The Normative Limits of Functional Cooperation:
The Case of the European Union and Eurasian Economic Union

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ABSTRACT

In the post-Soviet neighborhood, the European Union and the Eurasian Economic Union both address the common governance challenges, but there has been no institutional-level cooperation between the two unions. This total lack of cooperation on common regional and transnational challenges stands in stark contrast to the propositions of (neo-)functionalist/ rational institutionalist theories, which predict that technical cooperation on common policy challenges can emerge even among political actors who are hostile to each other. This article advances a social constructivist explanation to this puzzling phenomenon of non-cooperation and argues that actors entrapped in normative conflicts are likely to refuse functional cooperation even when there are potential mutual gains. In this vein, the article explores the often-neglected intersection between constructivist and rationalist theories and traces the origin of the non-cooperation to the diverging normative visions put forth by different regional states.

KEYWORD

(Neo-)Functionalism, Rational Institutionalism, Social Constructivism, Normative Conflicts, European Union, Eurasian Economic Union

1. Introduction[1]

Four decades ago, Ernest Haas warned that deepened regional integration may lead to a world comprised of fewer and fewer "blocs" competing for prominence, thereby fueling conflicts and obstructing peace (Haas 1970). As European integration initiatives have edged ever closer to the domain of the Eurasian integration project advanced by Moscow, the post-Soviet "common neighborhood" has emerged as a field of intense competition between the two camps, each espousing rival ideas about how to order regional politics (Bolgova 2013; Sakwa 2017). For instance, even though Moldova signed the Deep and Comprehensive Association Agreements (DCAAs) with the European Union (EU) in November 2013, polls conducted at that time revealed that 44.7% of Moldovan citizens supported closer integration with the EU while 43% were in favor of joining the Russia-led Eurasian Economic Union (EAEU; for poll data, see Parmentier 2014: 49). The most dramatic case was in Ukraine, where the public opinion stood evenly divided in 2013. Roughly half of Ukrainians longing to join the EU and the other half seeking a closer tie with the EAEU, while many of them in fact wanted to be integrated with both (International Crisis Group 2016:17). Several authors have described this regional polarization over the competing visions of post-Soviet integration as "norm competition" (Popescu and Willson 2009: 48), as a "battle of ideas" (Averre 2009: 1695), as "normative conflict" (ibid: 1702), as a "competition of integration" (Der Spiegel 2014), as a "clash of integration processes" (Casier 2007), and as a "clash of values" (Lukin 2014). However, potential impacts of normative conflicts on functional regional cooperation schemes remain relatively under-examined.[2] How do normative conflicts shape the possibility of functional cooperation among regional actors?

In the post-Soviet neighborhood, the EU and the EAEU both address common governance themes (such as economic modernization, trade liberalization, financial stabilization, open migration, commercial transparency, and technical harmonization), however there has been no institutionalized cooperation between the two unions. Here, the question is not upon why there is no substantial EU-EAEU cooperation such as a common economic space or an official trade agreement. Instead, the focus of this article is upon why there is no institutional cooperation between the two unions *even in the functional domains* of common interest, such as issue-specific partnerships and ad-hoc consultation schemes. This total lack of cooperation on common regional governance issues stands in stark contrast to the theoretical propositions of (neo-)functionalist/ rational institutionalist theories (see below), which predict that technical cooperation can emerge even among political actors who are hostile to each other. This is especially so considering that the EU is currently seeking to deepen economic and political ties with EAEU member states such as

[2] Throughout this study, the qualifier "normative" indicates *matters related to norms*. Norms are understood as "shared understandings and values that shape the preferences and identities of state and nonstate actors that legitimize behavior, either explicitly or implicitly" (Badescu and Weiss 2010: 358).

Belarus and Armenia (both participants in the Eastern Partnership) and Kazakhstan and Kyrgyzstan (both recently concluded Enhanced Partnership and Cooperation Agreements with the EU).

The lack of EU-EAEU cooperation at the institutional level is even more puzzling considering the fact that promoting indigenous regional integration has been declared as the EU's main goal (see Farrell 2009), and also that the EAEU consciously emulates best practices of the EU (e.g. supranational governance, free trade, open migration, and cultural diversity; see Popescu and Willson 2009; Vinokurov 2017; Staeger and Bobocea 2018). While some scholars argue that the EU cannot initiate an official cooperation scheme with the "illiberal" EAEU led by "autocratic" Russia (e.g. Lewis 2016), the 2015 Review of the European Neighbourhood Policy (ENP) explicitly seeks cooperation with the League of Arab States, the Organization of Islamic Cooperation, the Gulf Cooperation Council, the African Union (AU), and the Arab Maghreb Union (European Commission 2015: 9), most of which may not fit the EU's definition of "liberal" regional actors. On top of this, the EU also actively seeks institutional cooperation with ASEAN (Allison 2015).

While Brussels has no problem striking cooperative arrangements with these non-European regional organizations with less direct political and economic linkages to Europe, why has it consistently refused to initiate an official cooperation scheme with the EAEU? Put differently, the puzzle is why the EAEU is *the only* major integration actor across the whole world with which the EU does not have an institutional-level cooperation scheme, despite the fact that the EAEU is geographically *closest* to the EU. Why has the EU consciously avoided institutional-level cooperation with the EAEU while it has sought such official schemes with other more distant entities such as ASEAN, the AU, or the Union of South American Nations (UNASUR)? While the EU has no problem striking bilateral cooperation agreements with Kazakhstan, Armenia, Kyrgyzstan and other EAEU members, why has it consciously avoided making such ties with the EAEU at the institutional level?

This article advances a social constructivist explanation to this phenomenon of non-cooperation and highlights the limits of rationalist arguments: actors entrapped in normative conflicts are likely to refuse functional cooperation *even when* there can be potential mutual gains. In this vein, the article explores the often-neglected intersection between social constructivist and (neo-)functionalist/rational institutionalist theories. Following this short introduction, the second section reviews key theoretical propositions of (neo-)functionalism/rational institutionalism and elaborates its interaction with social constructivism. The third section articulates different normative visions for the common neighborhood and explores how these diverging visions may limit the possibility of functional cooperation. The final section concludes that the phenomenon of EU-EAEU non-cooperation owes much to the social construction of normative conflicts and suggests a number of fruitful ways to investigate the intersection of rationalist and constructivist theoretical perspectives.

2. Functionalism and Rational Institutionalism

The role of institutions in international cooperation, and the promise of human progress it entails, has been a central focus of rationalist International Relations (IR) research programs. Inspired by the Grotian commitment to international rationalism, theorists of (international) functionalism such as David Mitrany (1948) maintained that power-political domains of world politics could be reasonably separated from apolitical/technocratic domains (such as telecommunication, shipping, fishery, environmental protection, and global health), and institutions could play a pivotal role in coordinating international actions in the latter. Later, Ernest Haas (1958) proposed the neo-functionalist theory in which cooperation in the apolitical domain was envisioned to eventually spill-over to the political. Merging this functional logic of plus-sum game with the neorealist premises of self-interested state actors, rational institutionalism systematized a theory in which egoistic, self-interested actors can be incentivized to cooperate under anarchy, even when they do not share common values and identities (Keohane and Nye 1977; Krasner 1983; Oye 1986; Keohane 1989, 2005; Keohane and Martin 1995).[3]

The central assertion of the rationalist logic is that competing actors with conflicting normative preferences can be incentivized to cooperate with each other as long as there are (expected) mutual gains. In the post-1945 Europe, the functionalist and neo-functionalist theories envisioned a step-by-step and incremental rebuilding of pan-European cooperation on the basis of mutually beneficial technical regimes (most notably the European Coal and Steel Community), even though the continental distrust on Germany persisted (Ripsman 2012).[4] In a similar vein, the rationalist theories were originally developed to explain East-West cooperation in the context of the ideologically-charged Cold War, in which both sides regarded the other as a strategic threat. Especially under the condition of high interdependence, great powers with competing strategic imperatives can be incentivized to form functional and issue-specific arrangements to reap mutual gains, as long as both sides can benefit from such cooperation (see Nye and Keohane 1977; Liberman 1996). After the end of the Cold War, the social constructivist literature went beyond the rationalist logic of cooperation and demonstrated that shared norms and identities can form a more durable basis of institutionalized cooperation and even create a perpetual community of practices underpinned by common values (see e.g. Onuf 1989; Checkel 1998, 2003; Adler 1997a, 1997b). In line with this, mainstream IR scholars have envisioned that the rationalist and constructivist logics of cooperation can complement each other and promote cooperative state behaviors in the international arena (Ripsman 2012).

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[3] Keohane (1989:3) defines institutions as "persistent and connected sets of rules (formal and informal) that prescribe behavioral rules, constrain activity, and shape expectations." He argues that these institutions can be broadly categorized into formal intergovernmental or cross-national nongovernmental organizations; international regimes; and conventions, although there is a significant overlapping. Rational institutionalists argue that state actions considerably depend on these prevailing institutional arrangements that are formed on a basis of mutual interests. International institutions are important in world politics because they can influence the rational calculation behind state behaviors "chiefly by providing information, rules, and principles that reduce transaction costs, enhance decentralized enforcement, and increase interaction—make it easier for members to pursue shared interests and reap mutual gains (Moe 2005:225)."

[4] In the security domain, one of NATO's key initial functions was "keeping Germans down," which exhibited a high degree of continental distrust on German intentions even after its domestic transformation. Public opinion surveys cited by Ripsman (2012) indicate that even in the mid-1950s, the majority of French public regarded Germany as a potential danger to European security.

Nonetheless, the way in which the social construction of norms and identities may *impede* or even undermine the basis of functional cooperation has been relatively less explored. Overall, there is a "cooperation bias" in the rationalist and constructivist literature, which has to date almost exclusively focused on the benign side of institutional mechanisms. As a result, greater institutionalization of international relations is generally envisioned to lead to greater stabilization: more institutions lead to more cooperation, or more stable international order. If such is the case, the number of institutions should be directly correlated to the density of cooperation. This article argues that the contrary may be true: under certain conditions, greater institutionalization may lead to greater polarization and fragmentation – and even destabilization – of international relations. While a plurality of scholars maintain that regional integration is more likely to lead to peace *within* integrated blocs (e.g. Mattli 1999), the opposite may be true for relationships *between* different integration schemes with diverging visions (Kobayashi 2016).

In exploring the intersection between the rationalist and constructivist logics, the example of EU-EAEU relations is particularly important for a number of reasons. The EAEU strictly focuses on technical policy domains such as customs, trade, and immigration (among others) and does not directly involve "high politics" of security agendas. While it does not explicitly promote the liberal norms (e.g. political rights), it is arguably the most liberally-oriented Eurasian initiative with an overarching aim of accelerating economic modernization, trade liberalization, financial stabilization, open migration, commercial transparency, and technical harmonization. As Brussels also advances economic liberalization as a key goal in the post-Soviet space, technical and issue-specific functional cooperation between the two unions appears to be a reasonable choice, especially given that all EAEU members, including Russia, have some forms of bilateral arrangements with the EU. In other words, if the EU genuinely hopes to promote deeper and more comprehensive economic and commercial reforms in EAEU member states, the EAEU would be an unavoidable partner.

EU-EAEU relations also entail a high degree of mutual interdependence on a regional scale. As noted above, Belarus and Armenia participate in the EU's Eastern Partnership (EaP) as official partners, Kazakhstan and Armenia have just concluded the Enhanced Partnership and Cooperation Agreements with the EU, and there is a prospect for a similar arrangement for Kyrgyzstan. Although most EU-Russian cooperation mechanisms have remained frozen since the 2014 Ukrainian crisis, EU member states are still highly dependent on Russian energy provision. The EU's other post-Soviet partners such as Azerbaijan, Georgia, Moldova, and Ukraine are also deeply interconnected to EAEU member states in the economic, political, cultural and other domains. Certainly, these manifestations of regional economic interconnectedness alone do not necessitate an institutionalized form of EU-EAEU cooperation. However, given that Brussels has been seeking institutionalized cooperation with distant regional entities (such as ASEAN, UNASUR, and the AU), the rationalist logic would expect *at least* some limited forms of functional cooperation between the two unions such as issue-specific arrangements. As described above, however, the *total* lack of EU-EAEU cooperation *even* in the domain of technocratic and functional regimes appears to challenge the general expectation of the rationalist theory, which forcefully maintains

that cooperation under anarchy is possible (and often desirable) even among enemies (Oye 1985; Axelrod and Keohane 1985).

The clearest limits of the rationalist theory are exposed upon analysis of the overall distribution of cooperative preferences among EU and EAEU member states. Given that the necessity of functional cooperation is largely dependent on the degree of interdependence, it may be expected that EU member states with greater geographical proximity to, and greater economic transactions with EAEU member states, are the most likely advocates for EU-EAEU cooperation. In line with this, the Baltic states are most likely to be a strong advocate for cooperative EU-EAEU relations, given their higher interdependence with EAEU member states. The EAEU common economic space is a major market for the Baltic states, while they are also disproportionately dependent on Russian energy provision. While France, Germany, and other major economic powerhouses may be able to afford to ignore the EAEU (i.e. the lack of EU-EAEU cooperation does not critically undermine their material well-being), the smaller Eastern European states such as the Baltic states may have much to gain from functional EU-EAEU cooperation, especially considering the fact that they have been by far the most active advocates of closer cooperation and institutionalization between the EU and post-Soviet states.[5] Despite this, the empirical reality shows the opposite pattern. Major EU members which are not critically interdependent with EAEU members, such as France and Germany, are *most* enthusiastic about EU-EAEU cooperation, while smaller EU members with a higher degree of interdependence with EAEU members such as the Baltic states are *least* enthusiastic about EU-EAEU cooperation.

Why is it the case? Following the constructivist logic of normative action, this article argues that the absence of functional cooperation in EU-EAEU relations may be better explained by looking at normative visions of different regional actors. In this article, normative visions are understood not as systematized religious and secular doctrines (Catholicism, Islamism, Communism, Liberalism, and so on), but instead as shared elite conceptions of "normal" regional order, namely, *how the common neighborhood ought to be governed*. The normative vision of EAEU member states is generally underpinned by the norm of the balance of power: no actor should be able to dominate post-Soviet regional affairs, and the stability of the common neighborhood shall be ensured by the competition of different integration centers. This article calls this the *statist* normative vision (see below).[6] By contrast, EU member states entail two internally competing normative visions on the common neighborhood. On the one hand, major liberal powers such as France and Germany champion the normative vision of *moderate liberalism*, which is based on the centrality of key liberal norms (political rights, participatory governance, and so on), and also partially acknowledging the legitimacy of the statist vision in the common neighborhood. One the other hand, smaller liberal states such as the Baltics advance the normative vision of *principled liberalism*, which wholeheartedly rejects the legitimacy of the statist vision (especially the core statist norm of the balance of power).

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[5] The Baltic states for instance have been active in promoting the EU's institutional ties to Central Asian nations, especially Kyrgyzstan.

[6] See Jackson (2014) for "statist multilateralism" of Eurasian regional organizations.

Based on these simplified heuristics of ideal-typical normative visions, the article demonstrates that the discourses of the principled liberalism have played a key role in limiting the institutional-level cooperation between the EU and the EAEU. In the post-Soviet neighborhood, the principled liberal vision advocated by the Baltics (among others) has successfully framed cooperation with the EAEU as an unacceptable moral compromise, even though powerful regional actors (such as France and Germany) pushed for a more moderate stance and repeatedly emphasized the need to initiate cooperative arrangements with the EAEU. While the EU and the EAEU are not fundamentally irreconcilable integration projects, the principled liberal attempts to construct *a perception of moral incompatibility* between the two unions have produced a sense of zero-sum competition between Brussels and Moscow, impeding the realization of mutual gains in a cooperative manner. As Hans Morgenthau once observed,

> Compromise, the virtue of the old diplomacy, becomes the treason of the new; for the mutual accommodation of conflicting claims, possible or legitimate within a common framework of moral standards, amounts to surrender when the moral standards themselves are the stakes of the conflict. Thus, the stage is set for a contest among nations whose stakes are no longer their relative positions within a political and moral system accepted by all but the ability to impose upon the other contestants a new universal political and moral system…(Morgenthau 1948: 96-97).

Focusing on the role of normative visions and their effects on functional cooperation, the remainder of this article investigates how the logic of normative action may constrain the logic of functional cooperation. In so doing, the aim of this article is not to debunk the rationalist theories, but instead to elucidate a number of conditions under which the rationalist logic of functional cooperation may not work. More specifically, this article demonstrates how the social construction of normative conflicts limits the possibilities of functional cooperation. As soon as functional cooperation come to be seen as a moral compromise, actors subscribed to such a worldview are likely to refuge cooperative arrangements *even when* they may entail absolute mutual gains. To explore the plausibility of these interrelated theoretical claims, the following sections focus on the select number of EU and EAEU member states (France, Germany, the Baltic states, Russia, Belarus, and Kazakhstan), and investigates how their normative visions have shaped overall EU-EAEU relations.

3. The Diverging Visions on the Common Neighborhood

The Statist Vision of EAEU Member States

The statist normative foundation of the EAEU has been most clearly laid out by Vladimir Putin's famous integration thesis published by *Izvestiya* on 4 October 2011, entitled *Novyy integratsionnyy proyekt dlya Yevrazii - budushcheye, kotoroye rozhdayetsya segodnya* [A new integration project for Eurasia – The future in the making]. In this seminal article, President Putin repeatedly emphasized the compatibility of the two unions – that the Eurasian Custom Union (ECU, later EAEU) was "adapting the experience of the

Schengen Agreement," "consistent with European standards," drawing "on the experience of the EU," and going to "join the dialogue with the EU". This, however, did not mean that Russia or the EAEU will simply accept the EU as the sole master of the common neighborhood.

> …apart from bringing direct economic benefits… the Eurasian Union will also help countries [in the common neighborhood] integrate into Europe *sooner and from a stronger position*. In addition, a partnership between the Eurasian Union and EU that is economically consistent and balanced will *prompt changes in the geo-political and geo-economic setup of the continent* as a whole with a guaranteed global effect (Putin 2011, emphasis added).

This is the classical statist logic of the balance of power – that creating an alternative union would counterbalance and constrain the EU's ambition in the neighborhood and bring about a balanced and more democratic regional order in which no actor, including the EU, holds a singularly preeminent position.

While Western observers often frame the EAEU as "Putin's personal project" (Popescu 2014:13), the statist vision for the common neighborhood is widely shared by other EAEU members, including Belarus and Kazakhstan. Only two weeks after Putin published his integration thesis, Belarusian President Alexander Lukashenko published his response in *Izvestiya*, entitled *O sud'bakh nashey integratsii* [Of the fate of our integration]. The Belarussian leader decried "the change from the bipolar world to a multipolar world, balanced by a multiplicity of the centers of influence" had not yet taken place, but "integration in the post-Soviet space will soon lead to closer and *equal* relations with the European Union (emphasis added)," which would best protect "*balans interesov* [the balance of interest]" in the common neighborhood. A week later, Kazakh President Nursultan Nazarbayev put forth his own article (again in *Izvestiya*) on 25 October 2011, entitled *Yevraziyskiy Soyuz ot idei k istorii budushchego* [The Eurasian Union: from an idea to a history of the future]. Defending Putin's integration thesis, the Kazakh president forcefully argued that the ECU/EAEU will bring about a new balance into the common neighborhood, which would be beneficial to all actors, including the EU. More recently, a number of EAEU officials publicly expressed similar views. Speaking at a Valdai public seminar on 7 February 2018, Tatyana Valovaya, the EAEU's Minister of Integration and Macroeconomics, emphasized that the EAEU does not need to choose between Europe and Asia, Greater Eurasia is not an alternative to Greater Europe, and what is needed is a "balance of partnerships" which would inevitably include the EU.

Although Popescu (2014:16) suggests that this statist logic of the balance of power integration (what he calls "the game of unions") is closely intertwined with the Russian doctrine of multipolarism and is largely antithetical to the spirit of the EU, this article argues that the balancing norm has been a core principle of European integration for decades. In the 1960s, Charles de Gaulle took strong personal leadership in European integration as a means to counterbalance American hegemony. At the twentieth anniversary of the French Institute of International Relations heled at the *palais de l'Élysée* in November 1999, French President Jaqcues Chirac delivered a historic speech entitled "*La France dans un monde multipolaire* (France in a Multipolar World)", which also proclaimed that a priority in French foreign policy was "first and foremost to progress towards a multipolar world" (Chirac 1999). In his view, the

multipolar balance of power order would promote "un *diaogue équilibré entre les pôles régionaux* [an equal dialogue between regional poles]" and a "*une répartition du pouvoir plus équilibrée* [more equal distribution of power]," in which the EU should become a "*un pôle majeur de l'équilibre mondial* [major pole of global equilibrium]". In the words of French Foreign Minister Vedrine, Europe should strive to seek "balanced multipolarism against unipolarism, for cultural diversity against uniformity" (Vedrine, quoted in New York Times 1999).

In line with these illustrative examples of French discourses on European integration entailing a clear aspect of the balancing logic, Adler and Greve (2009) convincingly showed that what defines Europe is not the rejection of the balance of power, but a creative merger of the logic of the security community with that of the balance of power. Here, it must be recalled that the norm of the balance of power first emerged as a *liberal* norm in post-Westphalian Europe, where the overall purpose of balance was to prevent international autocracy (that is, unipolarity) and defend the pluralism of political values.[7] In a similar vein, the central normative logic of the statist vision is that competition between different integration centers would restrain all actors and induce them to act in a prudent way. Just as a successful company eventually becomes corrupted in the absence of a competitor, even a most virtuous integration actor would become corrupted in the lack of a meaningful competitor. In this vein, the moral foundation of the EAEU's statist vision rests on the deep-rooted conviction that a common neighborhood co-managed by the EU and EAEU would be more stable, prosperous, and peaceful than a neighborhood solely governed by the EU. Indeed, the balance of power is the fundamental underlying principle of liberal democracy and free market economy. By promoting multi-actor competition, the (domestic) balance of power prevents monopoly, disciplines all actors, and encourages all parties to learn from each other, leading to a more synthetic order.

As such, the statist normative vision of the EAEU is neither naturally antithetical to, nor fundamentally incompatible with EU's philosophy, and one may even argue that it generally follows the French tradition of multipolar diplomacy.[8] For the reason of space, this article can only briefly look into the selective discourses of the EAEU leaders' statist underlying logic presented above (for a more detailed exploration, see e.g. Jackson 2014; Kaczmarski 2017; Kobayashi 2017). There are also significant internal disagreements among EAEU members (on many fronts), and this article does not claim to have discerned the one and only normative vision underlying the EAEU's neighborhood policy. That said, it is clear that all EAEU members, including Russia, advance a moderate statist position and discursively define the EU as an integral part of the common neighborhood, emphasizing the desirability of mutually-beneficial cooperation between the two unions. Indeed, Russia has been an enthusiastic advocate of initiating EU-EAEU relations at the institutional level (see e.g. Kuznetstova 2017), even to the extent of encouraging the EAEU Commission to send a letter to the EU suggesting potential avenues of mutually-beneficial

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[7] For instance, liberal international lawyer Emer de Vattel, known for his work *Le droit des gens ou Principes de la loi naturelle appliqués à la conduite et aux affaires des nations et des souverains*, famously proclaimed that the balance of power was a cornerstone of a free and rule-based international order aimed at preventing an overwhelming concentration of power in Europe.

[8] In the words of Richard Sakwa: "Putin is the de Gaulle of our day: Russia, like France, wants to be part of the West, but on its own terms" (Sakwa 2008: 246).

cooperation for the future (Reuters 2018). Hence, at least from the viewpoint of EAEU members, diverging visions on common neighborhood are not seen as a fatal obstacle to initiate functional EU-EAEU relations at the institutional level.

The Moderate and Principled Visions of EU Member States

While an early prototype of the statist Eurasian integration project had been already developed in the early 2000s (in the form of the Eurasian Economic Community), the debate on a normative conflict between European and Eurasian integration projects did not emerge until the early 2010s. Until the mid-2000s, French – and to a lesser extent German – leaders in the EU generally tolerated the norm of the balance of power and strove to maintain mutually beneficial cooperation in the shared neighborhood. The French and German leaders remained committed to liberal norms, but they generally envisioned a tolerant neighborhood marked by the *coexistence* of the liberal and statist visions. Guided by this moderate vision, France and Germany chose to engage with Eurasian integration even after the 2008 Russian-Georgian War. In 2010, Paris and Berlin resumed the great power trilateral summit with Russia, where issues of functional cooperation in the common neighborhood were frequently discussed. French President Nicolas Sarkozy remarked that "we have decided to meet more often as a threesome – Russia, Germany and France – in order to coordinate our positions and advance our strategy, given that we are all pursuing absolutely identical strategy" (cited in President of Russia 2010a). Then, Paris had even publicly expressed its support for the Russian proposal of the European Security Treaty, which envisioned a pan-European security and economic super-architecture merging NATO, EU, Eurasian Economic Community (the predecessor of the ECU/EAEU), and the Collective Security Treaty Organization (CSTO). In a similar vein, German Chancellor Angela Merkel also proposed the creation of a EU-Russia committee on foreign and security policy in her joint press conference with President Medvedev in 2010 (President of Russia 2010b), which was envisioned to explore potential avenues of cooperation in many areas including regional integration.

These cooperative gestures were followed by the launch of the Partnership for Modernization (P4M) in the 2010 Rostov-on-Don EU-Russia summit. With a strong French and German backing, the P4M declared that:

> The European Union and Russia, as long-standing strategic partners in a changing
> multipolar world, are committed to working together to address common challenges
> with a balanced and result-oriented approach, based on democracy and the rule of law,
> both at the national and international level (EEAS 2010, emphasis added).

Guided by this spirt of mutually-beneficial cooperation, the P4M initiative repeatedly emphasized the compatibility of the EU and the nascent ECU/EAEU. For instance, a 2011 P4M review explicitly expressed a willingness to engage with Eurasian integration, noting that "With regard to energy efficiency, the European Commission provided comments on the Russia-Belarus-Kazakhstan Customs Union draft technical regulation on energy labeling with a view of further alignment" (EEAS 2011:2). The 2012 P4M Progress Report went a step further and even raised the possibility of institutionalized cooperation with the Eurasian Union: "On issues where the Customs Union of Russia, Belarus and Kazakhstan has clear

competence, Customs Union experts may be invited to contribute technically and informally to the [P4M] dialogues' work, in view of solving outstanding problems and further regulatory alignment" (EEAS 2012:1). Even amid the growing tensions over the Ukrainian crisis in 2014, Gernot Erler, Germany's Coordinator for Inter-Societal Cooperation with Russia, Central Asia and the Eastern Partnership Countries, emphasized that "[Europeans] have to ensure there is no tension between the Eastern Partnership and the Russian Customs Union" (quoted in EUobserver 2014). As such, the idea that the EU and the EAEU are "normatively" incompatible to each other is rather new, and directly contradicts the positions taken by France and Germany with regard to potential institutional cooperation with the EAEU.

Then, where does the incompatibility debate come from? While alert to oversimplification, this framing entails a high resonance with the principled liberal vision which has been forcefully advocated by the Baltic states, along with other Eastern European countries such as Poland. Although tracing the causal origin and influence of the principled liberal vision goes beyond the main scope of this article, the evidence strongly suggests that the views put forth by the Baltic leaders have played a pivotal – if not singularly determinant – role in defining the overall landscape of EU-EAEU interactions in recent years.

With the aim of shaping their "near abroad" in the principled liberal image, the Baltic leaders inserted strong liberal value agendas into the EaP. This is documented by several leading scholars in Baltic foreign policy studies. Vahur Made, Deputy Director of the Estonian School of Diplomacy, noted "the rise of the Estonian messianic foreign policy (Made 2011: 72)" which advocated a stricter adherence to liberal values in the common neighborhood. In line with this, Tallinn established the Estonian Center of Eastern Partnership and mobilized it as an epistemic hub and a training venue for experts and practitioners for the EaP. Latvia and Lithuania pushed for a similar course of action (Kesa 2011) and have capitalized on their hosting of the EaP Summits (Riga in 2015 and Vilnius in 2013, respectively) to advance their visions. Kristi Raik, a former official at the General Secretariat of the Council of the EU, observed that "the Baltic approach [to the common neighborhood] has been strongly liberal and value-based, and has contradicted with the *de facto* pragmatism of the EU-Russia relations" (Raik 2016: 245). Contrary to the more cooperative stance sought by France and Germany, the Baltic approach has often entailed conscious efforts to portray pragmatism as a vice in the EU's neighborhood policy. In the words of Raik (ibid.:246), "The tendency of Western countries to downplay authoritarian developments in Russia and cling to the assumption of the positive impact of pragmatic engagement appeared naïve and dangerous in the eyes of the Baltic countries."

While the research design of this article does not allow for definitive causal claims to be made, the balance of ideas within the EU has clearly shifted from a moderate view to a more assertively principled stance, which coincided with the ascendance of the Baltic approach from a peripheral vision to a mainstream view within the EU (at least with regard to Eastern neighborhood policy). In the mid- and late-2000s, the Baltic leaders were largely seen as "trouble-makers" projecting their own peculiar paranoia into EU foreign policy towards Russia. This point is well acknowledged by Raik (2016:238), who observed that other EU members saw the Baltic worldview as "something local that lack[ed] broader relevance". As a former Advisor to the Finnish President Hiski Haukkala (2009:163) noted, the Baltic elites were

"conspicuously out of sync with wider European ways of seeing things" when it came to envisioning a cooperative common neighborhood. A French ambassador to Estonia even decried that "For me it is startling how if not antagonism, then at least automatic prejudice dominates attitudes [of Baltic elites] towards Russia…cannot you see yourselves as a mediator between Russia and Europe?" (quoted in Raik 2016: 240).

With the consolidation of the EaP in the early 2010s, however, the Baltic elites acquired an ideal medium to project their visions into wider EU neighborhood policy. The turning point appears to be the 2013 crisis leading up to the "U-turns" of Armenia and Ukraine, in which Yerevan and Kiev refused to sign the DCAAs (and Armenia joined the EAEU instead). As shown above, the P4M was still on the track in 2012 and the potential development of EU-EAEU relations were generally portrayed in a technical manner (e.g. customs facilitation and regulatory harmonization). By the end of 2013, this changed dramatically. For example, a commentary published by the Centre for European Policy Studies – a Brussels-based think-tank with close ties to EU officials – warned of "Putin's grand design to destroy the EU's Eastern Partnership and replace it with a disastrous neighbourhood policy of his own" (Emerson and Kostanyan 2013: 1). Such an antagonistic stance was rarely present in the earlier discourses, especially with regard to the P4M which had envisioned the making of a cooperative relationship with the EAEU. In a speech delivered at the European Parliament, Štefan Füle, then European Commissioner for Enlargement and European Neighbourhood Policy, came to strongly condemn the Eurasian Union project. Despite the prospect of technical cooptation envisioned by the P4M just a year before, the commissioner now emphasized that "the Customs Union membership is not compatible with the DCFTAs which we have negotiated with Ukraine, the Republic of Moldova, Georgia, and Armenia." Then, the commissioner furiously remarked that:

> When we set out to build the Eastern Partnership at Prague in 2009, the idea Eurasian
> Union project had yet to get off the ground. It is the Russian decision to build the
> Customs Union and the Eurasian Union that created a situation where our European
> partners are now confronted with a choice between two projects for regional economic
> integration. It is inconceivable that our partners should become victims of their
> incompatibility (Füle 2013).

Again, this discourse on the "incompatibility" of the two unions was largely absent in the EU's earlier neighborhood policy, most notably the P4M reviews.

Judging by the outcome, the once-peculiar perception of the Baltic states appears to have quickly become a reference-point for the entire EU policy towards the EAEU, and as a result, EU-Russian relations largely became gradually synchronized with Baltic-Russian relations. For example, Jakniūnaitė's in-depth case study shows that "Lithuanian-Russian relations had become a part of the Russian-EU relationship" and "Lithuania's bilateral concerns over Russia's unfriendliness were manifestly transferred to the EU" (Jakniūnaitė 2015: 76). At the same time, the otherwise-defunct and not-so-well-functioning Eurasian Union (not even born at the time of 2013) came to be *constructed* as an existential threat to the liberal neighborhood. This process might have been driven by a multitude of factors. Given the predominantly

liberal EU culture, the principled liberal vision seemingly resonated well with the preexisting views within Brussels and made it easier to diffuse. Although this article does not claim that this dramatic transformation of the EU's stance towards the EAEU is singularly driven by the moral leadership of the Baltic states, the evidence indicates that: (1) the incompatibility discourse quickly emerged as the EU's mainstream view in recent years; (2) the Baltic states actively and persistently mobilized the EaP to project their principled liberal approach rejecting the statist vision of a common neighborhood; and (3) collective deliberation on the potential development of EU-EAEU relations largely disappeared after 2013.

Ideational diffusion is not a central theme of this study, and detailed causal process-tracing on how and why the principled liberal worldview ascended to the EU's mainstream position goes beyond the main scope of this article. What is more important here is the practical effects of normative conflict on the possibilities of functional cooperation. Once EU-EAEU relations were framed as a moral contest, the possibility of minimum level of cooperation between the two unions quickly evaporated. This is because extending a hand of cooperation towards the EAEU would entail a sense of recognition of the alternative statist vision, which is framed as a fundamental betrayal to the dream of an ever more liberal neighborhood. The rationalist cost-benefit analysis would be of limited use in such a context since the "cost" of engaging with the EAEU is unlimitedly inflated by the construction of normative conflict.[9] The logic of normative action urges the EU to pursue the "principled" course of action *at all costs*. In other words, *even if* there were a fact-based assessment on EU-EAEU relations suggesting immense mutual gains, the logic of normative action demands the EU to maintain the policy of disengagement. As a result, the social construction of normative conflict with the EAEU discursively constraints the EU's ability to seek – or even to think of – any possibility of technical institutional cooperation with the EAEU, *regardless of* the magnitude of expected mutual gains. For instance, when EU Commission chief Jean-Claude Juncker sought limited cooperative ties with the EAEU, the Baltic states were first to criticize this move as dangerous and morally unacceptable (Reuters 2018), even though this idea was backed by French and German leaders.

In the first place, any cost-benefit analysis needs to be built on a preliminary consultation between the involved parties through which they collectively deliberate on potential gains and risks. For this purpose, the EU co-hosts dialogue forums and exploratory working groups with other integration actors (e.g. EU-ASEAN working groups, EU-MERCOSUR working groups and so on) to explore potential gains and risks from institutional-level relationships. Although the EAEU Commission has proposed to launch such kinds of exploratory talks with the EU, Brussels has so far refused to engage in *any kind* of official interaction with the EAEU. This strongly suggests that the EU's policy of disengagement with the EAEU is an end itself, rather than a consequence of the lack of potential benefits.

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[9] I thank an anonymous reviewer for suggesting the idea of cost-benefit analysis in EU-EAEU relations. To reiterate the previous points, the main argument of this article is precisely that the logic of normative action discursively forbids the EU of acting upon the logic of rational calculation.

4. Conclusion

This article departed from an observation that the intersection between normative action and functional cooperation has been largely neglected in IR scholarship. Taking a constructivist approach towards EU-EAEU relations, this article argues that the phenomenon of non-cooperation between the two unions needs to be understood in light of the social construction of normative conflict. As emphasized above, there is nothing *natural* or *inevitable* about this normative conflict. The statist vision of the multipolar balance of power is not a uniquely "Russian" or "Eurasian" worldview as it had been strongly supported by many of the prominent Euro-integration leaders, including Charles de Gaulle and Jacques Chirac in the past. Nor is it correct to state that there is an "irreconcilable" gap between "illiberal" Moscow and "liberal" Brussels: the evidence suggests that the P4M up until 2013 promoted mutually beneficial cooperation and even envisioned to launch official schemes to manage EU-EAEU relations. The perception of the "fundamental" incompatibility is above all a social construct manufactured by the principled liberal discourses, which has successfully framed EU-EAEU relations as a matter of moral principle, and as a consequence, constrained the EU's ability to engage in cooperation with the EAEU even in the areas of mutual interest.

In this vein, the article highlights the limits of the functional/rational institutionalist theories and argues that mutually beneficial technical cooperation may be difficult to be realized when actors engage in the social construction of normative conflicts. Normative conflicts, however, do not naturally emerge from pre-existing positional differences and are often driven by explicit moral leadership of certain actors who stir the process. Overall, the case of EU-EAEU relations seem to indicate that material power may not play a primary role when it comes to the social construction of normative conflicts – those who are able to successfully diffuse their normative visions through discursive practices are capable of defining the overall landscape of functional cooperation. In the present case, the Baltic states have played this role of moral leader within the EU.

These research findings entail wider practical implications. Most importantly, we may not expect any form of sustainable EU-EAEU cooperation at the institutional level even in the areas of mutual interest, as long as the principled liberal discourse of normative incompatibility between the two unions persists. Under the current circumstance, any European leader who calls for functional cooperation with the EAEU, including preliminary official meetings to collectively explore the possibilities of mutual gains with the EAEU, would be discursively framed as a "traitor" to the "fundamental" liberal values, which raises stakes of initiating any constructive dialogue with the EAEU for political officials in Brussels. For future research, the *de*construction of normative conflicts – a process through which positional differences are gradually come to be seen as a matter of rational preference, rather than of a moral incompatibility – appears to be an important avenue of investigation. For this purpose, it may be useful to revisit the Enlightenment origin of rationalism, which was initially born out of an imperative to promote functional cooperation among and between actors of radically different normative orientations in the post-religious war Europe.

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