of the Russian railway system, although Russia is not specifically mentioned. Instead, the European Railway Agency’s reporting purifies the existence of the two systems from any reference to their historical origin and views them as geographical and systemic entities. The end-result may be the same, but in the Russian approach to this same problematic, the specificity of the inherently *Russian* 1520 system is emphasized.

### **3.2. The “Strategic Partnership 1520”**

The “Strategic Partnership 1520” business Forum was first organized in 2006 at Sochi and it is oriented towards promoting the Russian transport system and facilitating business contacts in the post-Soviet space. The head of Russian Railways Company, Vladimir Yakunin explained the forum’s purpose in 2011 by saying that: “integration of the CIS space, as well as integration of 1520 and 1435 spaces are the main questions that will be considered in the forum”<sup>38</sup>

The discussion at the above-mentioned 1520 Forum at Sochi in 2012 focused on “transcontinental rail freight corridors” and potential emergent in them to re-route part of the container transport from between Europe and Asia through Russia. Speaking at the Forum, Commissioner Siim Kallas noted that “several Eurasian corridors are now competing for the freight transport market. But each one is hampered by obstacles – poor quality of infrastructure, non-standardized and cost-intensive border formalities, lack of communication technology and arbitrary application of procedures”<sup>39</sup>

A year earlier, Prime Minister Vladimir Putin spoke at the same Forum and emphasized railway infrastructure’s positive role in the post-Soviet integration

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36 European Railway Agency (2008a), op.cit., p. 9.

37 Ibid., p. 35.

38 *Regnum.ru* (2011), ‘Железнодорожный форум в Сочи посвящён двум основным аспектам’, 01.06.2011, <http://goo.gl/J7Mp1>.

39 Kallas, S. (2012), ‘Building bridges: making more of rail’s potential to link Europe and Asia’, 31.05.2012, <http://goo.gl/038Gb>.

process. "After the collapse of the Soviet Union", said Putin, "railways were instrumental in maintaining the unity of the economies that could not function without specific linkages. The common energy network and railway network played a major role then, as they do today, in easing out difficulties linked with the disintegration of the common economic space".<sup>40</sup> However, the main message of the head of the Russian Railways Company was to emphasize Russia's role as the initiator of integration between the 1435 and 1520 systems. According to Yakunin, after Russia's accession to the International Railway Union (IRU), discussion started again on the need to facilitate standardization. Before that "there was no cooperation, no integration, but the development of the two systems (1520 and 1435) was proceeding completely autonomously, independent of each other".<sup>41</sup> Even if the emphasis is on system-level changes and facilitation of interoperability, there are individual projects that seem to undermine these efforts.

In fact, the Russian Railway company has studied since 2007 a possibility to build a 1520 mm gauge railway from Kosice in Eastern Slovakia to Vienna. The preliminary studies conducted by the parties show that the construction of a new line would result in 21,000 new jobs, reduce the time to ship high-value goods from Asia to Western Europe to 15 days, and cost around 6.3 billion euros.<sup>42</sup> At the same time, the EU has financed, together with the three Baltic States, a pre-study on the possibility to build a new 1435 mm gauge railway connection from Tallinn to the Lithuanian-Polish border.<sup>43</sup> The suggested new rail track is a part of a larger TEN-T priority project Rail Baltica aimed at fostering "pan-European integration and development" in the Eastern part of the Baltic Sea Region.<sup>44</sup>

The question is why these two projects have emerged just now and what it tells about the 'connectivity' of the EU with its eastern neighbourhood countries, and in particular with Russia? Does the building of a new 1520 railway link further "rapprochement"<sup>45</sup> between the 1520 mm and 1435 mm gauge railway systems, and subsequently, give a "boost to economic ties" between countries of the European Union and Russia, as suggested by the head of the Russian Railways

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40 Putin, V. (2011a), 'Председатель Правительства Российской Федерации В.В.Путин встретился в Сочи с участниками VI Международного железнодорожного бизнес-форума «Стратегическое партнёрство–1520», 03.06.2011, <http://goo.gl/Xcujf>.

41 *Взгляд* (2011), 'РЖД: От разговоров по интеграции с ж/д ЕС переходим к действиям', 01.07.2011, <http://goo.gl/xNWe5>.

42 Russian Railways Company (2010a), 'Slovakia-Austria Broad-Gauge Rail Extension Feasible', 16.12.2010, <http://goo.gl/17oOV>.

43 Rail Baltica Growth Corridor (2011), 'Recent Study: The New Rail Baltica Route is Possible', 11.07.2011, <http://goo.gl/3bLM3>.

44 Rail Baltica Growth Corridor, 'TEN-T Priority Project No. 27 – Rail Baltica', <http://goo.gl/eM3vi>.

45 Russian Railways Company (2010b), 'Russian Railways presents "Broad gauge to Vienna" project in Slovenia', 07.04.2010, <http://goo.gl/8p9NT>.

Company, Vladimir Yakunin. Or is this project another “North Stream”? An attempt by Russia to bypass or isolate countries in-between Russia and the core European markets? The latter possibility has been raised by Poland at the same time when the country promotes the renovation of the already existing 1520-gauge line from the Ukrainian border to Katowice.<sup>46</sup>

In both cases the argumentation gears down to competition between spaces of flows (transport corridors). The objective of the “1520 space”, as stated by Yakunin is to boost the status of Russia (and in particular, the trans-Siberian railway) as the main transit route for cargoes running from Asia to Europe. The Rail Baltica project, on the other hand, is eyeing those same continental cargo flows, and thus, could be seen as a competitor of the “1520 space”. As was recently suggested by Siim Kallas, the Vice-President of the European Commission, the Baltic ports could perform as important nodes between the Asian manufacturers and the western and central European customers. Given that that the currently underdeveloped rail connections to the western direction will be restored.<sup>47</sup> In turn, the Russian leadership has emphasized that the formation of the “1520 space” should not be politicized, but priority should be on “economic categories”.<sup>48</sup>

#### **4. CONCLUSION**

On the eve of his third presidential term, Vladimir Putin noted that the establishment of the Eurasian Union Commission and the consolidation of the Customs Union are the “first serious and real steps towards integration of the post-Soviet space”.<sup>49</sup> A recent Polish study concludes that the formation of the Eurasian Economic Union is likely to take longer than anticipated. However, the trend is there: Russia desires “to establish a truly functioning regional structure in the CIS, with its centre in Moscow”.<sup>50</sup>

However, it would be premature to think that the Eurasian Union Commission that has officially started its functions from 1 January 2012, is the consolidating force behind this integration process. A much more plausible hypothesis for further study is to understand post-Soviet space as an amorphous one. There is no single ordering principle of this space, but multiple layers (supranational, international, federal, regional, corporative) and agencies (state, quasi-state, semi-official, official,

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46 Oliphant, R. (2012), ‘Russians Push “Land bridge”, New Line to Vienna’, *The Moscow Times*, 04.06.2012, <http://goo.gl/oHdeJ>.

47 Kallas, S. (2011), op. cit.

48 Putin, V. (2011a), op. cit.

49 Putin, V. (2012), op. cit.

50 Wierzbowska-Miazga, A. (2011), ‘The next stage of integration in the post-Soviet area’, *OSW Eastweek* 23.11.2011, <http://goo.gl/6bRGx>.

criminal etc. domains of power) that compete for institutional and economic resources.

The competition for scarce resources takes place against the background of two major processes: the de-modernization of the former Soviet and current Russian industrial economy, and the globalization and opening of the markets. The tension between these two tendencies is a key factor in explaining the politicization of Eurasian integration. Russia's aspiration to take a leading role in the formation of Eurasian Economic Space should therefore be seen not only through the prism of great power tradition, but it can be analysed as a reaction to economic and political challenges the country faces.

Russia's reaction to the consolidation of the EU position on the trans-European networks and corridors has been twofold. Firstly, Russia has adopted a vocabulary that is complementary to the one used by the EU. Secondly, Russia has reformulated the policy objectives put forward by the EU. Thus, in this latter sense, the development of the 'international transport corridors' in Russia is understood as a game of competition fought in the sphere of geo-economics and geopolitics. It is an answer to the question of whether Russia will become a 'bridge' between Europe and Asia, or the 'dead-end' of Eurasia. Opposing metaphors are used in the reasoning for *immediate* actions in the sphere of transport and infrastructure modernization. The concrete plan of action is inscribed in the concept of the international transport corridor.<sup>51</sup>

The positive vision of the 'bridge' and its negative counterpart, the 'dead-end', mirrors the traditional way of positioning Russia between Europe and Asia. In the game of competition (*конкуренция/ konkurencija*) the 'international transport corridors' are considered as a means of 'fighting for' the transit flows rerouted through Russian territory. Success in this game is counted as an instance of international recognition of Russia as a great Eurasian (transport) power (*держава/ derzhava*). In actual fact, however, a mere one per cent of the trade flows between Asia and Europe run through Russia at present. What is more, a substantial proportion of Russian imports (originating from Asia) are carried via distribution centres in Europe to Russia. Set against this background, the 'pan-European transport corridor' concept is understood as a synonym for the metaphor of the 'dead-end'. Thus, instead of using a term that carries a negative connotation in the Russian discursive context, it is merged with the concept of the 'international transport corridor'. Therefore, although conceptually the move from 'pan-European' to 'international' transport corridors is a parallel move, in practical terms it is a way

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51 Pynnöniemi, K. (2008), op. cit., pp. 225–227.

of distancing Russia from the discursive context of the 'pan-European corridor' policy.<sup>52</sup>

Although the discourse on corridors is still valid, the main attention in the EU and Russia has shifted towards questions of interoperability and the integration of the two different railway systems. The latest declaration of the International Transport Forum emphasizes "seamless transport" as a strategic vision of the future.<sup>53</sup> What this and other declarations often fail to mention is the on-going competition between regions, countries and companies for a share of the 'space of flows'. From this perspective, Russia's initiative on "Strategic Partnership 1520" adds yet another layer to the country's attempts to re-establish its dominant position in the post-Soviet space.

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52 Ibid., pp. 225–227.

53 International Transport Forum (2012), 'Seamless Transport: Making Connections', Declaration from Ministers at the 2012 Summit, <http://goo.gl/IBW4M>.

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