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# Infrastructure Connectivity and Political Stability in Eurasia

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The benefits for security and political stability enjoyed by countries and regions with infrastructure connectivity may appear absolutely straightforward. On a purely intuitive level, it is easy to conclude that large-scale international infrastructure projects have a strong positive impact on participating states and their relations. Such projects generate new opportunities and, accordingly, interests that are mostly shared or compatible and are often of non-competitive in nature. To ensure that infrastructure projects steadily create benefits and opportunities, countries, business communities and individuals need stability, predictability, and transparent rules. Therefore, in addition to economic effects, major infrastructure initiatives can always be expected to have framework effects, primarily, in the sphere of political stability and security.

However, creative international initiatives, including infrastructure projects, do not exist in a vacuum. Whatever goals their proponents may have in mind, the design phase invariably involves structural factors of international relations and the specifics of interactions between state and non-state actors. Therefore, when discussing the possibilities of using large infrastructure projects to construct less conflict-prone systems of regional and interregional relations, it is important not to get carried away. Positive expectations must be tempered by realism.

First, minimal conditions must be met to harmonize and successfully implement a large-scale infrastructure project, such as trust and efficient communication between the participating countries. In some ways, this is a Chicken-Egg dilemma. The very idea of an international infrastructure project should help build confidence and establish an effective multi-tier communication. However, without these factors available at a minimal level from the get-go, the launch of a large project represents an excessive risk to its initiators and investors, and is often a non-starter.

Second, in addition to the positive effects of infrastructure projects that promote the settlement of conflicts, one can expect effects which, on the contrary, threaten to rekindle old conflicts or prepare the ground for new ones.

Finally, infrastructure plans may prove to have no influence on regional security and conflicts – neither positive, nor negative. As a result, even the most ambitious and well-resourced projects can fade out under the pressure of existing problems and differences.

Based on these general theoretical assumptions, this paper analyses the possible effects of transcontinental infrastructure projects for political stability and security in Eurasia, particularly, in Eastern Europe.

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# Structural Characteristics of Eastern Europe

For the purposes of this paper, the Eastern European region is understood as the belt of countries stretching from the Baltic states (Lithuania, Latvia, Estonia), to Belarus, Ukraine, and Moldova. Geographically, the region is located in between the European and Asian cores of Eurasia. In fact, it divides the Eurasian continent into two parts, which, historically, are in a state of competition and even confrontation, interspersed with periods of cooperation of varying degrees of intensity. Politically, Eastern Europe is not homogeneous today. One can even say that the justification and analytical expediency for referring to it as a separate geopolitical entity (region) are waning with every passing year.

The Baltic countries are members of the EU and NATO. They construct their foreign policy narratives and position themselves in the security sphere being mindful of their status as members of Euro-Atlantic integration. They maintain bare-bones institutional ties with Russia, and relations are prone to conflict.

Ukraine has been developing similar systemic characteristics in recent years. The conflict that broke out in 2014 between Russia and Ukraine is unprecedented in the post-Soviet era in terms of scale and intensity. Since then, relations between the countries have plunged precipitously, occasionally teetering on the verge of a diplomatic break. There are no grounds to expect relations to return to normal any time soon, even though Kiev's ambitions for Euro-Atlantic integration will not be realized in the form of full membership in the EU or NATO in the foreseeable future. Ukraine's institutional connectivity with the post-Soviet space is coming to naught as well, despite the country's continued associate membership in the Commonwealth of Independent States (CIS).

The structural position and foreign policy aspirations of Moldova appear in much the same way. Until recently, the EU countries honoured Chisinau with the informal title of the 'champion' of the Eastern Partnership initiative. Moldova was believed to be moving towards Euro-Integration faster and more efficiently than other Euro-enthusiasts from among former Soviet republics. In particular, Chisinau was the first to be granted visa-free travel

to the EU, and also relatively quickly concluded an Association Agreement. However, recent developments have to a certain extent dampened optimism about that country's European prospects. A series of scandals, including the theft of one billion euros, has caused EU countries and institutions to cast a more critical eye on Moldova. As for NATO, Chisinau is not anxious to become a member, preferring to maintain neutrality. Euro-Atlantic aspirations continue to dominate Moldova's politics, although there is also a broad-based desire to pursue closer relations with Russia in Moldovan society. Chisinau continues to participate in the CIS, and some politicians demonstrate interest in certain forms of cooperation with the Eurasian Economic Union (EAEU). This inner kaleidoscope is most graphically illustrated in the political face-off between President Igor Dodon and the government.

Belarus stands out against the regional background. It belongs to all major integration associations within the post-Soviet space, such as the CIS, the CSTO (Collective Security Treaty Organisation) and the EAEU. Also, Minsk is a member of the Union State of Belarus and Russia, which underlies the special bilateral relationship with Moscow. However, Belarus still has poorly developed relations with countries of the political West. Belarus has so far failed to conclude a bilateral framework agreement with the EU. The Partnership and Cooperation Agreement was signed in 1995, but it never entered into force, and was not ratified by all EU member states. Therefore, Minsk and the EU capitals are, in fact, interacting on the basis of the 1989 agreement between the Soviet Union and the European Economic Community. Belarus-US relations are almost the same. Following the diplomatic crisis of 2008, Minsk and Washington remain represented in each other's capitals only at the level of *chargés d'affaires*.

Indeed, a slow and complex process of normalization has been unfolding in relations between Belarus and the political West in recent years, as evidenced by Brussels' decision to lift most sanctions, and Washington's decision to freeze them. Minsk needs such normalization to bring in foreign investment and to find new markets for its products, as well as to minimize uncertainty risks given how the regional security system has been thrown out of balance.

It is critical to consider the above structural context in which Eastern Europe finds itself in order to understand the possible security effects caused by major transcontinental projects. This paper focuses primarily on China's infrastructure projects under the Belt and Road Initiative (BRI) as empirical material for analysis.

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# Overcoming the Geographic Determinant: Connectivity and Compatibility

The country's geographic location largely predetermines its foreign policy, as well as the trajectory of its socioeconomic development and related opportunities. Perhaps, not only representatives of the school of structural realism in international relations will agree with this statement. It is enough, for example, to look at a physical map in order to understand the economic and political significance of the Eurasian 'area of inaccessibility'.<sup>1</sup> In some cases, the objective geographical barriers remain difficult to overcome even in the modern world.

Nevertheless, the striking advances in technology and transport infrastructure have added significant correctives to this adage formed over the course of centuries, and one would find it difficult to overlook them. Today, the developmental opportunities for most countries are determined less by mere geography than by geographical connectivity and compatibility. As Parag Khanna, the author of *Connectography: Mapping the Future of Global Civilization*, put it, 'connectivity is destiny'.<sup>2</sup> Geography is just one of destiny's companions and one of the objective factors behind the existence of sub-regions, states, and cities. Provided there is properly aligned infrastructure, logistics chains and a system of international agreements, geography is no longer the main determinant factor of their development.

Thus, infrastructural and connectographic maps have become more useful than physical maps in our quest for answers to questions about the substance and the possibilities of international interaction, as well as regional security prospects. At the level of terminology, in addition to the basic concept of interests, the concepts of connectivity and compatibility are becoming increasingly important.

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<sup>1</sup> Lissovolik, Y & Sutyurin, V, 2017, 'The geography of the Eurasian Economic Union: from challenges to opportunities', Valdai Discussion Club report, October. Available from: <http://valdaiclub.com/files/15777/>

<sup>2</sup> Misra, T, 2016, 'How Hyperconnected Cities Are Taking Over the World', Citylab. April 28. Available from: <https://www.citylab.com/equity/2016/04/cities-drive-the-new-world-order-parag-khanna-connectography-maps/480165/>

Connectivity should be understood as a level of development of physical infrastructure that makes it possible to move people and objects. By analogy with military terminology, connectivity indicates the possibility of relatively fast and unimpeded spatial movement. The more diversified and developed the physical infrastructure, and the higher its speed, the higher the degree of geographical connectivity.

The concept of compatibility is used in a broader sense in this paper. In addition to physical connectivity, there is institutional-contractual connectivity, as well as socio-political circumstances that are necessary for cooperation. In other words, compatibility is determined not only by the availability of physical infrastructure, such as roads and logistics centres, but also the ability of various actors to freely use this infrastructure. In particular, it demonstrates to what extent do the specifics of national legislations and the provisions of interstate treaties allow for unhindered movement of goods, services, capital, and labour across borders and between various integration associations? To what extent are the opportunities for economic or human exchanges with the use of existing infrastructure limited or dependent on the political situation? And are political relations between states and societies conducive to greater use of physical infrastructure?

The distinction between the concepts of connectivity and compatibility further complicates the logical construct schematically presented in the introduction. Now, the question is not just about the relationship of infrastructure projects to political stability and security, i.e. which of these factors comes first and contributes to the development of the other? The Chicken-Egg dilemma extends to the connectivity-compatibility pair as well. Which comes first and stimulates the development of the other? Does the emergence of physical infrastructure stimulate the development of the legal framework and intensify political contacts? Or is investing in the construction of physical infrastructure a waste unless the legal framework and political contacts are already in place.

Keeping in mind all these questions and the ways the concepts are interrelated, we analyse the possible effects of cross-border infrastructure projects for security and cooperation in Eurasia in general and in Eastern Europe in particular.

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# Positive Expectations for Eurasian Geographic Connectivity

In its most general form, positive expectations for cross-border projects in Eurasia are based on improvements in physical connectivity, which these projects imply by the very fact of their planned future existence. In many parts of the vast Eurasian space, there is an obvious infrastructure vacuum that inhibits the development of individual countries and greatly constrains opportunities for international cooperation. Moreover, the problem of infrastructure 'gaps' is closely connected with the problem of population density 'gaps' in the Eurasian space.<sup>3</sup> In the absence of infrastructure development, it is hard to expect that these territories will become attractive to investors, let alone new settlers.

For Eastern Europe, this problem is not so acute. In comparison with the 'area of inaccessibility' this part of the Eurasian space has a developed logistical infrastructure with a relatively high penetration rate. Nevertheless, there is also a clear need to upgrade existing and build new physical infrastructure, which can provide the region with additional competitive advantages as part of existing and prospective transcontinental transportation and logistics corridors. The expansion of infrastructure connectivity on the border between Eastern and Central Europe appears particularly important. The differing railway track widths – 1,520 mm and 1,435 mm – are a sort of symbol of disconnectedness at this border.

But missed opportunities, not symbolism, is what matters. In this regard, the key expectation is that qualitative improvements to transport and logistics infrastructure may gradually give rise to compatible interests among various state and non-state actors in Eastern and Central Europe, and throughout the Eurasian space more broadly. Mostly, the issue is about economic interests, which in theory should smooth over political divisions and improve the stability of the security structure.

This expectation underlies a number of initiatives and expert groups, which, for instance, promote the idea of cooperation between the EU and the EAEU. Amid the tit-for-tat sanctions between Russia and the European

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<sup>3</sup> Lissovolik, Y & Sutyryn, V, 2017, 'The geography of the Eurasian Economic Union: from challenges to opportunities', Valdai Discussion Club report, October. Available from: <http://valdaiclub.com/files/15777/>



Union, as well as the reluctance of the institutions and EU member-states to recognize the EAEU as a full-fledged partner, the only strategy for moving forward is to take small steps. Cooperation on infrastructure seems to be the most acceptable area in which to take such steps. Indeed, both at the rhetorical and practical levels, infrastructure projects generally cause the least resistance even in unfavourable political climates, at as long as they meet the basic interests of the participants and there is proper communication with stakeholders. In addition, in the case of the EU and the EAEU, adjusting several existing and planned international transportation corridors immediately comes to mind. For example, integrating its transportation infrastructure with Pan-European corridors Nos. 2 and 9, as well as with the East–West and North–South corridors of Eurasia looks particularly attractive for the EAEU.<sup>4</sup>

The agreements signed during the Brussels summit of the Eastern Partnership on 24 November 2017, on expanding Trans-European Transport Network (TEN-T) offer a good example. They were signed by the EU and the Eastern Partnership countries. The implementation of these agreements can provide added value to the geographical connectivity of the EU, Eastern Partnership countries, the EAEU and the Asian countries, especially if this infrastructure forms an integral part of larger transcontinental Eurasian projects. Importantly, the groundwork has been laid for this. Brussels expressed its intentions by creating the EU–China compatibility platform.<sup>5</sup> The EAEU, for its part, has reached an agreement on adjusting with the Silk Road Economic Belt. That is to say that today there are, in fact, two frameworks (albeit still in embryonic form), which lay the foundations for not just connectivity, but also compatibility all the way from Shanghai to Lisbon. Only one more is needed – that one between the EU and the EAEU.

From the point of view of regional stability, such fit and connectivity should provide at least minimal assurances that the political climate between Russia and the West will not deteriorate further. That is, create incentives for the sides to keep confrontation under control and not close off working channels of mutually beneficial cooperation, including in Eastern Europe. Ideally, they should contribute to the gradual de-escalation of tensions.

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<sup>4</sup> Laikov, K, 2017, 'Evrazijskij sojuz i ES v bor'be za novuju transportnuju arhitekturu Evrazii' [Eurasian Union and the EU Fighting for New Transportation Architecture in Eurasia], *Eurasia Expert*, December 20. Available from: <http://eurasia.expert/evraziyskiy-soyuz-i-es-v-borbe-za-novuyu-transportnuyu-arkhitekturu-evrazii-kto-kogo/>

<sup>5</sup> 'China, the 16+1 Cooperation Format and the EU', 2017, *European Parliament*. March. Available from: [http://www.europarl.europa.eu/RegData/etudes/ATAG/2017/599313/EPRS\\_ATA%282017%29599313\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/ATAG/2017/599313/EPRS_ATA%282017%29599313_EN.pdf)

Moreover, the experience of interaction between Eastern European states and China's transcontinental initiatives shows that expectations of greater connectivity in this part of Eurasia go much further than those of infrastructure. Accordingly, there are more reasons to expect positive effects for political stability and security. The 16+1 initiative, which serves as a platform for intensifying China's cooperation with Central and Eastern European countries, is a case in point. Lithuania, Latvia, and Estonia are full-fledged Eastern European participants in this initiative. Other states of the region have observer status in it, but are showing great interest in participating.

In addition to the prospective development of transport and logistics infrastructure on its own territory (including the infrastructure of logistic hubs) and making it part of powerful transcontinental routes, the countries of the region expect new opportunities in other areas as well:

- trade and investment (including freer access to the growing Chinese market for their agricultural produce);
- cooperation in the sphere of industrial production and energy;
- financial cooperation (mostly Chinese credit resources);
- attracting Chinese tourists, as well as opportunities for academic and professional exchanges.<sup>6</sup>

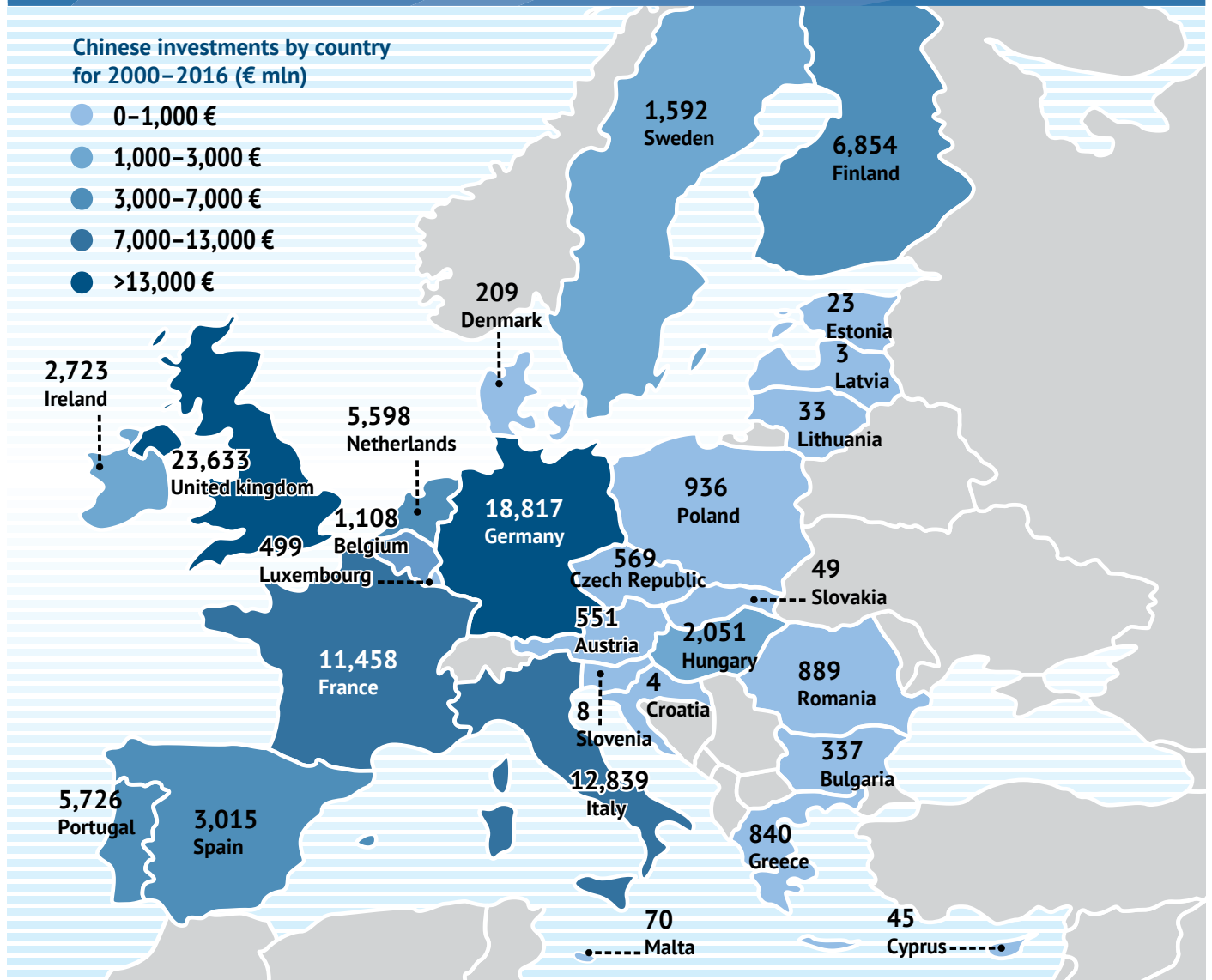
That is, the dialogue on aligning physical infrastructure naturally gives rise to more differentiated, multi-tiered and systemic interests. Some kind of a functional spillover effect is taking place where the seizing of opportunities in some spheres creates opportunities in other spheres, and this generates the need for greater levels of comfort, functionality, and stability. Accordingly, the need for cooperation in the sphere of security is also expanding across a wide range from traditional military and political issues to the next generation of threats emanating from non-state actors.

In this context, China can potentially play a special structural role. For Eastern Europe, China's policies represent a new geostrategic factor. China's expanded presence in the region can substantially modify the customary binary structure of security and international relations rooted in the Russia vs. West dilemma. In their most creative version, transcontinental projects could, like threads, tie Eurasia together with common economic and political interests. As a result, one could expect 'proper order in the strategic space' and a qualitative

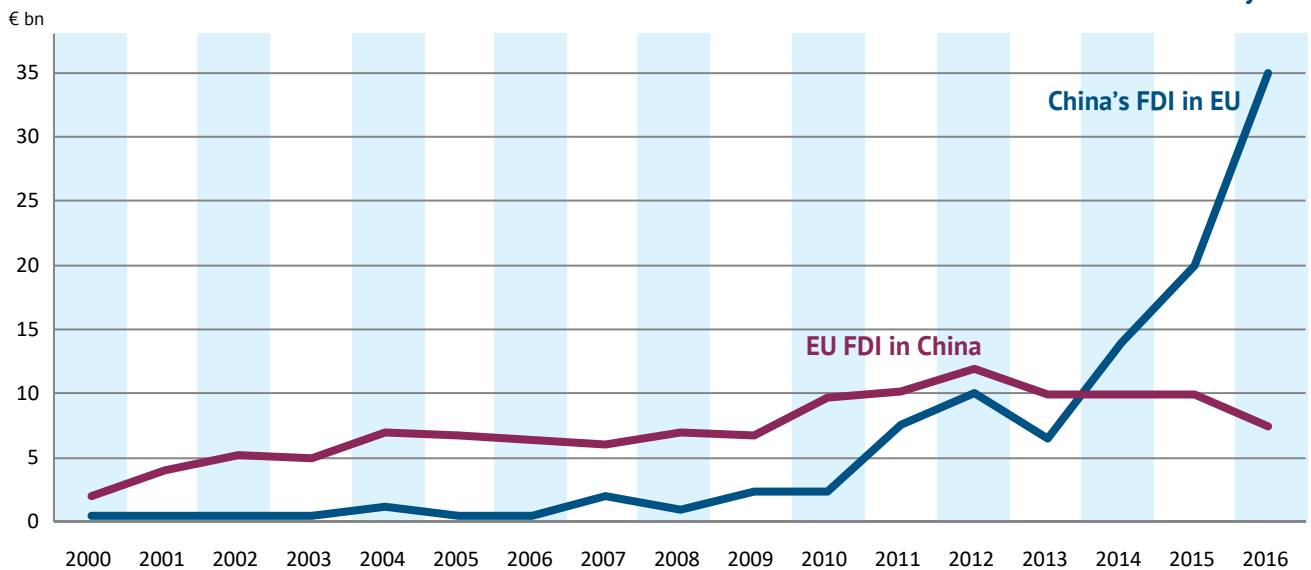
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<sup>6</sup> Przychodniak, M., 2017, 'The 16+1 Initiative and Challenges for Cooperation between China and Central and Eastern European Countries', *The Polish Institute of International Affairs*, December 5. Available from: <http://www.pism.pl/publications/bulletin/no-121-1061#>

### CHINA'S FDI IN THE EU-28, 2000-2016



China's FDI in EU-28 has increased tenfold in last six years



Source: RIA Novosti (based on data from MERICS).

reduction in security risks.<sup>7</sup> Under such a scenario, Eastern Europe would, perhaps, be the key beneficiary in terms of strategic stability and security, because the main geopolitical fault lines run here.

Incidentally, the connecting role of transcontinental projects can make even more of an impact amid the spread of 'project alliances' and the changing nature of alliance in international relations.<sup>8</sup> Infrastructure connectivity on a transcontinental scale will cement fundamental common interests, making it possible to reduce fluctuations in the 'cooperation swing', which will inevitably arise as a result of the constant formation of new coalitions based on interests. It appears that all countries should be interested in such a cementing effect, including large states, which bear the brunt of financing integration projects and alliances, and smaller states, which for obvious reasons are particularly sensitive and vulnerable to the unpredictability of the 'cooperation swing'.

However, all the above-mentioned positive expectations for infrastructure connectivity are still hypothetical. Even in the best-case scenario, this is not something that will happen overnight. Implementing it will take more than just time, it will necessitate to overcome many geopolitical complexities, which will be discussed below. In addition, the novelty of the China factor in Eastern Europe has a downside. In addition to positive expectations, China's activity is causing significant wariness. Therefore, the likelihood of positive outcomes largely depends on the substance of Chinese policies and how they are perceived by the leading Eurasian and Euro-Atlantic countries.

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<sup>7</sup> Ghiasy, R & Zhou, J, 2017, 'The Silk Road Economic Belt. Considering Security Implications and EU-China Cooperation Prospects', Stockholm International Peace Research Institute. Available from: <https://www.sipri.org/sites/default/files/The-Silk-Road-Economic-Belt.pdf>

<sup>8</sup> Silaev, N & Sushentsov A, 2017, 'Russia's Allies and the Geopolitical Frontier in Eurasia', Valdai Paper №66, April. Available from: <http://ru.valdaiclub.com/files/16328/>

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# What Problems is Connectivity Unable to Resolve Without Compatibility?

The positive expectations for transcontinental projects discussed above are largely based on liberal premises of international relations theory. Building on the idea of economic gain as the main driver of international behaviour, infrastructure connectivity results in framework interest in sustainable cooperation in a secure, stable environment. However, is economic gain alone enough to make infrastructure connectivity a primary motivator of behaviour in international relations? Recent events in different parts of the world are leading to growing doubts about this. We are increasingly seeing in action factors that can be described in terms of classical and structural realism, rather than liberalism, which is clearly visible in Eastern Europe and elsewhere.

The strategic security structure here remains binary, reflecting the influence of the Russia vs. West dilemma. National security narratives rely on this binary structure. For example, the thesis about the linking role of China and its infrastructure projects has, so far, remained a normative wish (albeit shared by many) and a remote prospect. In practice, we are witnessing trends in the opposite direction.

In fact, a geopolitical 'rupture' of the Eastern Europe region is taking place under the influence of military-political tensions, which manifests itself in the fundamentally different positioning and foreign policy behaviour of the Eastern European states. This is due to the above-mentioned circumstances of their international position and institutional affiliation.

In the current circumstances, the Baltic states, Ukraine and, to a lesser degree, Moldova see positioning themselves as the 'frontline states' in the civilizational struggle against Russia as the best available opportunity for improving their security. Therefore, it is in their interest to preserve or even escalate tensions between Russia and the West, which is directly reflected in their actions. On the contrary, based on its structural circumstances, Belarus has a strong interest in easing international tensions. Hence, the ever more assertive initiatives coming from Minsk designed to de-escalate relations between Russia and the West, including an initiative to launch a broad-based negotiating process with the participation of major world powers.

As the geopolitical confrontation continues to deepen, these two fundamentally different foreign policy approaches are coming into direct conflict, leading to a 'rupture' in the Eastern European region. Since such state behaviours have deeper roots than merely subjective choices of political elites, the regional 'rupture' is fundamental and constitutes a serious obstacle on the path to transcontinental projects.

To what extent can the interest of major players outside Eastern Europe generated by infrastructure megaprojects lead the countries of the region to adapt their security narratives? For example, what if we assume that major states can find a common language among themselves? Of course, in that case, the Eastern European states will be forced to accept the rules of the game. However, doing so will require more than just abstract agreements, it will require developing political compatibility between the integration projects promoted by major states. Above all, we are talking about EU–EAEU relations, which became the key problem component in any major prospective effort to achieve transcontinental harmonization.

In other words, stopping the geopolitical 'rupture' of Eastern Europe is only possible if there is a positive political agenda of a higher order, which calls for concluding major agreements between major states of Eurasian and, probably, even Euro-Atlantic spaces. From where we stand today, it looks unrealistic. China's interest factor alone is unlikely to change the situation.

All the more so, since perceptions of China itself are mixed, especially in the EU. China's projects and initiatives appear to many as a creeping form of geopolitical expansion. And in addition to geopolitical concerns, tensions are on the rise in the programme of economic relations between China and the EU. In particular, they manifest themselves in the talks on concluding an investment agreement between the EU and China. In addition, EU institutions are becoming increasingly concerned over the 16+1 initiative, as many European officials believe that Beijing is using this tool to cause a rift in EU's single policy. In turn, China's official representatives vehemently deny any suspicions that they are promoting a hidden agenda under the guise of infrastructure projects in Europe aimed at driving a wedge into the EU's single policy or achieving geopolitical domination. However, issues inevitably arise even at the level of purely technical cooperation, which corroborate fears held by many in the EU.

An example is the China-financed railway link between Belgrade and Budapest. Beijing redirects the European Commission's claims regarding the project's inconsistency with EU regulatory norms to Hungary and the EU institutions themselves. Thus, additional friction inevitably arises between the latter. The 16+1 initiative itself indicates that Beijing is more inclined to deepen bilateral relations with the participating countries and observers, rather than to strengthen the multilateral format. This automatically spurs competition and occasionally divergent interests among individual countries in Central and Eastern Europe.

As dissension over China's proposals mounts within the EU, interests may clash, eventually leading to major political barriers to transcontinental projects. As a result, the ability of these projects to create the proper environment for bolstering security will also decline.

The same negative effect could be produced by the clashing interests of China and the United States in Eastern and Central Europe. The Three Seas Initiative, which has so far been approved both by Washington and Beijing, could be a flash point. However, down the road this initiative has every chance to become an area of intense competition, provided that tensions in US–China relations escalate.

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## Conclusions

The interdependence of infrastructure connectivity and compatibility in transcontinental projects, as well as their impact on political stability and security in Eurasia, is a classic Chicken-Egg dilemma. This can be seen particularly well in Eastern Europe, where many geopolitical divides are strongly pronounced and exacerbated.

Hypothetically, there are many reasons to expect that greater infrastructure connectivity itself will encourage participating states and non-state actors to be more compatible. Greater compatibility will automatically translate into clearer rules of the game, stability, and security. However, for all the consistency and normalcy of such expectations, they are clearly running into major structural obstacles in the form of conflicting geopolitical interests among the Eastern European states, deep divisions between the West and Russia, as well as growing distrust of China's transcontinental initiatives inside the EU.



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