



**Eurasian Development Bank**

INVESTING IN DEVELOPMENT & INTEGRATION



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# Eurasian Continental Integration

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## Eurasia

- ✓ Eurasia is a massive and diverse **'supercontinent'** that stretches for 8232 km from Cape Dezhnev in the east to Cabo da Roca in the west and 8505 km from Cape Chelyuskin in the north to Cape Piai in the south.
- ✓ Home of the world's most ancient civilizations, Eurasia currently accounts for **two thirds of the world's population and more than half of its GDP.**
- ✓ The significance of Eurasia is likely to rise in the decades to come.

## Elaborated in the following monographs:

E. Vinokurov, A. Libman (2012) *Eurasian Integration: Challenges of Transcontinental Regionalism*. Basingtoke: Palgrave Macmillan.

Е. Винокуров, А. Либман (2012) *Евразийская континентальная интеграция*. СПб: Евразийский банк развития. Доступно на сайте: [www.eabr.org](http://www.eabr.org)

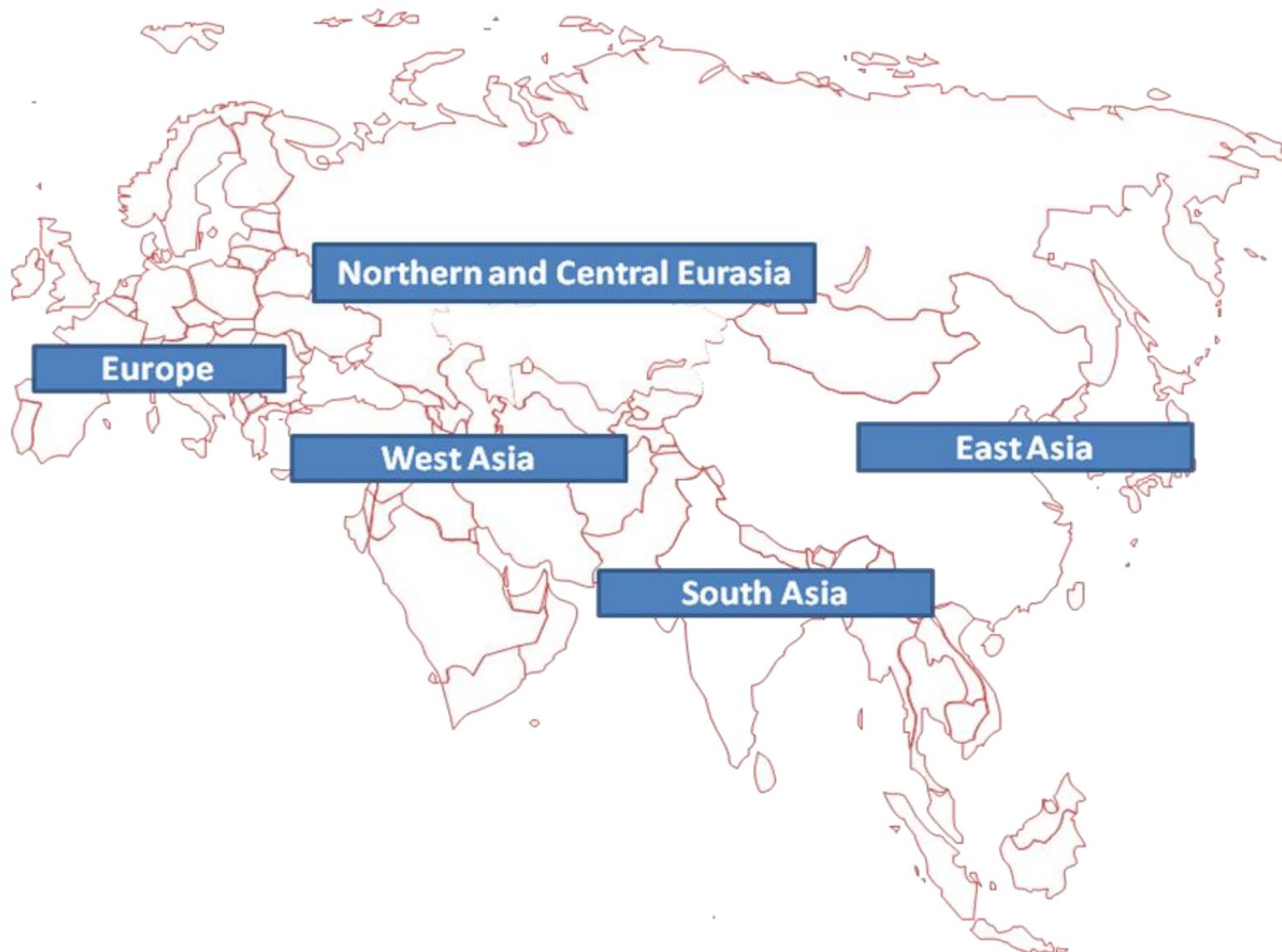
# Four Waves of Eurasian Exchange

Eurasian exchanges	Routes	Which way
First, 1-3 century A.D.	Sea and land	Roman Empire–West Asia–India–China
Second, 11-13 <sup>th</sup> A.D.	Sea and land (Silk Ways)	More between Arab world, South, and East Asia; Europe on the margins of Eurasian trade
Third, 16-19 <sup>th</sup> A.D.	Predominantly sea	Intensive interregional exchange; Europe, West Asia–India–Southeast–East Asia. Europe still uncompetitive in relative terms, compensates for deficit with silver bullion
Fourth, contemporary	Sea; much less over land; air; telecommunications	Initially more from Europe to Asia; increasingly also in the opposite direction and within Eurasian landmass; significant boost as the Soviet Union broke up; huge boost with China rising as an economic superpower

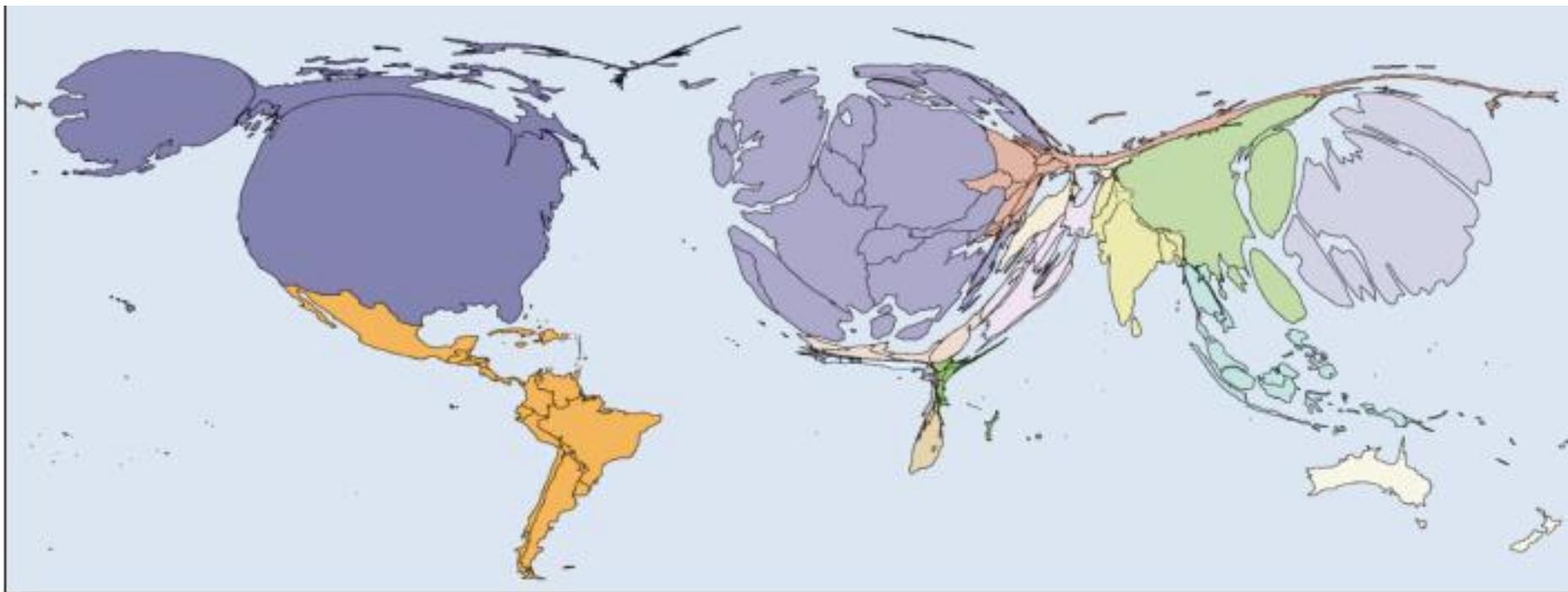
## Population and GDP of Eurasian macroregions

	Population, mln.	GDP, \$ bln.
Europe	534,9	18863,6
EU	500,5	17582,8
non-EU	34,4	1280,7
Northern and Central Eurasia	277,8	2412,1
Central Asia	64,4	261,9
East Asia	1558,1	15002,5
South-East Asia	512,2	2235,8
South Asia	1629,7	2097,1
West Asia	268,8	3107,0
Eurasia, total:	4786,0	43732,5

# Eurasian Macroregions



# ‘Eurasian Hantel’



*World Bank (2009) World Development Report. Reshaping Economic Geography. 2005 GDP in constant US dollars.*





## *Problems and asymmetries*

- **Large number of states**, with huge differences of economies, politics, and societies, and cultures. The search of compromises is severely constrained.
- The problem of integration between **democratic and authoritarian countries**.
- **Large-scale asymmetry of economic development and dependencies**

## Bottom-up Integration

### Key factors of bottom-up integration:

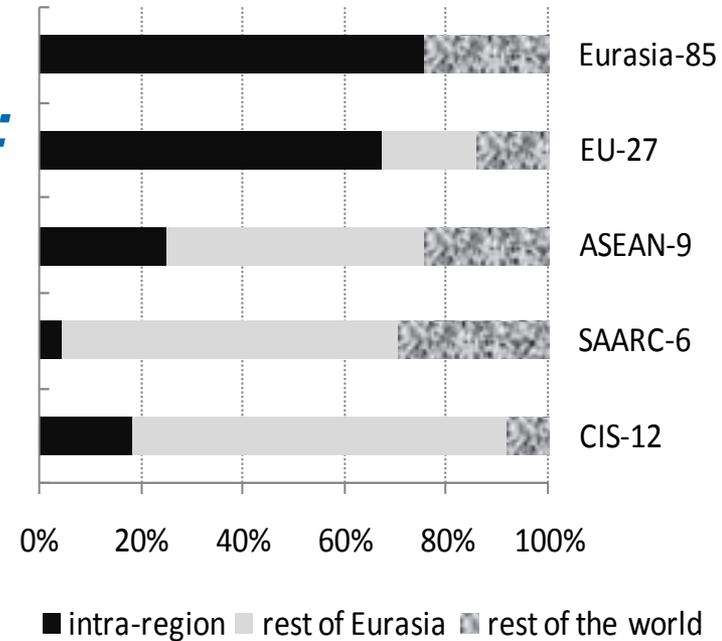
1. Trade
2. Investments
3. Migration, in particular labor.

New Eurasian TNCs (China and Russia)

Growing labour migration.

The role of remittances.

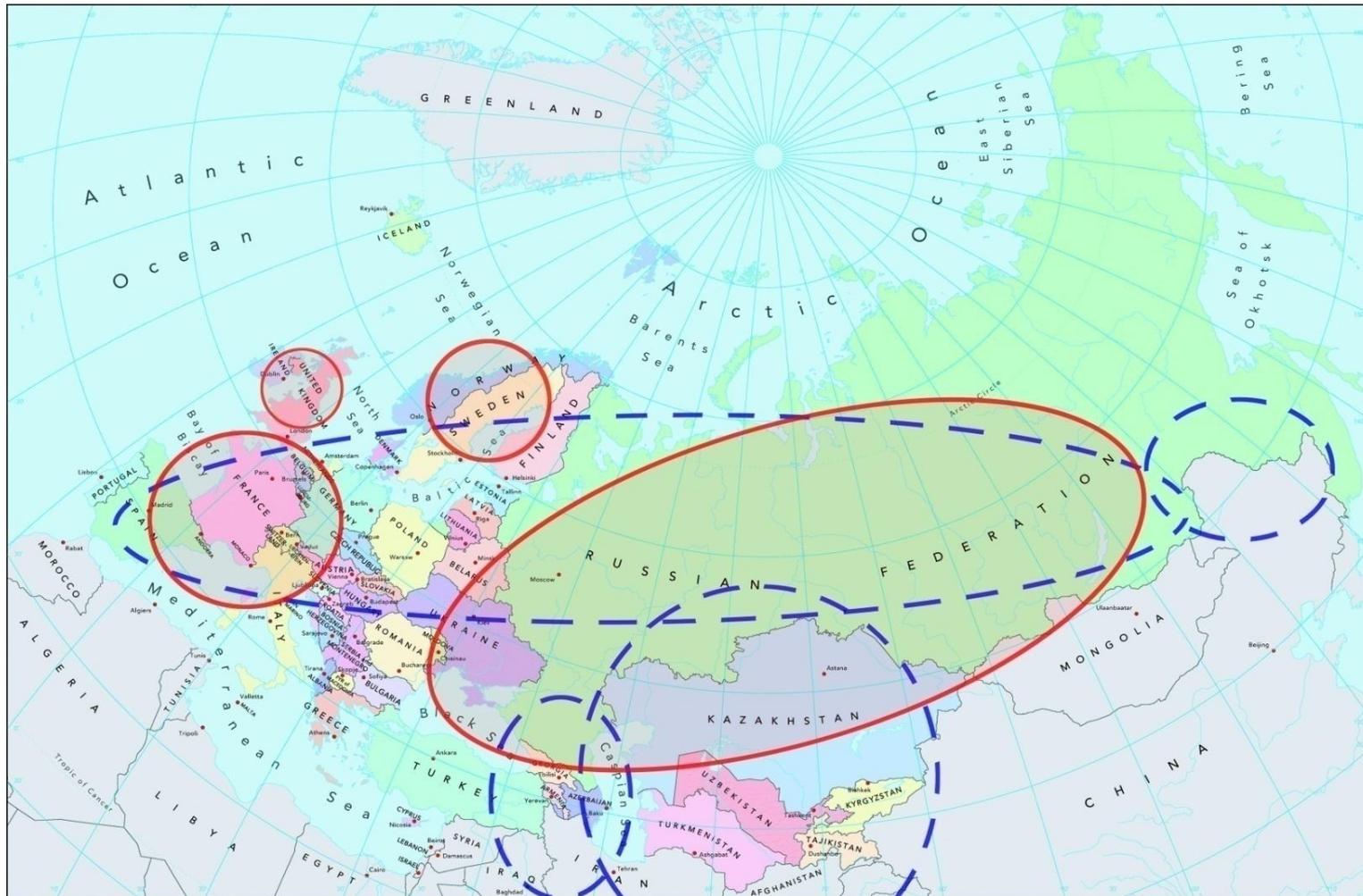
The role of social networks.



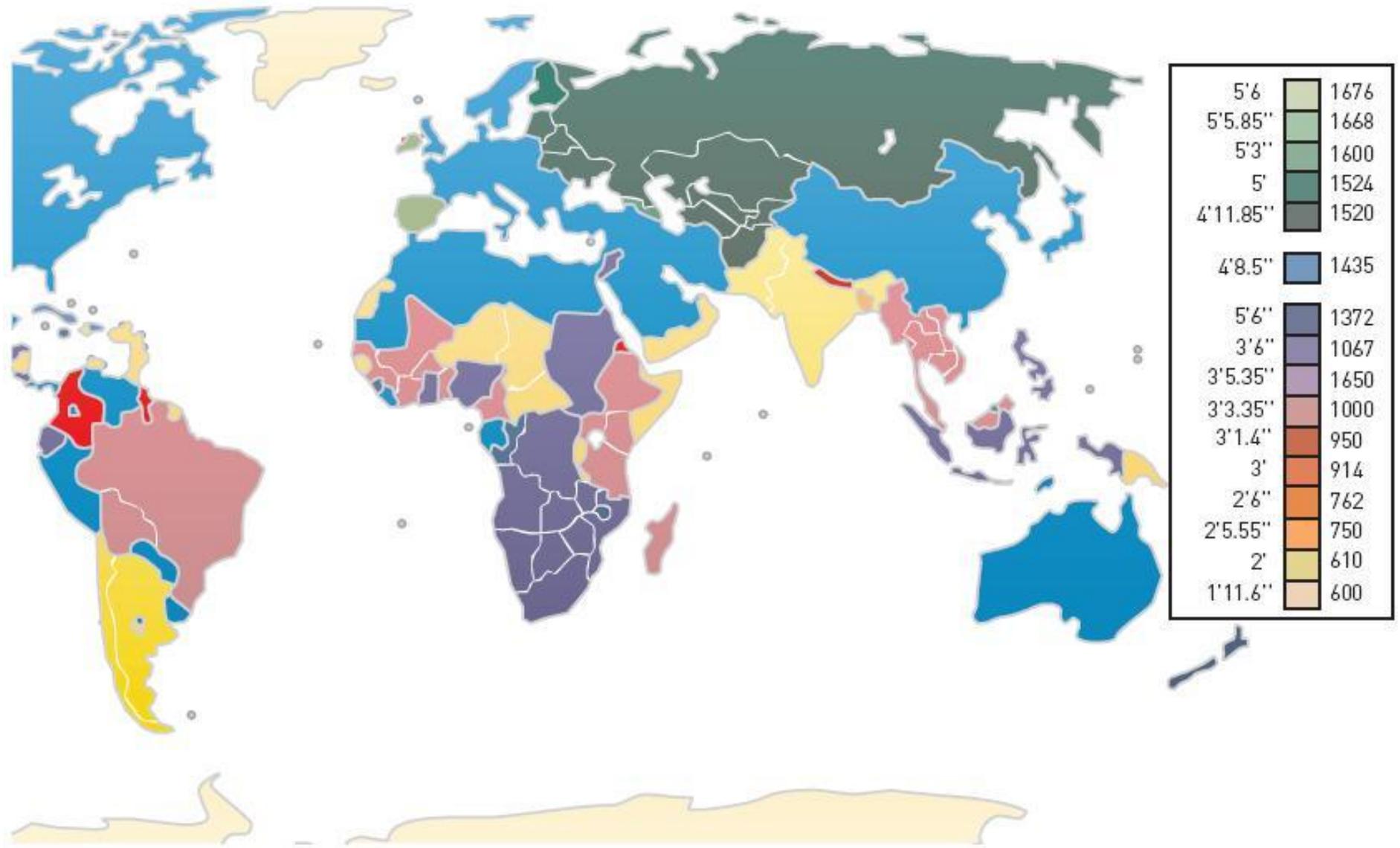
# Transcontinental Infrastructure

Objective constraints due to inadequate infrastructure.  
Absolutely crucial for central regions of the continent.

- ▶ Transeurasian vision of transport corridors (rail and auto).
- ▶ Regional common electric power markets.
- ▶ Telecommunications.



# Example of infrastructural deficiencies: railway gauge





## *Ecology and 'shadow' integration*

- **Transnational ecological problems**
- **Drug trade**
- **Trade in people and arms**
- **'Common microbial market'**

# Two Eurasian Integrations

- Eurasian post-Soviet and Eurasian continental integration are two **interlinked processes**.
- Northern and Central Eurasia is currently a weak link on the economic map of Eurasia.
- Post-Soviet integration should be **supplemented** by continental integration.
- **Western and Eastern vectors.**
- **Central Asia: 'laboratory of Eurasian integration'** .



- We view Eurasian integration as primarily a **continental economic integration**.
- Up to now, it has primarily developed from the **bottom-up**, as intergovernmental cooperation is lagging behind the development of economic linkages.
- We neither expect nor suggest that intergovernmental cooperation in Eurasia should (and could) encompass all countries of the continent: rather, it should be based on **multiple overlapping integration projects** involving governments, sub-national and supranational institutions.

## Main ideas (2)

- Eurasian integration **could drive development** by integrating energy trade, non-energy trade and transport, capital and labour flows, tourism, and fighting against drug trading and the spread of epidemics.
- Advances towards various continental **Eurasian common markets, based on the development of common infrastructure**, bring significant economic benefits.
- It is vital for Eurasian integration that regional cooperation projects are not perceived as mutually exclusive but rather as being **complementary** to one other.
- **Open regionalism in Eurasia is an economically optimal supplement to regional integration initiatives**, in particular to post-Soviet integration.



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*Thank you!*

*Благодарю за внимание!*

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