

DOI:

Title:	ECONOMIC INTEGRATION STRUGGLES IN THE POST-SOVIET SPACE: THE ORGANIZATION FOR DEMOCRACY AND ECONOMIC DEVELOPMENT (GUAM)
Authors:	Brîndușa-Nicoleta PINCU Adrian-Daniel STAN

Section: INTERNATIONAL RELATIONS

Issue: 1(19)/2020

Received: 5 January 2020	Revised: 25 January 2020
Accepted: 3 March 2020	Available Online: 15 March 2020

ECONOMIC INTEGRATION STRUGGLES IN THE POST-SOVIET SPACE: THE ORGANIZATION FOR DEMOCRACY AND ECONOMIC DEVELOPMENT (GUAM)

Brîndușa-Nicoleta PINCU¹
Adrian-Daniel STAN²

ABSTRACT:

THE COLLAPSE OF THE SOVIET UNION BROUGHT FORWARD A NEW FRAMEWORK FOR MULTILATERAL COOPERATION INSPIRED BY THE MODELS OF THE WESTERN WORLD SUCH AS EUROPEAN UNION'S SINGLE MARKET OR NAFTA. THIS NEW LANDSCAPE STARTED TO EMERGE FROM THE PREVIOUS EXISTING BILATERAL AGREEMENTS WHICH PAVED THE ROAD AHEAD FOR A REGIONAL ECONOMIC INTEGRATION PROCESS, COMMONLY KNOWN AS A FREE TRADE AREA, BUT THE DIFFICULT NEGOTIATING POSITIONS OF THE MEMBER STATES GAVE LITTLE SUPPORT FOR THE CREATION OF A PROPER COMMON MARKET AMONG THEM. THE PRESENCE OF THE RUSSIAN FEDERATION IN THE REGION REMAINED DOMINANT, SINCE ALMOST ALL FORMS OF TRADE PARTNERSHIPS AND FORMAL AGREEMENTS NEEDED ITS SUPPORT OR GUIDANCE. OF ALL THE FORMS OF ECONOMIC INTEGRATION, OUR ARTICLE FOCUSES ON THE ORGANIZATION FOR DEMOCRACY AND ECONOMIC DEVELOPMENT (GUAM), THE ONLY REGIONAL DEVELOPMENT ARCHITECTURE OF WHICH RUSSIA IS NOT PART OF. USING ANALYTICAL GRAPHS, WE ARGUE THAT ALBEIT DIFFERENT FORMS OF ECONOMIC INTEGRATION, THE TRADE FLOWS FOLLOW THE INTERNATIONAL TRENDS AND THUS THE GUAM COMMERCIAL TIES ARE BASED MOSTLY ON PROXIMITY AND HISTORICAL LINKAGES RATHER THAN FREE TRADE AREA AGREEMENTS.

KEY WORDS: GUAM, FREE TRADE AREA, TRADE FLOWS, MULTILATERAL TRADE AGREEMENTS

INTRODUCTION

After 1992, trade liberalization created strong incentives for developing trade relations in the post-Soviet space. In fact, significant imbalances in commodity prices between Russia and the newly independent states have stimulated foreign trade, which has become the most dynamic developing sector and the only source of foreign currency in the first years of reform.

¹ PhD Candidate, Faculty of Economics and Business Administration, Babeș-Bolyai University, Cluj-Napoca, brindusa.pincu@econ.ubbcluj.ro (corresponding author)

² PhD Assistant, Faculty of History and Philosophy, Babeș-Bolyai University, Cluj-Napoca, adrian.stan@ubbcluj.ro

Between 1993 and 2003 post-Soviet regional cooperation in the economic field was manifested in three formats: the Economic Union of the Commonwealth of Independent States, the Eurasian Economic Union and the Single Economic Space.

On September 24, 1993, Armenia, Azerbaijan, Belarus, Kazakhstan, the Republic of Kyrgyzstan, the Republic of Moldova, the Russian Federation, Tajikistan and Uzbekistan signed the Agreement establishing the Economic Union of the Commonwealth of Independent States (CIS), which aimed at creating an economic union through the future formation of a multilateral free trade area, a customs union, a common market and a monetary union.

Georgia and Turkmenistan signed the new Agreement by the end of the same year. Ukraine remained the only state of the Commonwealth of Independent States that did not sign this agreement, although it acceded as an associate member in 1994. However, the Economic Union Treaty was only a framework agreement, which was to be implemented by a specific number of other agreements to be established at a later date.

One of them, the Agreement of the Community of Independent States on the creation of the Free Trade Area, aimed at reducing trade barriers and encouraging economic integration, was signed on April 15, 1994, by Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Ukraine and Uzbekistan.

This Agreement concerned in particular with trade in goods, paved the way for the liberalization of service markets (Article 17)³ and provided for the elimination of customs duties, of charges with equivalent effects and of quantitative restrictions on trade in goods within the Community of Independent States. The preamble defines the establishment of the free trade area as an act of successive implementation of the provisions of the 1993 Agreement on the creation of the Economic Union. Specifically, Article 21⁴ stated that the free trade area would be considered a transitional step towards the formation of a customs union. However, achieving a free trade area as a first step in creating an Economic Union faces three main obstacles.

First, the signatories were unable to draw up a single list of goods exempt from the customs regime and therefore agreed to identify the exceptions to free trade in bilateral documents (to be phased out). Secondly, the stipulations with regards of the transition to a customs union, an essential step towards economic and monetary union, were removed from the text as a result of the amendments introduced by the Protocol of 2 April 1999⁵. Third, and most importantly, all the signatories parties have ratified the Free Trade Agreement and Protocol except the Russian Duma, due to the Russian Federation's insistence on establishing a unilateral list of exclusions from the Free Trade Agreement, - in particular oil and gas - and the introduction of restrictive quotas for sensitive exports, such as metallurgy, chemicals and agricultural products⁶.

In accordance with Article 23 the Free Trade Agreement entered into force in 1994 for the parties that ratified it, from the date of deposit of the instrument of ratification. However, since Russia prevented the ratification of a multilateral agreement that includes all members, the trade flow between the states of the Commonwealth of Independent States was in practice regulated through a network of bilateral preferential trade agreements.

³ Brzezinski and Sullivan, *Russia and the Commonwealth of Independent States*, 86.

⁴ Brzezinski and Sullivan, *Russia and the Commonwealth of Independent States*, 87.

⁵ Zhukov and Reznikova, *Economic Integration in the Post-Soviet Space*, 31.

⁶ Vinokurov, *The Customs Union and the Single Economic Space: Towards the Eurasian Economic Union*, 58.

Therefore, the multilateral agreement practically coexisted with the bilateral ones, providing a legal framework for trade between countries that do not have a bilateral agreement. Both the multilateral and bilateral agreements had numerous provisions with a similar substance and scope; in case of conflict, the multilateral one prevailed.

The multilateral free trade agreement allows parties to participate in external trade policy agreements (an agreement involving third parties) and extends the rights and privileges of the parties to participate in economic associations, border trade, preferential treatment for developing countries and other free trade areas agreements⁷.

In addition, the provisions of the multilateral agreement did not contravene the World Trade Organization's (WTO) rules. Indeed, even though most CIS countries did not accede to the WTO at that time, the parties agreed to rely on GATT / WTO agreements for the purpose of interpreting the agreement.

Bilateral agreements within the Commonwealth of Independent States have indeed introduced some free trade mechanisms, such as the cancellation of import tariffs and quota restrictions between states, while allowing the parties to take protective measures (for example, countervailing measures to protect domestic markets from subsidized imports), if necessary, in accordance with the rules and principles of the World Trade Organization. However, this network of bilateral treaties did not lead to true integration in terms of regional trade.

All bilateral agreements within the Commonwealth of Independent States have common features, as:

- These included, in a separate protocol, a wide range of asymmetric exceptions. Such exemptions were expected to be phased out in accordance with an agreed timetable (there were no penalties if the deadlines were not met).
- Bilateral agreements were not considered permanent as they could be substantially revised and modified in line with the political evolution of the area.
- The agreements were lax, leaving room for interpretation to impose various trade remedies, anti-dumping and countervailing duties or quantitative restrictions using almost any pretext. This led to a series of trade wars in the area of the Commonwealth of Independent States in the years that followed.

Therefore, the idea of creating a customs union of the Commonwealth of Independent States, as initially provided for in the Economic Union Treaty, did not materialize as a result of the long lists of exceptions to free trade, the lack of progress in terms of external harmonization of trade policies. There were also significant differences regarding the prospects for mutual cooperation of the states from this area.

Regional economic cooperation in the post-Soviet space then continued with the "different speeds" integration. This was not something new, because even the European Union experienced the scenarios of "two-speed Europe" or "multispeed Europe" in the mid 1990s. Each successive stage of integration would involve only those countries that were best prepared to accept it. The notion of "different speed" eventually led to different integration trends in the region, largely driven by the three countries that were most engaged in the (re) integration process: Russia, Belarus and Kazakhstan⁸.

In January 1995, Belarus, Kazakhstan and the Russian Federation signed an agreement - the Trilateral Agreement on Customs Union. The Republic of Kyrgyzstan and Tajikistan acceded to the Agreement in 1996 and 1999. On February 26, 1999, the five

⁷ For example, the Republic of Moldova became a member of the CEFTA Free Trade Area.

⁸ Vinukov, *Introduction to the Eurasian Economic Union*, 165.

countries concluded the Treaty on Customs Union and the Single Economic Area, which provided for the establishment of a single tariff area and the establishment of a common market for goods, services, capital and labor, as the two consecutive stages of integration process.

2. The first attempts of Economic Integration:

2.1 The Eurasian Economic Community

On October 10th, 2000, the presidents of Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan met in Astana to sign the Treaty establishing the Eurasian Economic Community, which entered into force on May 30, 2001. Uzbekistan acceded in 2006, but withdrew its participation in 2008.

The Eurasian Economic Community had all the attributes of an international organization (international personality based on treaties, members - sovereign states, organizational structure and decision-making system) and produced hundreds of agreements constituting most of the "law of the Eurasian Economic Community". Its most important characteristics were: creating a large-scale regime of free trade with goods without exceptions and restrictions, the granting of a treatment more favorable to a third country than that granted to other members of the Eurasian Economic Community was not allowed and the harmonization of indirect taxes.

Despite its nominal ambitions, the Eurasian Economic Community remained largely an incomplete free trade regime that could not develop into a customs union and failed to eliminate trade and discrimination issues between Member States.

2.2 The Single Economic Space (SEA)

Two years after the launch of the Eurasian Economic Community, the presidents of Belarus, Kazakhstan, the Russian Federation and Ukraine signed an Agreement on the Formation of a Single Economic Space at the Yalta Summit of Independent States on September 19, 2003. The concept of a single economic space introduced in the document was very similar to the one that was the basis of the Eurasian Economic Community; it seemed that the new project had been launched mainly to capture Ukraine in a more intense form of integration with the other three countries.

Although the draft agreements were initially agreed between Belarus, Kazakhstan and the Russian Federation, Ukraine eventually approved them by introducing a clause stating that the Single Economic Area must be compatible with the Ukrainian constitution and the strategic objective of Kiev - that of European integration. According to Ukraine, integration into the post-Soviet space was possible only if it was compatible with the European Union's integration space⁹.

Ukraine and the Russian Federation had different approaches ever since the development stage regarding the purpose of the Single Economic Area. Russian leaders stated that the ultimate goal of the SEA would have been to create a monetary union based on a common currency, but Ukraine rejected this idea. As no country can adhere to two customs or monetary systems at the same time, Ukraine has faced strong internal opposition to joining a customs union that could impede accession to the European Union. In fact, after Ukrainian President Leonid Kuchma and Prime Minister Viktor Yanukovich agreed to sign the Single Economic Area agreement in Yalta, the leader of the People's Movement of Ukraine (Rukh), Boris Tarasuk, demanded Kuchma's removal. Moreover, there were public protests against

⁹ Tandon, *Trade is War. The West's War Against the World*, 77.

this agreement in the largest cities in western Ukraine in September and October 2003. Following the December 2004 presidential elections and the "Orange Revolution" that brought Viktor Yushchenko to power, Ukraine had radically changed the position towards the Single Economic Area: the Verkhovna Rada ratified the agreement with the reservation that this, and later other agreements, will not affect the Ukrainian constitution.

In August 2005, at the Summit of Heads of State within the Single Economic Area, President Yushchenko said that his country wanted to sign only the 15 documents related to the free trade regime and that, according to the Constitution of Ukraine, he did not intend to approve agreements related to the creation of supranational bodies and a customs union. Thus, the Single Economic Area could not be implemented mainly due to Ukraine's attitude towards integration outside the free trade area.

2.3 The Commonwealth of Independent States (CIS)

After the collapse of the Soviet Union, the new independent states participated in various processes of integration and reintegration. Based on historical links and the similarity of their socio-economic models, all these states - apart from the Baltic republics - have aimed to maintain and develop their economic and trade links through new regional arrangements.

On December 8, 1991 the Heads of State of Belarus, Russia and Ukraine signed the Agreement on the Formation of the Commonwealth of Independent States (CIS), an agreement by which the Soviet Union was dissolved and a new *commonwealth* was established to coordinate regulations in the legislative field, trade policy and security, as well as to provide a transnational formula for multilateral cooperation between sovereign states. On December 21, 1991, 8 other states from the former USSR - Armenia, Azerbeiadjan, Kazakhstan, Kyrgyzstan, Republic of Moldova, Tajikistan, Turkmenistan and Uzbekistan joined the CIS. These states acceded by signing the Alma-Ata Protocol¹⁰.

The agreement initially signed between the three states constituted the main document of the Community of Independent States until January 22, 1993 when in Minsk the Charter of the Community of Independent States was signed and adopted, document signed by all 11 states¹¹. Once it entered into force, the Charter defined and formalized several aspects such as: the purpose and principles of the Community of Independent States, the sphere of joint activities, regulated the cooperation and coordination, the rules of accession, the institutional framework (which was strictly intergovernmental), the decision-making process (based on consensus) and the financing rules.

Georgia joined the Community of Independent States in December 1993, but withdrew in 2008 as a result of the war with Russia. Turkmenistan has never ratified the CIS Charter, although it continued to attend the summits until August 26, 2005 in a non-formal capacity through its president Saparmyrat Nyýazow. After August 26, 2005, Saparmyrat Nyýazow changed the status of his country into an associate member of the CIS in order to be in line with the neutral status recognized by the United Nations.

Ukraine, although one of the founding members of the Commonwealth of Independent States, has not ratified the Charter since 1993. Ukrainian leaders have maintained an ambiguous status regarding the CIS, taking part in the summits, without formalizing their country's official status.

¹⁰ "Alma-Ata Protocol"

¹¹ "Charter Establishing the Commonwealth of Independent States (CIS)"

3. The regional free trade agreement between Georgia, Ukraine, Azerbaijan and Moldova - GUAM

The Organization for Democracy and Economic Development (GUAM) started functioning as a consultative body in 1997 and was launched as a full regional organization on May 23, 2006. The objective of this organization is - in addition to the issues related to security and conflict resolution - to promote favorable conditions for economic growth and mutually beneficial trade relations and to implement multilateral programs and projects in the fields of production, trade, transport, energy, international lending services, customs and fiscal services, communications, science, technology, education and culture. The most important areas of cooperation include the development of transport corridors and the implementation of the GUAM free trade regime.

Despite these priorities, the organization places less emphasis on the integration profile. GUAM members are also working on a draft protocol on the implementation of the project to facilitate trade and transport, which aims, *inter alia*, to reduce the time spent on border control and increase customs efficiency¹².

Regarding the *institutional structure*, GUAM consists of the Council and the Secretariat.

The Council is the supreme organ of the Organization and works at the level of Heads of State, Foreign Ministers, National Coordinators and Permanent Representatives. However, permanent or provisional working bodies and subsidiaries may be set up. In addition, meetings of the representatives of the ministries and / or of the departments concerned may be organized based on the decision of the Council.

The Secretariat provides organizational and technical support for the operations of GUAM and works under the authority of the Secretary General. The GUAM Secretariat is located in Kiev.

3.1 GUAM's Free Trade Area Agreement

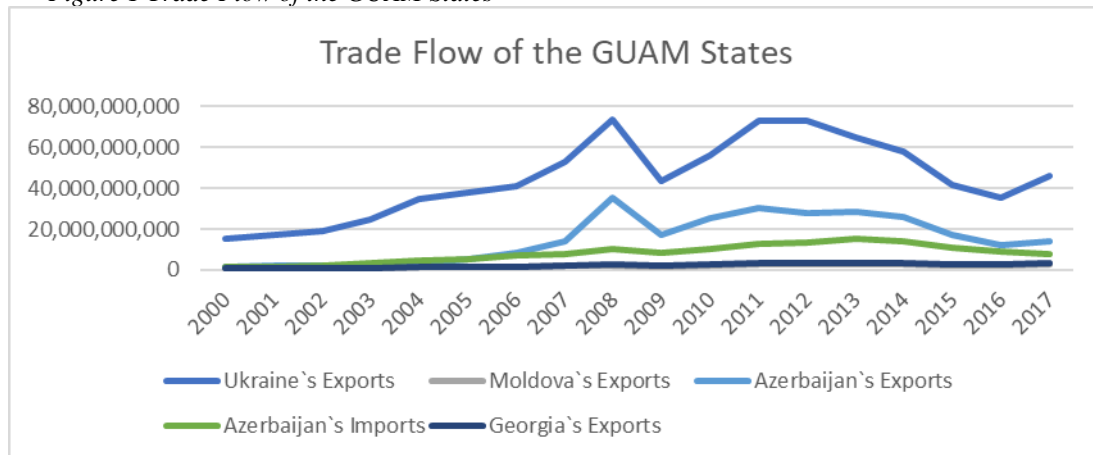
The agreement establishing the free trade area between the States participating in GUAM was signed on July 20, 2002 and entered into force on December 10, 2003. The signatories - while reaffirming their commitments under the rules and provisions of the GATT / WTO agreements - have aimed, among other things, the creation of optimal conditions for the free movement of goods and services. In this regard, upon the entry into force of the free trade agreement (or having 12 months after ratification), they eliminated customs duties and equivalent duties and quantitative restrictions (in terms of imports and exports) in the trading of goods¹³.

The graph below illustrates the main trade tendencies of the GUAM states, before and after the development of the Free Trade Area.

¹² Tino, *Non-Governmental Interests in International Regional Organizations*, 75.

¹³ Hierman, *Russia and Eurasia*, 166.

Figure 1 Trade Flow of the GUAM States



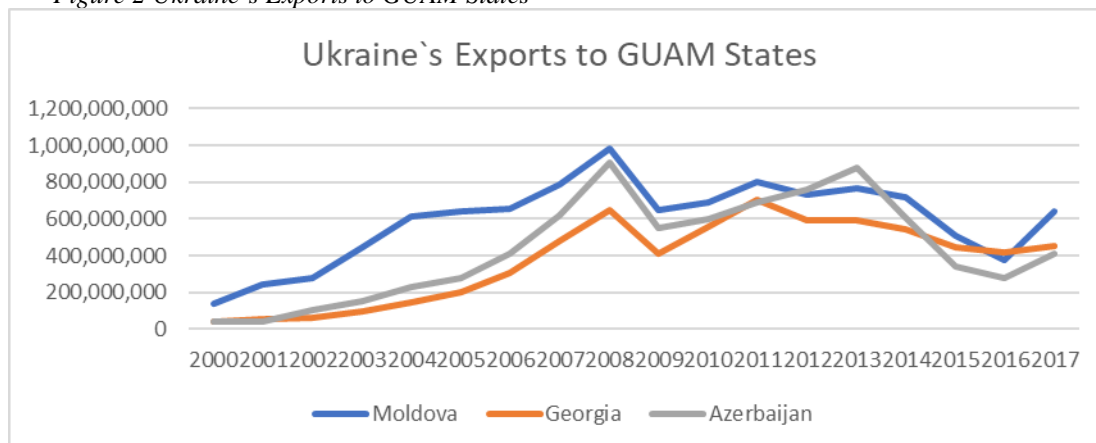
Source: Authors, based on the data gathered from: The Observatory for Economic Complexity, <https://oec.world/en/>

We can observe a tendency towards a growth in the international trade up to the year 2008, an abrupt decrease for 2009 and then the struggling to surpass the effects of recession. Although it can be argued that the GUAM's FTA and other trade agreements as well as the involvement of the World Bank and the International Monetary Fund had also an impact in the recovery of the trade flows, the data show that in terms of trade these states had followed the international market trends.

As far as tariffs are concerned, GUAM's FTA is more ambitious than the one signed by the Community of Independent States, as it does not include exceptions to free trade. On the contrary, it emphasizes that other obstacles to the free movement of goods and services should also be removed. Interestingly, the contracting parties stated that they would establish the harmonization of their legislation so that they could ensure the proper and efficient functioning of free trade. In practice, the parties to the Free Trade Agreement within the GUAM have agreed that EU law should be used as a model in the harmonization process.

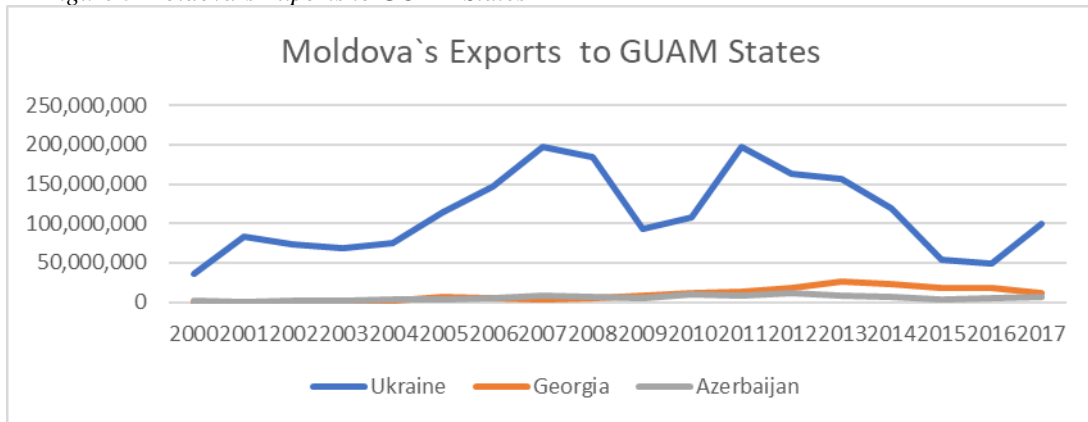
As showed in the graphs below, the trade flows between and within the GUAM states started to intensify slightly. Mostly, the trade relations followed the model established by the former Soviet Union and the proximity criterion.

Figure 2 Ukraine's Exports to GUAM States



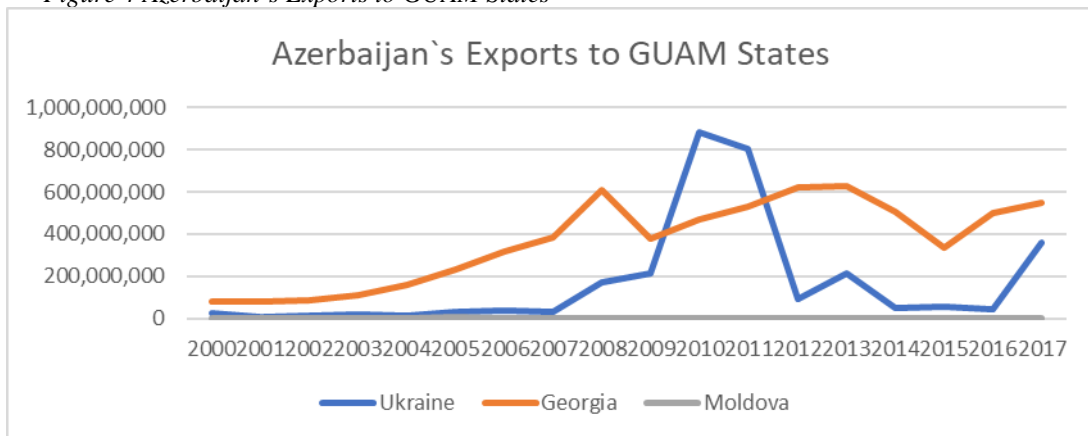
Source: Authors, based on the data gathered from: The Observatory for Economic Complexity, <https://oec.world/en/>

Figure 3 Moldova`s Exports to GUAM States



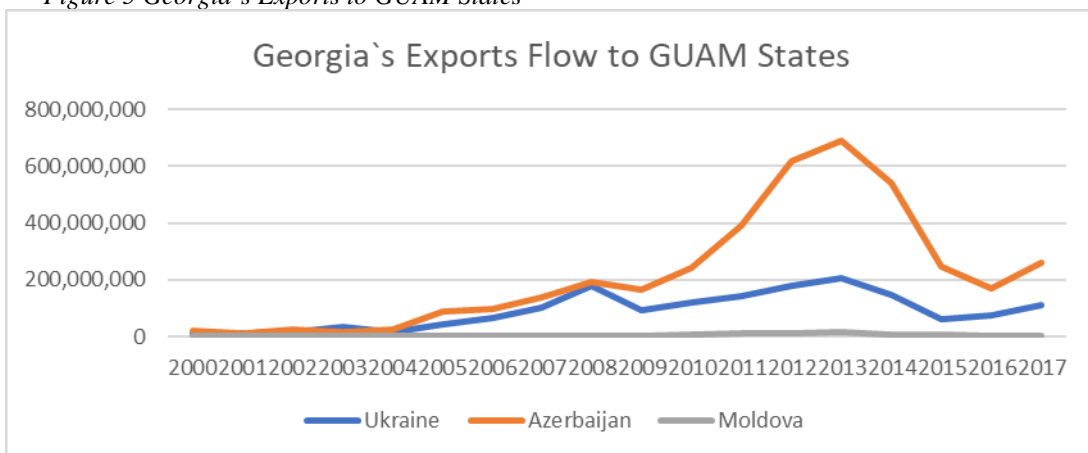
Source: Authors, based on the data gathered from: The Observatory for Economic Complexity, <https://oec.world/en/>

Figure 4 Azerbaijan`s Exports to GUAM States



Source: Authors, based on the data gathered from: The Observatory for Economic Complexity, <https://oec.world/en/>

Figure 5 Georgia`s Exports to GUAM States

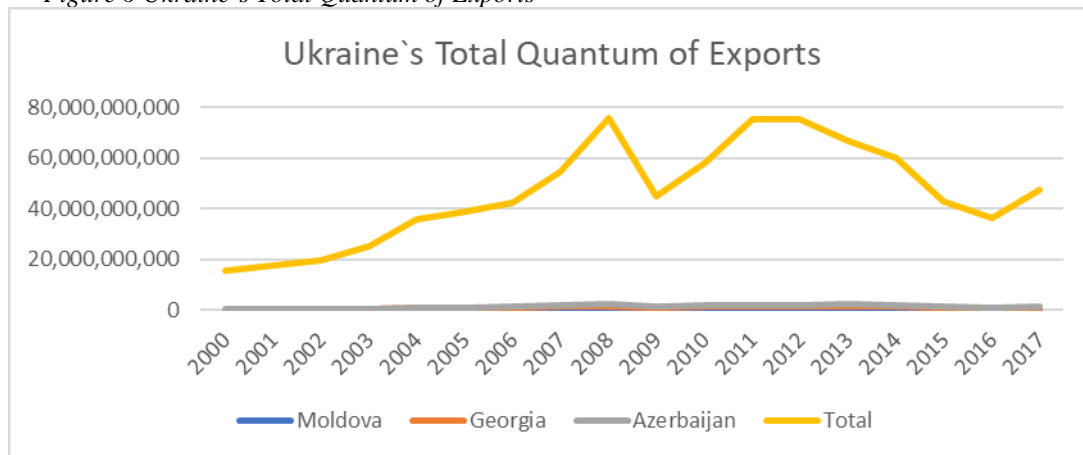


Source: Authors, based on the data gathered from: The Observatory for Economic Complexity, <https://oec.world/en/>

As shown above, Ukraine's main export partner within GUAM is Moldova, Moldova's most important partner is Ukraine, and the same situation can be observed in the case of Georgia and Azerbaijan.

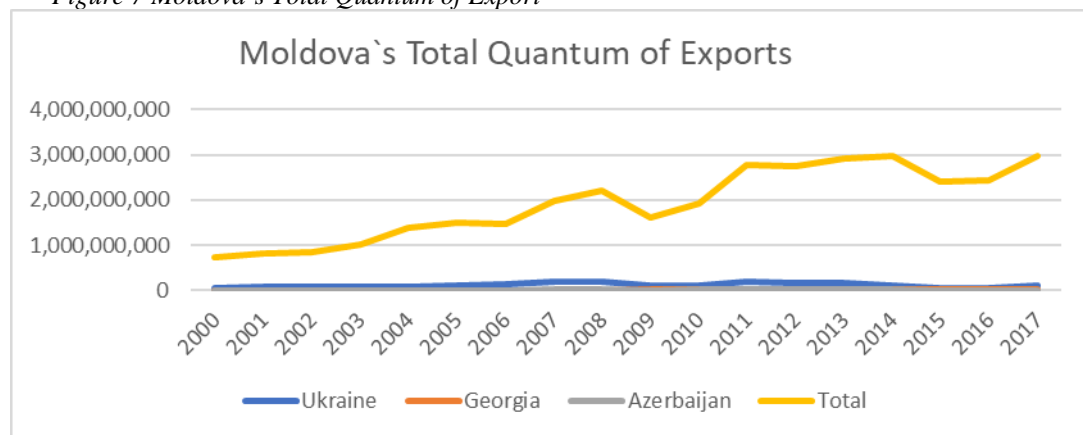
By comparison, Moldova slightly counts as an export partner if we take a look at the graph below which shows the quantum of each partner in the global exports.

Figure 6 Ukraine's Total Quantum of Exports



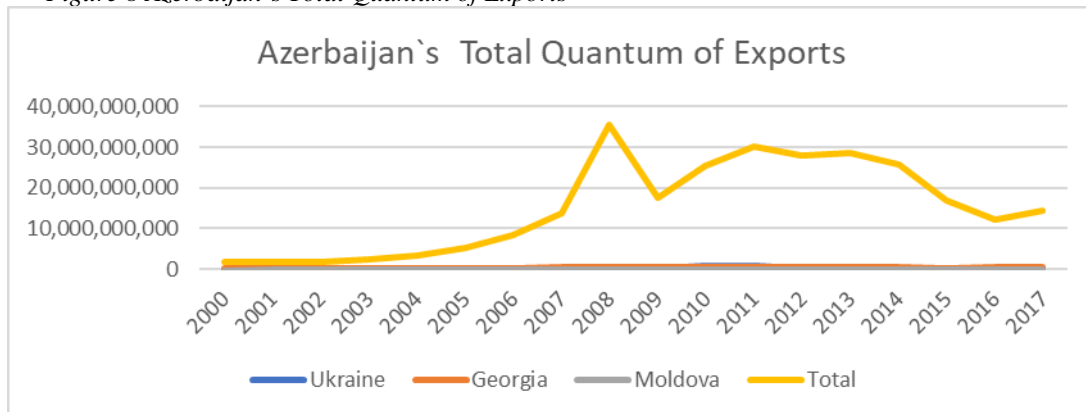
Source: Authors, based on the data gathered from: The Observatory for Economic Complexity, <https://oec.world/en/>

Figure 7 Moldova's Total Quantum of Export



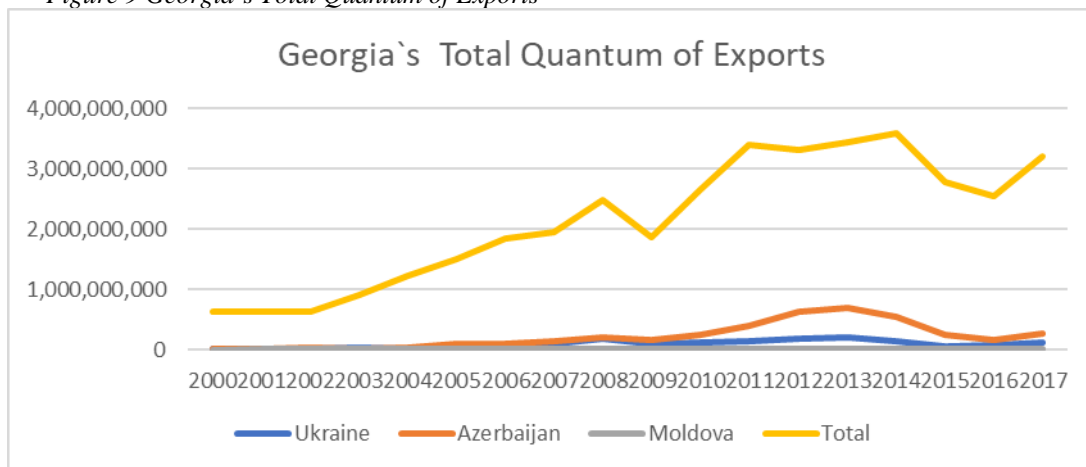
Source: Authors, based on the data gathered from: The Observatory for Economic Complexity, <https://oec.world/en/>

Figure 8 Azerbaijan`s Total Quantum of Exports



Source: Authors, based on the data gathered from: *The Observatory for Economic Complexity*, <https://oec.world/en/>

Figure 9 Georgia`s Total Quantum of Exports



Source: Authors, based on the data gathered from: *The Observatory for Economic Complexity*, <https://oec.world/en/>

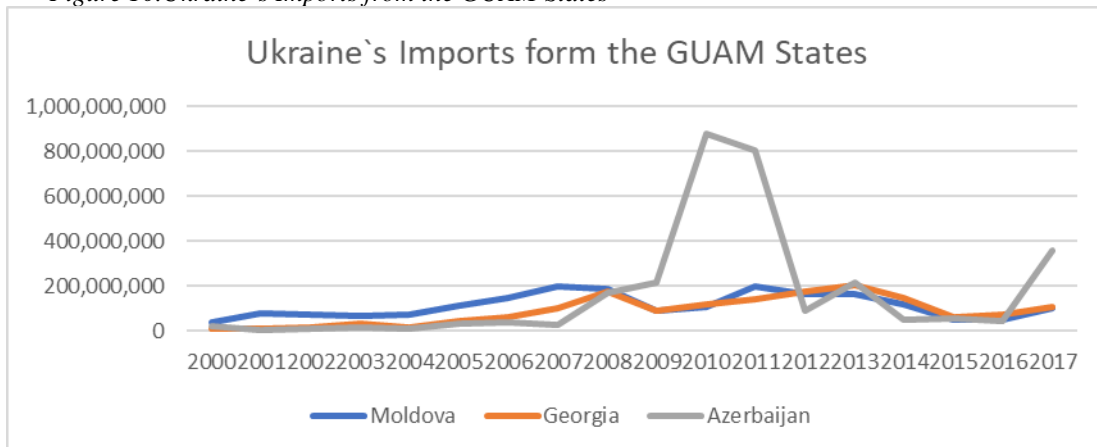
Regarding other provisions related to trade, the free trade agreement within GUAM includes the following aspects: technical barriers to trade (with emphasis on non-discrimination and cooperation in the area of standardization, metrology and certification), harmonization of customs procedures - internal taxes and other taxes with fiscal character, subsidies (respecting fair competition and transparency in granting subsidies), freedom of transit, development of industrial and scientific cooperation.

General exceptions and exceptions for security reasons (if trade protection measures are required), anti-dumping and countervailing measures as well as the elaboration of the Protocol on the rules of origin are also comprised among the main points of the GUAM's FTA Agreement.

Services, bilateral and international cooperation, competition - agreements between companies, abuse of a dominant position, public procurement, intellectual property rights, expert consultations and settlement of disputes completed the provisions of the FTA.

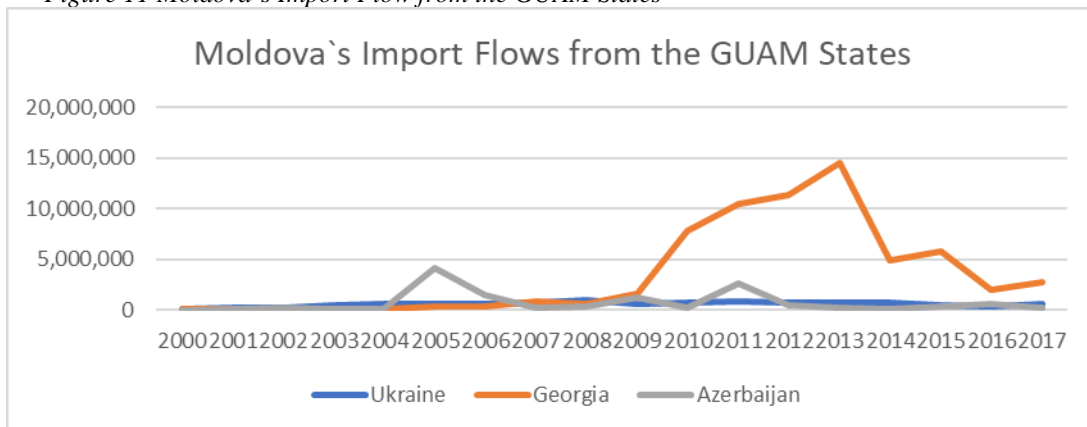
The patterns shown above in case of exports are also followed in regards with the imports. Thus, the main tendencies when choosing the import partner remain the same-proximity criterion and historical links, with a few exceptions as shown in the graphs below.

Figure 10. Ukraine`s Imports from the GUAM States



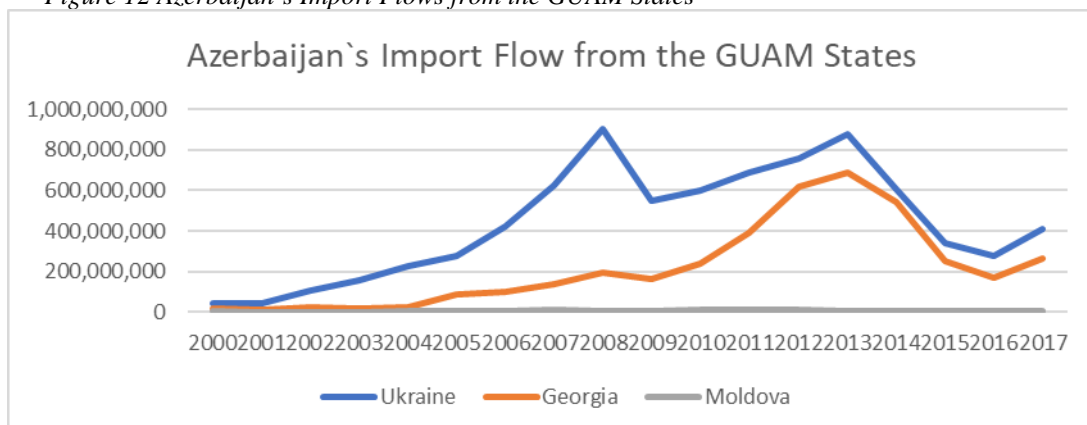
Source: Authors, based on the data gathered from: The Observatory for Economic Complexity, <https://oec.world/en/>

Figure 11 Moldova`s Import Flow from the GUAM States



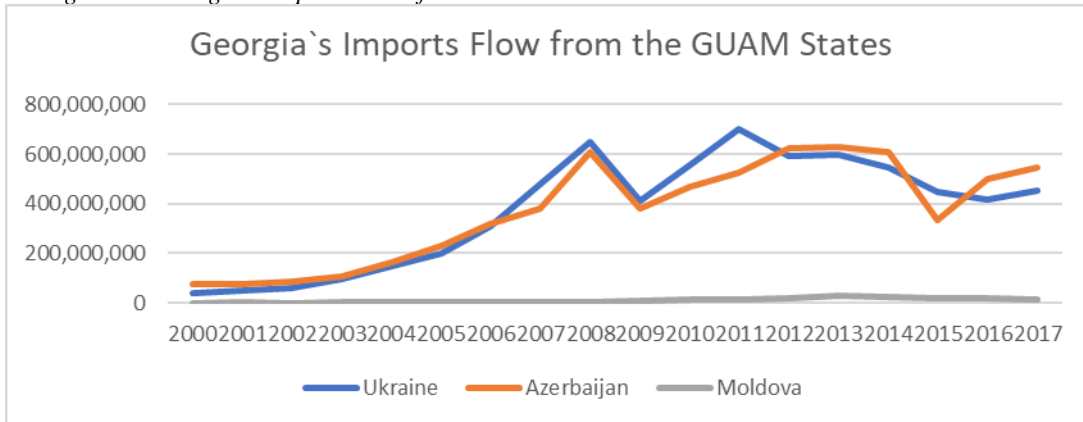
Source: Authors, based on the data gathered from: The Observatory for Economic Complexity, <https://oec.world/en/>

Figure 12 Azerbaijan`s Import Flows from the GUAM States



Source: Authors, based on the data gathered from: The Observatory for Economic Complexity, <https://oec.world/en/>

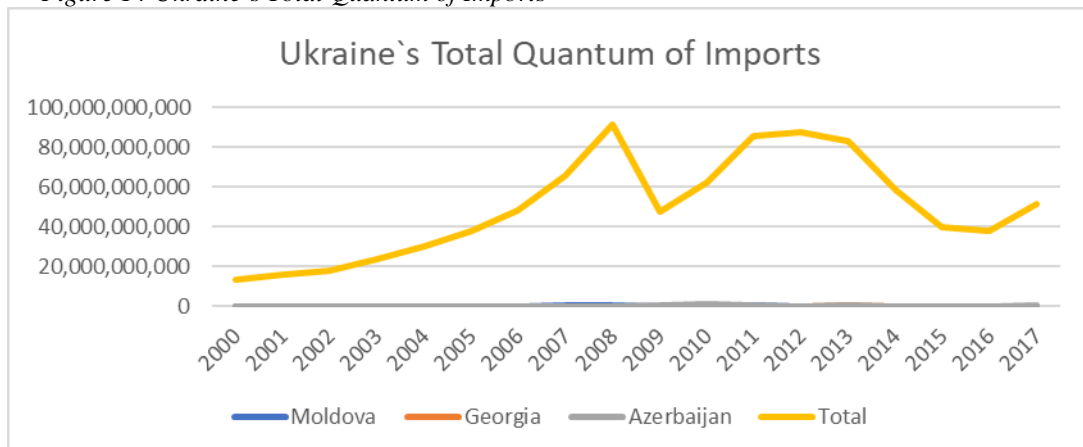
Figure 13 Georgia's Imports Flow from the GUAM States



Source: Authors, based on the data gathered from: The Observatory for Economic Complexity, <https://oec.world/en/>

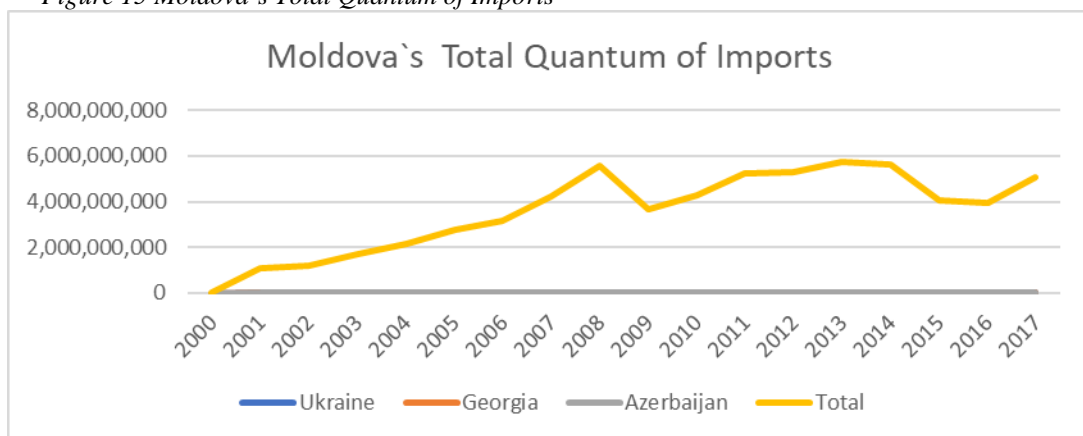
Similarly, the second series of graphs illustrate the small quota of the GUAM states regarding the imports overall.

Figure 14 Ukraine's Total Quantum of Imports



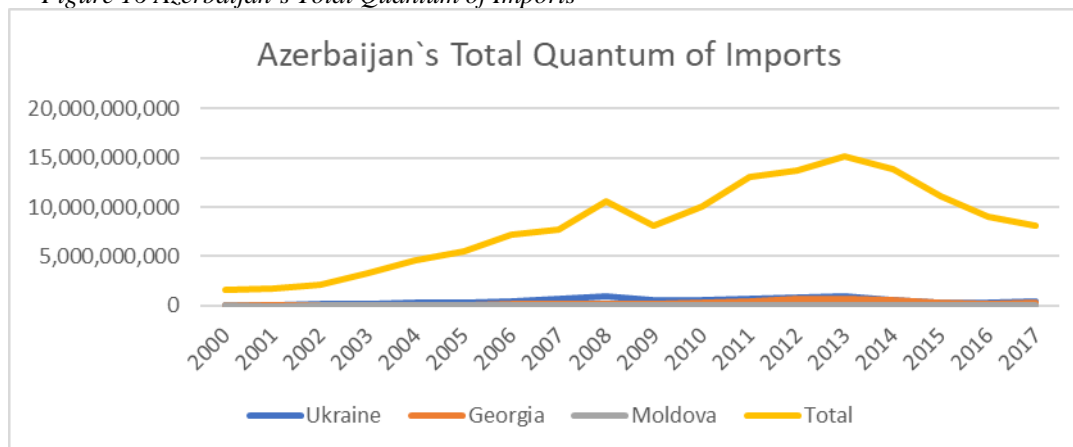
Source: Authors, based on the data gathered from: The Observatory for Economic Complexity, <https://oec.world/en/>

Figure 15 Moldova's Total Quantum of Imports



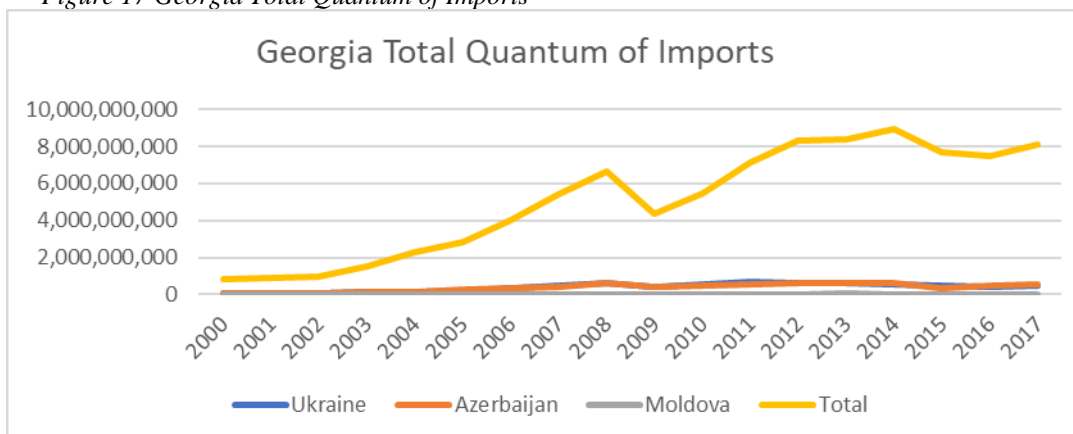
Source: Authors, based on the data gathered from: *The Observatory for Economic Complexity*, <https://oec.world/en/>

Figure 16 Azerbaijan`s Total Quantum of Imports



Source: Authors, based on the data gathered from: *The Observatory for Economic Complexity*, <https://oec.world/en/>

Figure 17 Georgia Total Quantum of Imports



Source: Authors, based on the data gathered from: *The Observatory for Economic Complexity*, <https://oec.world/en/>

The GUAM FTA is open to other partners as well, and includes provisions on its correlation with other obligations of the parties arising from other international agreements. Thus, the main features of the Free Trade Agreement within GUAM are as follows: the Parties (Georgia, Ukraine, Azerbaijan and the Republic of Moldova) reaffirmed their commitments under the GATT / WTO agreements in order to create conditions for the free movement of goods and services. Other features include market access, import tariffs and equivalent taxes, as well as quantitative restrictions on trade in goods were eliminated on the day of the entry into force of the GUAM Free Trade Agreement or within one year (without exceptions).

The Agreement also refers to a correlation with other obligations of the parties arising from international agreements and includes dispute settlement. The GUAM FTA does not provide for a specific institutional structure, but the parties ensure the harmonization of legislation for the proper and efficient functioning of free trade. The main commitments of the GUAM Free Trade Agreement regarding trade are: establishing the protocol regarding the

rules of origin, harmonization of customs procedures, freedom of transit, creating conditions for the mutual liberalization of services and public procurement (based on non-discrimination), cooperation in the field of eradicating technical barriers to trade, intellectual property rights, fair competition and transparency in the granting of subsidies, sanitary and phytosanitary standards have not been explicitly mentioned in the agreement, but it can be assumed that the parties are guided by the principles of the World Trade Organization Agreement on sanitary and phytosanitary measures.

On March 27, 2017, two documents were signed by the government officials of the GUAM countries:

1) approval of the establishment of the working body for the coordination of the actions of the signatory parties to the Agreement, regarding the establishment of the free trade area as it was foreseen on July 20, 2002, and the elaboration of the terms of reference for the coordination body;

2) Agreement between the customs administrations of the GUAM Member States on the mutual recognition of the individual results of the customs control on the movement of goods and cross-border transport throughout the GUAM.

Both these documents were complimented by numerous meetings focused on the: coordination of combating crime, terrorism, drug trafficking, cyber security or illegal migration. One of the most challenging goals for the current agenda is the launching of a Digital Trade Hub, made in December 2019, with a clear emphasis on providing e-services, as well as enforcing better commitments in the FTA and the Transport Corridor of the GUAM Member States.

CONCLUSIONS

The Organization for Democracy and Economic Development was established with the aim of developing transport corridors and implement a new form of Free Trade Area based on the model provided by the European Union's Single Market. The first regional organization that formed without Russia's initiative and interference, this was supposed to be a new framework of cooperation, closer to the "western world". Although in theory, at least the Agreements that formed GUAM and later its Free Trade Area were more liberal and with fewer restrictions than the former economic integration projects, it quickly became obvious that albeit having a permissive framework, the signatory states were not able to transpose this into their trade relations. Being part of the other Agreements that were signed with Russia, mostly under CIS, the GUAM states could not capitalize the benefits that the FTA could have brought them. The Import and Export flows followed the international trade tendencies (with hiccups in the first year after the economic crisis) and remained dominated by the proximity criterion.

Today, the economic network is supplemented by an increasing number of political-economic structures that incorporate even the countries of the post soviet space. Thus, while the poles of economic development in Europe and the Asia-Pacific region have been clearly delimited from a geographical point of view, the presence of Central and Northern Eurasia makes the border between them less tangible.

Eventhough GUAM has mostly failed in its aim at creating new transit corridors, the states that are part of this organization can easily adhere to other structures and adapt, while finding new ways of economic integration and further development.

REFERENCES

1. **Brzezinski, Zbigniew, Sullivan, Paige, (coord.)**, *Russia and the Commonwealth of Independent States. Documents, Data and Analyses*, Routledge: New York, 2016.
2. **Raushan, Serik, Bela, Syrbaeva, Gregory, Gleason**, "Eurasian Policy Integration. Theory and Practice", in Mustaq A. Kaw (coord.), *Central Asia in Retrospect and Prospect*, University of Kashmir Press: New Delhi, 2010.
3. **Yash, Tandon**, *Trade is War. The West's War Against the World (2nd Edition)*, Or Books: London, 2018.
4. **Hierman, Brent**, *Russia and Eurasia, (48th Edition)*, Rowman and Littlefield: Lanham, 2017.
5. **Tino, Elisa** *Non-Governmental Interests in International Regional Organizations*, Brill Nijhoff: Boston, 2018.
6. **Vinukov, Evgey**, *Introduction to the Eurasian Economic Union*, Palgrave Macmillan: New York, 2018.
7. **Vinukov, Evgey**, *The Customs Union and the Single Economic Space: Towards the Eurasian Economic Union*, accessed December 18, 2019, http://www.eabr.org/general/upload/CII%20-%20izdania/Yerbook-2012/a_n5_2012_05.pdf.
8. **Zhukov, S., Reznikova, O.**, *Economic Integration in the Post-Soviet Space*, accessed December 19, 2019, <https://www.tandfonline.com/doi/abs/10.2753/PET1061-1991500702?journalCode=mpet20>
9. The Observatory for Economic Complexity, accessed January 14th, 2020, <https://oec.world/en/>
10. <https://www.dipublico.org/100617/charter-establishing-the-commonwealth-of-independent-states-cis/>,
11. http://www.eurasiancommission.org/ru/act/trade/dotp/sogl_torg/Documents/FTA%20CIS_Text_with_p rotocols_ENG.pdf
12. http://www.operationspaix.net/DATA/DOCUMENT/3825~v~Declaration_d_Alma-Ata.pdf