

## GUAM AND THE EURASEC: MAIN GOALS AND PROSPECTS

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The GUAM integration organization was created in November 1997 when the foreign ministers of four countries—Georgia, Ukraine, Azerbaijan, and Moldova—signed a Protocol declaring the creation of this new structure.

Uzbekistan officially joined this organization in April 1999. But in 2002, it suspended its participation in this organization.

**Box 1**

“Tashkent has never tried to conceal the fact that GUUAM appeals to it from an exclusively ‘transport’ or ‘transport-energy’ standpoint and that it is not at all interested in it as a geopolitical group. Uzbekistan explained its decision to withdraw from GUUAM by the fact that it did not feel the need for political or military integration.

**Then, largely under the pressure of the U.S., Uzbekistan halted the withdrawal procedure, although it essentially does not participate in any of the organization's official undertakings."**

*Source:* [<http://www.gazeta.kg/print.php?i=6768>].

At the beginning of May 2005, Uzbekistan made a decision to withdraw from this regional organization. According to many experts, Tashkent was cautioned by the initiative put forward at the GUUAM summit held in Chisinau in 2005 to create a Black Sea-Baltic arc of democracy and stability.<sup>1</sup> It is obvious that Karimov's support of Yushchenko and Saakashvili might have given a new boost to the activity of the Uzbek opposition. In addition, GUUAM was initially pro-American and anti-Russian in orientation. While Uzbekistan's policy focused more on intensifying political and economic cooperation with the Russian Federation, which to a certain extent was related to the events in Andijan. So the Uzbek president's decision to withdraw the republic from GUUAM was understandable. Since then, the organization has received its old name—GUAM.

When this integration group was created, great importance, in addition to geopolitical considerations, was given to the oil factor and communication integration. In particular, *cooperation focuses on drawing up and implementing the TRACECA global European-Caucasian-Asian transport-communication project*, on the basis of which it is hoped to integrate the Central Asian and South Caucasian states into the global economic system and reduce energy dependence on Russia.

The establishment and efficient use of oil transportation routes via the Baku-Tbilisi-Ceyhan and Odessa-Brody pipelines and transit freight delivery along the port Turkmenbashi (Turkmenistan)-Caspian Sea-Baku-Georgian ports-Black Sea-Rumanian and Bulgarian ports corridor form the fulcrum of cooperation within GUAM.

In order to implement the former project, the sides worked to create a corresponding regulatory legal base that determined the conditions for transporting Kazakh oil from Aktau to Baku and on via the Baku-Tbilisi-Ceyhan oil pipeline, as well as via other export routes that begin in Azerbaijan. As we know, the Baku-Tbilisi-Ceyhan pipeline went into operation in May 2006.

As for the latter project, many experts do not believe it is very efficient.

#### **Box 2**

**"A transportation corridor that has to repeatedly reload carriages and containers or simply load freight from rail to sea transport and cross two seas is unlikely to be more advantageous than pure rail routes bypassing the seas from the north (via Russia) and the south (via Iran and Turkey).**

**"It would be much more advantageous for the Caucasian states to restore the once intensively used railroads along the eastern coast of the Black Sea and western coast of the Caspian Sea on the North-South transit route from Eastern Europe and Russia to the Middle East."**

*Source:* N. Isingarín, *10 let CNG. Problemy, poiski, resheniia*, Public Fund "BIS," Almaty, 2001. 400 pages.

<sup>1</sup> See: O. Sidorov, "GUAM-2005: patient skoree miortv, chem zhiv," available at [<http://www.gazeta.kz/art.asp?aid=63363/>].

*GUAM is distinguished by its active rapprochement with European states and the U.S. In particular, in cooperation with the United States, framework programs on trade and transport assistance, on border and customs control, and on combating terrorism, organized crime, illicit circulation of drugs and weapons was adopted.*

However, it is the U.S.'s own geopolitical interests that are motivating it to support GUAM's activity. These include controlling the energy resources of the Caspian region and the oil and gas transport infrastructure, increasing the export of hydrocarbons to the world markets (primarily to the United States), strengthening the energy security of the Western countries, and reducing Russia's influence on the Caucasus.

Placing exclusive emphasis on intensifying the oil factor in cooperation between America and GUAM will have certain repercussions. It will cause deformations in the economic development of the Caucasian states and lead to their transformation into the West's raw material appendix.

Many experts are criticizing the GUAM states for formulating their policy in keeping with the U.S.'s interests and the implementation of its intentions in the region.

**Box 3**

In his interview with *Nezavisimaia gazeta*, Viacheslav Trubnikov, first deputy foreign minister of the Russian Federation and former head of the Foreign Intelligence Service, called GUUAM an "absolutely artificial organization pumped full of American money," which was formed "only to prevent Russia from being able to manifest its neo-imperial strivings." The United States does indeed render GUUAM all kinds of assistance, including financial (from 2001 to 2004, the U.S. allotted the GUUAM countries approximately two billion dollars). However, it is not a matter of money, but of the fact that GUUAM is being morally and politically encouraged by the West, without which this structure would most likely not have appeared, let alone survived.

Source: [<http://www.gazeta.kg/print.php?i=6768>].

However, the GUAM integration organization has achieved certain progress during its existence:

1. A regulatory legal base of GUAM's activity has been created.

In 2001, the GUUAM Charter was adopted, which registered this formation as an international organization (in particular, it acquired the status of observer in the U.N.). According to its founding document, the organization's goals are promoting the social and economic development of its member states, expanding their trade and economic relations, developing transport-communication routes, strengthening regional security, joining efforts to combat international terrorism, organized crime, and the drug business, and encouraging humanitarian cooperation. The annual summit of the member states is declared GUUAM's highest structure, foreign ministers' meetings (twice a year) is the executive structure, and the committee of national coordinators (it meets once a quarter) is the working structure.

*On 20 July, 2002, an Agreement on Creating a Free Trade Area among the GUUAM Member States was adopted to expand the economic trade relations of the GUUAM states, which was signed by the presidents of Azerbaijan, Georgia, Moldova, and Ukraine. In keeping with this document, the GUUAM countries are exempt from the payment of duties, taxes, and fees with equivalent action, as well as from reciprocal trade quotas. Execution of this*

Agreement based on GATT/WTO regulations and principles presumes the creation and development of an efficient system of mutual settlements concerning trade and other operations and harmonization of the legislation of the contracting parties to the extent that this is necessary for efficient functioning of the free trade area. In keeping with the decisions adopted at the interstate level, in 2004 there were plans to carry out mutual liberalization of trade conditions and remove the barriers that hinder free movement of goods and services.

*With respect to strengthening security in the GUAM states, a corresponding Agreement on Combating International Terrorism, Aggressive Separatism, Illicit Circulation of Drugs, and Organized Crime* was adopted, the execution of which will help to stabilize the political situation in the region and create conditions for the sustainable economic development of these countries.

On 23 May, 2006, at the GUAM Kiev summit, this integration organization changed its status to become the Organization for Democracy and Economic Development—GUAM, and its Charter was signed. In addition to promoting democracy and strengthening international and regional security, the organization declared its specific goal to be establishing a dialog in the energy (the transportation of energy resources from the Caspian region to Europe), transport (a bridge between Europe and Asia), and scientific and technical and humanitarian spheres.

2. Measures were undertaken to develop cooperation among the customs and border departments of the GUAM states.

In order to enhance reciprocal trade in the GUAM states and strengthen their security, the governments of these countries reached the following agreements on unifying national legislation in the customs and border spheres and creating a single customs control system. The adoption of the indicated measures will help to develop integration cooperation among the GUAM states in all the spheres of the economy.

3. Implementation of the GUAM-U.S. Framework Program of Trade and Transport Facilitation.

In order to implement this Program, corresponding agreements were reached with the EU European Commission on support of the Eurasian oil transportation corridor project and close ties were established with a cooperation initiative for the Southeast European countries. In keeping with the Ukraine-NATO Target Plan for 2003, the continuous exchange of information on cooperation among the Caucasus' partner states is ensured between Ukraine and the North Atlantic Alliance in peacekeeping activity. In addition, a special NATO project called the Virtual Silk Road has been introduced, which is a satellite system of electronic information exchange for the Caucasian countries and assists them in developing national research and education networks.<sup>2</sup>

4. Organizational structures for strengthening integration cooperation among the GUAM states.

With financial support from the U.S., the GUAM Center of Law Enforcement which unites the police, border, and customs structures of the member states has begun functioning, and a project to create a GUAM Virtual Law Enforcement Center for combating terrorism, organized crime, drug circulation, and other crimes and an Interstate Information-Analytical System is being implemented.

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<sup>2</sup> See: G.G. Rakhmatulina, *Dinamika razvitiia integratsionnykh protsessov v gosudarstvakh SNG i perspektivy formirovaniia Edinogo ekonomicheskogo prostranstva*, ed. by M.S. Ashimbaev. Kazakhstan Institute of Strategic Studies under the President of the Republic of Kazakhstan, Almaty, 2004, p. 119.

A GUAM Secretariat was also created in 2006 to ensure the Organization's efficient functioning, the main task of which is to cooperate with GUAM's administration structures to draw up corresponding documents to be presented at the intergovernmental and interstate level.

5. Questions relating to energy cooperation among the GUAM states are being processed.

At the GUAM summit in Kiev in May 2006, the possibility of creating a fuel and energy council within the framework of this organization was announced. It is presumed that the main task of this Council would be resolving questions relating to the use of energy resources, creating energy-generating capacities, developing transit potential, and implementing a project to pump oil through the Odessa-Brody pipeline.

There can be no doubt that the creation of this Council will enhance energy cooperation among the GUAM states.

However, even though the GUAM states have many interests in common, there are also factors that hinder this organization's activity:

1. The weak mechanism for implementing the decisions adopted.

The GUAM countries have a very weak mechanism for implementing the agreements reached. *In particular, free trade conditions essentially do not function in GUAM (the corresponding Agreement was adopted on 20 July, 2002).* For the moment, the sides are limiting themselves to various intermediate documents that have almost no effect on the efficient development of economic trade cooperation. In particular, the volume of the GUAM member states reciprocal trade turnover remains low. Georgia's and Azerbaijan's share account on average for no more than 2% of the total volume of Moldova's export and import. Ukraine's share in Moldovan export amounts to 6.57% and in import to 24.6%, respectively. By way of comparison, the indices for Russia, with which Moldova traditionally has a positive trade balance, amounted to 35.8% and 12.9%, respectively.

As for the GUAM-U.S. Framework Program of Trade and Transport Facilitation, according to experts, it has been possible to fulfill only 14 of the 70 provisions completely, and 38 partially. It stands to reason that this situation with respect to executing the decisions adopted does not help to develop the integration processes in GUAM and requires political and organizational support in order to solve the designated tasks.

2. The different foreign policy priorities of the GUAM states.

One of the main problems in developing integration within GUAM is the difference in foreign policy priorities of the member states.

**Box 4**

**“Ukraine is still trying to integrate into Europe while retaining its strategic partnership with Russia and the U.S. The South Caucasian countries are looking for cooperation both with the Euro-Atlantic countries and with their geopolitical neighbors—Turkey and Iran. After its presidential election, Moldova has been striving for more active cooperation with Russia and the Eurasian Economic Community.”**

*Source:* E. Bagramov, “Postsovetskaia integratsiia—realnost' ili mirazh, *Nezavisimaia gazeta*, 18 March, 2003.

Nor is it entirely clear how GUAM's economic component is being realized. For Ukraine, Georgia, and Moldova, this, as we know, is the transportation and delivery of Cas-

pian oil. But Azerbaijan is playing its own game, and it is not entirely clear whether it will carry out a project designed to deliver oil to Europe (and not to Turkey).

In this way, the GUAM states' different ideas about the foreign policy cooperation priorities are significantly hindering the development of mutually advantageous cooperation among these countries, particularly in the economy.

3. The low level of economic development of the GUAM states.

According to world standards, GUAM represents a union of states with a low human development potential, which is a decisive factor of competitiveness and dynamic development in today's globalizing economic life. According to experts, GUAM holds 89th place in the world in terms of the average human development index, after the Maldives, and 145th in terms of per capita GDP, after Honduras and Guyana.

The rates of economic development of the GUAM states are still low.

For example, in Georgia, the volume of GDP in the 1990s dropped approximately by 60%, and the volume of industrial project by 80%. The per capita GDP is currently approximately 700 USD.

**Box 5**

**"The lag is particularly noticeable in those spheres that have the greatest influence on the level of development. For example, per capita consumption of electric power in Georgia is currently 60% of the world level, whereas with respect to the level of the developed countries, it is 18%. It should be noted that education and public health in Georgia remains at the level of the medium-developed countries, but this is due to past achievements. There are almost no significant investments in education, science, public health, or culture, and the lag in these spheres is having an extremely negative effect on long-term development..."**

**"According to the data for 1991-2001, Georgia exceeds the critical parameters of economic security with respect to all the main indicators and criteria of social life. It is impossible for society to develop normally in such circumstances. The state administration system becomes impotent and leaves everything to be desired with respect to protecting society or individuals from domestic and foreign threats."**

*Source:* M. Kvaratskhelia, "Ekonomicheskaja bezopasnost' i problemy formirovaniia natsional'noi ekonomiki Gruzii," available at [<http://www.shkolny.com/ekonomicheskaya-bezopasnost-i-problemyi-formirovaniya-natsionalnoy-ekonomiki-gruzii/>].

A trend is seen toward an increase in external threats to Georgia's economic security. "In particular, the country is becoming more dependent on the import of many strategic resources, including energy resources and food; foreign countries are implementing an expansive economic policy toward Georgia; the state has a large foreign debt that continues to grow, and, finally, the levers of integrated economic management are being violated as a result of the violation of the country's territorial integrity and the threat of its collapse."<sup>3</sup>

It goes without saying that these factors have a negative effect on this country's sustainable development.

<sup>3</sup> R. Otinashvili, "Gosudarstvennaia strategiia ekonomicheskoi bezopasnosti," *Bulletin* No. 73, Center of Strategic Research and Development of Georgia, August 2002; T. Chikvaidze, "Intellektual'naia modernizatsiia: Obiazatelnoe uslovie makroekonomicheskoi bezopasnosti Gruzii," *Ekonomika*, No. 3, 2004.

There are also problems in the Ukrainian economy. Despite the positive GDP growth rates, negative trends are seen in foreign trade. For example, the foreign trade transaction balance is increasingly in the red. During the first quarter of 2007, this index reached 2.2 billion dollars (by way of comparison, in January-March 2006, it was 1.7 billion dollars). The World Bank forecasts a continuing downtrend in current transactions in Ukraine for 2007-2009 to 5.1-5.2% of the GDP (in 2006, it was only 1.7%).

**Box 6**

“Economic and tax-budget policy have never been priorities of the Yanukovich government, but today’s political turbulence will, in all likelihood, lead to a decrease in the reform ambitions, which are modest anyway. If pre-term elections are indeed held, they will most likely not lead to the formation of a government oriented toward reforms and the market, especially if opposition leader Yulia Tymoshenko returns to power. This could accelerate the current gradual increase in the price of gas imported from Russia, which, in turn, will deal a blow to Ukraine’s highly energy-intensive economy.

“Ukraine still has a relatively low level of prosperity, which distinguishes it from states with higher credit ratings. The rapidly increasing credit financing of the private sector, as well as the increasing foreign debt of the banking sector (banks are mainly owned by Ukrainian proprietors), are making the Ukrainian economy more vulnerable to unfavorable changes (foreign or political).”

Source: [www.kommersant.ua].

The level of competitiveness of the Ukrainian economy is low. According to many experts, obsolete (by international standards) technological equipment and production account for more than 99% of the Ukrainian economy.

Azerbaijan’s GDP is mainly formed by oil revenue. Azerbaijan’s economy still largely depends on the production of energy resources, and its diversification is a task, which if solved, will ensure its long-term sustainable development. Due to the rapidly growing revenues from oil export and the insufficient monetary instruments at the government’s disposal, control over inflation and preventing the manat from becoming too strong in real terms are becoming the country’s most important tasks.

The level of corruption in Azerbaijan remains high, which is having a negative effect on the country’s business climate.

**Box 7**

“According to the EBRD, the complicated tax-customs system, bureaucratic red tape, and the high level of corruption are the main obstacles hindering the development of private enterprises in Azerbaijan, particularly in the non-oil related industries. The investors’ trust was also undermined by the expropriation of investments conducted by the country’s government in branches of the economy not related to oil. Even though an anti-corruption law came into force in January 2005, it is slow to be applied. Two state banks still predominate in the country’s banking system—the International Bank of Azerbaijan (IBA) and Kapital-bank. Despite the attempts being made to revive privatization, as of September 2006, no significant results had been attained.”

Source: [http://www.day.az/news/politics/15977.html].

Moldova is currently undergoing an industrial slump. In particular, according to the 2006 results, the drop in industrial production amounted to 5%, which is primarily related to problems of exporting Moldovan wines to Russia. The inflation rates remain high. According to the 2006 results, the consumer price index amounted to 113%.

So the GUAM state economies are still facing serious problems, which is having a negative effect on integration within this regional union.

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*An analysis of GUAM's activity makes it possible to conclude that integration cooperation among the states within this union is still rather feeble.* And the main reasons for this are the lack of coordination among the foreign policy actions of the member states, the essential absence of a mechanism for implementing the decisions adopted, and the difficult political and economic situation in the states involved.

The leaders of the GUAM countries believed that activation of their economic trade relations on the basis of gradual trade liberalization, coordination of principles of structural development of the national economies, and implementation of projects for creating transportation corridors to link the Caspian region with Georgia, Ukraine, and Moldova would make it possible to significantly lower their dependence on Russia (particularly in the sphere of energy). But these projects are still at the discussion and coordination stage. And an important reason for this is the difficult economic situation in the GUAM countries. In particular, the project for transporting Caspian oil via the Odessa-Brody pipeline, which at present is only operating in reverse for the transit of Russian oil, has not been implemented since the sides involved have been unable to reach a coordinated position.

What is more, the Western countries are currently giving more attention to the possibility of transporting Caspian oil via Turkey (the Baku-Tbilisi-Ceyhan project). So Ukraine and Moldova are temporarily excluded from the transit countries, that is, *the main significance of economic cooperation among the GUAM countries—to form and develop a Eurasian oil transportation corridor to cover its own oil needs and deliver supplies to Europe—has been lost.*

Thus, *Uzbekistan*, which regarded GUUAM mainly as a way to implement energy transportation projects, was very disappointed in the economic cooperation of the states within this union and left it in 2005, *after evaluating this structure as an organization with dull prospects.*

Georgia, in turn, can also influence GUAM's activity, which is primarily due to the domestic political processes in this state and the risk of intensified separatist moods in Abkhazia and South Ossetia.

Many experts also have doubts about how realistic GUAM's enlargement is. "Since the time this organization was created, trends have been developing not toward its enlargement, but, on the contrary, toward a reduction in the number of member states, since the extreme politicized nature of the bloc does not permit countries that are currently in conflict to join GUAM. The disagreements between Armenia and Azerbaijan, Armenia and Turkey, and Georgia and Russia are making it impossible to expand its activity in the Black Sea-Caspian Region."<sup>4</sup>

So *GUAM cannot be considered a vital factor in the development of integration in the post-Soviet expanse.* The differences in foreign policy priorities of these states and the discrepancies among the sides with respect to strategic issues in the activity of this union, the difficult domestic political situation in these countries, and the different levels of market reform in the economies of these states are quite pronounced.

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<sup>4</sup> O. Sidorov, op. cit.



Today, the Eurasian Economic Community holds the absolute leadership among the regional unions in the post-Soviet space. This organization has achieved the highest level of coordination in its financial and economic policy. Moreover, the states belonging to this integration project are carrying out a common task to form a single economic space. An organizational-legal mechanism has been created in the EurAsEC for implementing the decisions being adopted. This means that if a document is signed, the sides are obligated to exert every effort to execute it.

Kazakhstan's initiatives played an important role in creating the EurAsEC. President Nursultan Nazarbaev repeatedly emphasized the pertinence of developing integration cooperation among the Commonwealth states in all spheres of the economy and particularly in its real sector: "I don't think anyone will disagree that the EurAsEC encompasses the most energy-intensive territory on the planet. In this respect, I think it can only be compared with the Middle East... But in order to activate this enormous potential, it is extremely urgent for us to jointly draw up and consistently carry out an integrated policy that is advantageous to everyone for gaining access to the world markets. ...One of our indisputable advantages is our powerful transit potential, which makes it possible for us to assume the role of an efficient trade agent between Europe and Asia. According to the experts, the flow of freight between these parts of the world is already close to one hundred million tons and will continue to rise. In this sphere, a strong coordinated policy that is advantageous to everyone is needed in order to draw most of this flow in our direction."<sup>5</sup>

The enlargement of the EurAsEC and Uzbekistan's membership in it are making it possible to more efficiently solve the tasks aimed at forming a common energy market and Transport Union, intensifying cooperation in industry and agriculture, and conducting a coordinated social policy.

Uzbekistan's membership in the EurAsEC, in our opinion, will make it possible to comprehensively resolve questions relating to the development of the oil and gas transport infrastructure. In particular, there are greater possibilities for adopting joint measures to modernize the Central Asia-Center and Bukhara-Tashkent-Almaty gas transport systems, which will promote efficient use of the transit potential of the EurAsEC states and cover the need of the southern regions of Kazakhstan and Kyrgyzstan for gas.

Enlargement of the EurAsEC will also help to efficiently resolve questions relating to the rational use of hydropower resources, the creation of new transportation corridors, and the formation of international cotton clusters.

One of the most important tasks facing the Community today is development of the economic component of integration, which will become an important factor in raising the level of competitiveness of the economies of the EurAsEC states, ensuring their security, and opposing the globalization threats.

Implementing the Priority Vectors of EurAsEC Development for 2003-2006 and subsequent years approved by the EurAsEC Interstate Council on 9 February, 2004 is of extreme importance in this respect. This document was drawn up on the basis of Nursultan Nazarbaev's report on the State of Affairs in the Eurasian Economic Community and Proposals for Accelerating Integration Cooperation and the speeches of the government leaders of the EurAsEC states at the First Economic Forum held on 19-20 February, 2003.

The document set forth such priority vectors of EurAsEC development as forming a customs union, carrying out a coordinated economic policy, cooperation in the real sector of the economy, creation of a common market of energy resources and a Transport Union, development of currency integration, and cooperation in the social-humanitarian sphere and migration policy.

Execution of this document will make it possible to accelerate the formation of a Single Economic Space with the use of new and promising forms and mechanisms of cooperation; develop the

<sup>5</sup> *Pervyy ekonomicheskyy forum Evraziyskogo ekonomicheskogo soobshchestva*, Moscow, 2003, pp. 8-9.

Community's common market by uniting the national markets; ensure joint protection from possible economic damage inflicted by third countries; increase the potential for opposing common economic threats due to intensified international competition; and create favorable conditions for the free movement of goods, services, capital, and labor.

Today, active measures are being taken to implement the EurAsEC's priority vectors. In particular, in August 2006, a decision was made at the interstate level to form a Customs Union, which at the initial stage will unite three states—Belarus, Kazakhstan, and Russia. These countries have largely coordinated the customs policy principles and reached sustainable rates of economic growth. Other states (Kyrgyzstan, Tajikistan, and Uzbekistan) will join the Customs Union as their economies reach the necessary level.

At the meeting of the EurAsEC's Interstate Council held in October 2007 in Dushanbe, the heads of state signed the basic documents for forming a single customs space and Customs Union. Formation of the legal base of the Customs Union should be completed by 2010.

In January 2008, agreements were adopted at the intergovernmental level stating that the countries of the Customs Union would carry out a coordinated trade policy. Kazakhstan Prime Minister K. Masimov, who spoke at the meeting of the Interstate Council, emphasized the need for the EurAsEC countries to step up their efforts to form the Customs Union and develop the integration processes: "Kazakhstan has increased its investments in the economies of all the neighboring countries and in the future intends to intensify its investment policy as well as strengthen regional ties. Kazakhstan supports the integration processes and will try to intensify and expand them."<sup>6</sup>

Kazakhstan's initiative set forth in the document on Ten Simple Steps to Accommodate the People is acquiring importance in the social sphere. It focuses on developing social aspects of the Community's states and creating conditions for the citizens of the EurAsEC member states to enjoy free movement throughout their territory, choose their place of permanent or temporary residence, find a job, and obtain an education.

Several documents have been adopted within the Community (the Agreement on Mutual Recognition and Equivalence of Education Certificates, Diplomas, and Titles; the Agreement on the Creation of Favorable Conditions for Broadcasting Television and Radio Programs in the EurAsEC States; the Interstate Program on Coordinated Social Policy of the EurAsEC Member States, and others) to achieve these goals. The execution of these agreements will become an important factor in accelerating integration among the Community's states in the social sphere, ensuring equal social and labor rights of the citizens of the EurAsEC states, and forming a common labor market and single education space within the Community.

"Today it can be stated that the EurAsEC has become an important tool of regional cooperation and a vital element for forming a system that ensures stability in the region and expands economic cooperation."<sup>7</sup>

Therefore, a comparison of GUAM and the EurAsEC indicates beyond a doubt that integration is developing more efficiently within the latter. The states that belong to the EurAsEC have common goals and tasks and are gradually moving toward the formation of a Single Economic Space, which is something that cannot yet be said of GUAM.

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<sup>6</sup> R. Otinashvili, *op. cit.*

<sup>7</sup> T. Mansurov, "EurAsEC: novyy etap integratsii," available at [<http://www.eurasianhome.org/xml/t/expert.xml?lang=ru&nic=expert&pid=1410>].