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## Article

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Management dynamics in the knowledge economy

#### Provided in Cooperation with:

National University of Political Studies and Public Administration, Bucharest

*Reference:* Sepashvili, Eka (2017). Eastern Partnership integration with the EU and inclusive growth of national economies. In: Management dynamics in the knowledge economy 5 (3), S. 439 - 453.  
doi:10.25019/MDKE/5.3.07.

This Version is available at:  
<http://hdl.handle.net/11159/1776>

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## Eastern Partnership Integration with the EU and Inclusive Growth of National Economies

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**Abstract.** *The paper aims at analyzing the circumstances and objectives of the regional integration in the context of global development. The EU is one of the most influential and important actors of the global world, which represents one of the most developed examples of the regional integration. During the development, the EU went through the several stages on enlargement. Even nowadays, without having targeted to the reactive new member in foreseen future, the EU continues the process of integration of adjacent regions by setting goals and priorities through different forms such as the European Neighborhood, the Eastern Partnership, Association Agreements, various types of Trade agreements. The Eastern Partnership which represents the EU's eastern neighborhood consisting by former soviet republics has steadily gone up with integration: 1. Georgia, Moldova, and Ukraine have already signed the Association Agreement (AA) including Deep and Comprehensive Free Trade Areas (DCFTAs) with the EU and now these countries work on further progress in terms of the Implementation of AA/DCFTA; 2. Armenia and Azerbaijan are seeking new framework to up-grade their relationship with the EU, Belarus created EU Belarus Co-ordination Group and acts within the Single Support Framework program for 2017-2020. The evolution of EaP countries' trade data evidently show the changes and growing dynamics in the region. The obvious increasing tendency of trade volumes predicts for further success in the future after the DC FTAs are enacted fully for some countries and/or other trade facilitation measures are utilized fully for others. A new approach to the economic growth also suggests that benefit from economic growth supports poverty reduction, widely spreads across sectors and affects the majority of the labor force and hence, rise the welfare of the population. In this context, Corporate Social Responsibility (CSR) appears to be a useful tool to achieve this overwhelming goal. In the difficult business climate prevailing in most of the EaP countries, the role of the EU support could include raising awareness on CSR and supporting the implementation of relevant standards in the enterprises that are benefiting from the EU assistance.*

**Keywords:** Eastern Partnership, European integration, CSR, foreign trade.

## **Introduction**

Global Economic development is always influenced by numerous factors such as politics, security, peace, environment, and est. Thus, global players like advanced national economies, international organizations, regional unions constantly tackle many factors influencing the economic growth. The EU is one of the most influential and important actors of the global world, which sets goals and priorities not only for its member states but for third countries as well. The purpose of Europe 2020 is to increase the job market and improve the quality of lives. It shows how Europe has the capability to deliver smart, sustainable and inclusive growth (Gazzola & Querci, 2017), to find the path to create new jobs and to offer a sense of direction to our societies. The EU influence and impact spread over the neighboring countries, where the EU tries to establish a buffer from negative conditions. After the biggest enlargement in the EU's history in the very beginning of the 21<sup>st</sup> century, debates are still concentrated on whether the economic and political integration is beneficial for national economies. Recent political (civil wars) and economic (global financial crisis) occasions harsh the debates. The Euro skepticism has gained strength. Many politicians doubt about the reasonability of the political and economic process with the union. Moreover, the process over Brexit clearly showed that ordinary citizens very much doubt the benefit that the Union should bear for their wellbeing.

However, countries, eager to join the European space, still continue their path towards the EU: the EU actively continues working on more cooperation and deeper integration with the surrounded neighborhood, which appeared to be divided into two clusters of countries, Mediterranean and Eastern regions. The EU's approach to adjacent regions are defined by the European Neighborhood Policy (ENP) (European Union. External Action, 2003), issued in 2004 and revised in 2015 (European Commission, 2015), as well as the Eastern Partnership EaP (European Council, 2009) launched in 2009 and revised in 2017 (European Commission, 2017a) and the European Union Global Strategy in 2016 (European Commission, 2016). All of these documents stress on steady economic development in the secured and stable world for citizens' better lives.

The Eastern Partnership which represents the EU's eastern neighborhood consisting by former soviet republics has steadily gone up with integration: 1. Georgia, Moldova, and Ukraine have already signed the Association Agreement (AA) including Deep and Comprehensive Free Trade Areas (DCFTAs) with the EU and now these countries work on further progress in terms of the Implementation of AA/DCFTA; 2. Armenia and Azerbaijan are seeking new framework to up-grade their relationship with the EU, Belarus

created EU Belarus Co-ordination Group and acts within the Single Support Framework program for 2017-2020 (European Council, 2016).

### **The political economy of integration in Europe**

The process of integration of the European nations began in the beginning of 20<sup>th</sup> century and went through several legislative agreements and by the beginning of 21<sup>st</sup> century turn into one of the major players of the global system, which dictates further development and trends of evolution of surrounding area (Sepashvili, 2013, p.109). Due to the fact that towards the end of the 20<sup>th</sup> century the process of globalization has gained the new stage of development, the EU took additional steps and in 2004 enlargement of the EU occurred.

Over the history of its existence, the EU went through *Deepening* the integration from Free Trade up to Single Market and Common currency (EURO) and five stages of *Enlargement* beginning with 6 states and ending so far with 28 states.

*What is the pragmatics that lay down the foundation of the aspiration of nations to join the EU and willingness of the EU member states to tolerate emerging countries wishing to accept complicated and rather difficult EU rules and regulations?*

In the beginning of 21<sup>st</sup> century, some of the traditional concepts are needed to be revised due to the new solid arguments which enable the concepts to gain a new, contemporary meaning. I'd like to draw the attention to two concepts which profoundly changed their meaning and that I think, explains the above mentioned question and is determining the goals of development EU Neighbor countries (including Georgia) and their international relations. There are the following:

- The new concept of security;
- The new concept of economic cooperation
- The new concept of economic growth which incorporates social responsibility of business to support inclusive growth;

A new concept of security suggests us to use such a structure of economic cooperation, which is based on the balance of interests of the states and secures the most stable political climate in the region instead of measuring the security by the quantity of arms and ammunitions (Sepashvili, 2013, p.112).

As for the new concept of economic cooperation, it is no longer treated as "hostage" of political tension. Just the vice-versa, it is through active economic cooperation that various political conflicts can be solved. Even if the solutions are not easy to reach, the proper atmosphere for it is being created, which earlier or later, would inevitably bring the expected results.

A new approach to the economic growth suggests that benefit from economic growth supports poverty reduction, widely spreads across sectors and affects the majority of the labor force and hence, rise the welfare of the population. In this context, Corporate Social Responsibility (CSR) appears to be a useful tool to achieve this overwhelming goal.

These three new concepts of security, economic cooperation, and inclusive growth define the basic philosophy of the development and evolution of the new economic and political links and relations among the states. Nowadays, CSR strategy is paid more attention not only by the business and nongovernmental organization but from the EU, that forced number of articles and obligation in its agreements with third countries to support better conditions for citizens, which in practice are to be translated for the private companies in their CSRs.

Georgia is still in a period of a great political and economic transformation. The country faces numerous sources of challenges and uncertainties. Thus, to rely on above-mentioned new paradigms some sort of cooperation among challenging sides has become necessary to utilize the economic opportunities. In this regard, Georgia's integration into the huge region of Europe is very important. Sides should try to find common interests and thus, gain maximum profit from the cooperation.

So far, expansion process of EU seems to be continued despite the weak vivid evidence. The EU actively tries to establish harmonized space on borders for the long-term goal of extension. The policy tends to transform partner countries through its foreign political instrument: intergovernmental agreements, common strategies, and joint actions.

This short overview shows that the Eastern Partnership region countries: Azerbaijan, Armenia, Belarus, Moldova, Georgia, and Ukraine have to become the part of global society. Nowadays major players of the world focus rather on regions than single countries. After the gaining independence, all these six countries began to build new political and economic relations with each other and surrounding world, becoming the members of various international or regional organizations. In this context, the moving of the region towards the Europe seems quite natural. All six countries took similar steps to get closer to the EU.

## **Eastern Partnership Partner countries relations with the EU**

In 1999 all six countries (The European Union has concluded nine partnership and cooperation agreements with countries of Eastern Europe and Central Asia) sign PCA, which represented the basis for relations with the EU and separate countries. The other and stronger instrument for creation fertile environment around the EU for enlargement (though in long term future) is European Neighborhood Policy (ENP), that the EU offers its neighbor countries. ENP covers 16 countries, which as it was mentioned above were separated into two big regions: Mediterranean and Eastern in order to better tailor approaches and face the challenges of differentiation.

This format of cooperation for Eastern Region countries was reinforced in 2009, when the EU's new Initiative - Eastern Partnership - was launched by adopting Joint Declaration at the Prague Summit on May 7. The initiative represents an eastern dimension of the ENP, where six eastern European neighbors of the EU – Armenia, Azerbaijan, Belarus, Moldova, Georgia and Ukraine – are participating. This new partnership is intended to turn into an effective mechanism bringing Eastern European countries to functional arrangements with the EU in all directions based on tailor-made approaches and ensuring the possible highest degree of integration with the EU.

The main principles and perspectives offered by the initiative for Georgia, which are reflected in the Commission Communication on Eastern Partnership (of December 3, 2008) and EaP Joint Declaration (of May 7, 2009) as well as Warsaw Joint Declaration in 2011 and Vilnius Summit Joint Declaration are mainly not only in line with Georgia's priorities but with other partners needs and goals.

Eastern Partnership's bilateral format defines concrete goals for the partner countries: conclusion of an Association Agreement, the creation of a free trade area, gradual visa liberalization, energy security, economic and social convergence with the EU and etc. Meanwhile, multilateral format of cooperation within EaP offers participant countries different mechanism, such as thematic platforms, panels, and different Flagship initiatives, to develop joint projects affecting regional development.

Despite the fact that over the past decades significant political and economic development take place in the region leading to more turbulences and instability, EaP managed to meet some of its goals: three countries (Moldova, Georgia and Ukraine) out of six signed Associate Agreements with the EU and thus, created realistic prospects for free trade in the region; Mobility Partnerships with Georgia, Moldova, Armenia, Azerbaijan, Ukraine

are in place alongside with visa free regime with Moldova and visa liberalization dialog with Georgia and Ukraine.

The civil society developed a tool to monitor the process of European integration for EaP countries - The European Integration Index for Eastern Partnership Countries (EaP Index). The index measures countries' track towards the EU integration. It contains on three main dimensions: 1. deep and sustainable democracy; 2. cross-sector picture of a country in a comparative manner and 3. Independent analysis of the country report. The Index 2013 shows the positive advancement of all six EaP countries towards the European Union, with a few exceptions. The countries rank did not change in 2013 and 2014 and were as follow: Moldova, Georgia, Ukraine, Armenia, Azerbaijan, and Belarus.

### **Regional integration as an economic aspect and the role of CSR**

Necessary demand for boosting integration among economic actors is the liberal character of the economy of countries that participate into regional unification. Regionalism within the region serves as a step towards more global and multilateral relations. Regional liberalization in its turn generates the deeper integration. To say, in other words, the exactly free market economy is the objective circumstance for integration.

EaP partner countries have transition economy, with significant soviet past and economic isolation from western capitalist countries, which are member states of the EU. Thus, these countries need further liberalization of economies. However, not all the EU member states enjoy the sufficient level of economic liberalization.

One of the fundamental factors for valuable market environment creation is formation and development of entrepreneurship. The more entrepreneurs the country has the richer it is. It is necessary to create an advantageous economic condition for civilizing and intensive business development and encouragement. Economic revival of the whole region requires attracting huge volumes of capital. The policy of the West toward transition countries basically relies on liberal perspectives, according to which free trade must ensure economic upgrading and overall peace. From the liberalism point of view, free market oriented economic policy and regional cooperation must play a principal role in EaP regional economic development. Accordingly, states have to limit intervention in economic processes on internal market as well as on external markets. Such perspective will create the optimal environment to establish civilized economic relations within the region.

Market economy development will reduce as well that artificial interdependence that the Soviet Union had left in its legatee states.

However, states have to set regulations and legislative benchmarks to direct business and protect customers' rights. In this regard, the primarily objective for EaP countries is to introduce and incorporate *European Aquie* into national legislative through implementing correspondingly European Neighborhood Policy or Association Agreement including Free and Comprehensive Free Trade agreements.

And again, CSR is the crucial aspect to support these objectives. It helps private business to serve both private and public interests. Mutual links mutually benefit both sides as feedback from the shareholders, other than direct consumers of the business, give companies possibility to address social or environmental alarms that in closest future may become mandatory to be addressed by the private business. Gaining such comprehensive approaches and views, companies are able to become more competitive than they would be if acting based on just their narrow private interests (Wheeler & Sillanpaa, 1997).

Over the time the concept of CSR has been evolved. From the very beginning it was regarded as ethical behavior, but nowadays it serves strategic concerns of the business issues: company strategy, marketing, brand, decision-making (Googins, Philip & Steven, 2007). As the competition is sharper and relays on quite more and sophisticated aspects than price, expenditures, value-added, quality and est. Thus, companies actively begin to incorporate CSR into business strategy to produce tangible results and benefits. As practice shows, CSR support cost saving, resources efficiency, higher attraction and productivity of human and capital resources, reputation, better accountability, reduced legal obligations and est (Leipziger, Simmons & Autio, 2011).

In the difficult business climate prevailing in most of the EaP countries, the role of the EU support could include raising awareness on CSR (Gazzola, Colombo, Pezzetti & Nicolescu, 2017) and supporting the implementation of relevant standards (ISO 26000 or simplified standards) in the medium-sized enterprises that are benefiting from EU assistance.

Moreover, to add to above-mentioned, foreign investment attraction and establishment of advantageous legislative base must be maximally encouraged. Small and medium business development has as well great importance that will promote economic transformation and liberalization.



On the other hand, global economy simultaneously advances two agendas: free trade and stability. In this regard, security regimes must close, not widen, the gap between the developed world and the developing world. The stable and peaceful environment must strengthen, global commitment to free trade and welfare of nations. The security regimes allow the growth of flows of goods, services financial sources, new technologies and est. the costs of those important factors that implement security, will exactly be born by the private sector. The private sector that owns most of the means that produce and trade goods and services benefit most from these stability activities.

Security is part of the price of doing business in the modern world. If, however, participants are to bear the responsibility for protecting the ways and means they use to conduct commercial activities, they must have the freedom to determine how to provide security in the most efficient and effective manner. Security regimes must be able to adjust to new technologies, changing trade practices, emerging markets, and other forces that drive the course of free trade. Security regime establishes a market for "antiterrorism," creating opportunities for adaptation and innovations, for making the best use of new technologies and other opportunities in the marketplace and keeps away the instability and uncertainty.

### **The EU trade with Eastern Partnership region countries**

One of the significant indicators of changes in regional organization levels is statistical data on countries' export. Export indicators are fairly used to estimate regional organization level. They strongly reflect the reconstruction taking place among countries. Export indicators exactly show economic aspects of regional level changes (Ruggie, 1993, p.125). It is regarded, that how much more is the value of interregional export, the better relations are established among neighbor countries, and consequently, the level of organization is growing. The showings on EaP countries' trade data evidently confirm the changes and growing dynamics. The obvious increasing tendency of trade volumes predicts for further success in the future after the DC FTAs are enacted fully for some countries and/or other trade facilitation measures are utilized fully for others.

Trade cooperation - as a primarily mean of boosting regional economic integration - usually uses a different kind of trade agreements, which creates common legal and institutional framework for companies to utilize greater opportunities for broader trade and investments. Such agreement through their obligations and rights dictate companies' behavior. In a way, to incorporate commitments in the agreement to support greater social and

environmental protection also influence business operation nature. CSR leads companies to pay attention not only to commercial interest but also to the community, customers, employees, government, media, environment, education, child and youth, and est. As UN Global Compact training guide notes that CSR “is the continuing commitment by business to behave ethically and to contribute to economic development while improving the quality of life of the workforce and their families, as well as the local community and society at large”.

The EU trade arrangements with the neighboring countries differ from the general framework of the EU regional trade agreements (RTAs) to the EU Free Trade Agreements (FTAs). However, in EaP region the EU negotiated new generation of trade agreements known as Deep and Comprehensive Free Trade agreements, but only with some countries, namely Ukraine, Moldova, and Georgia. Growing benefits which are anticipated after DC FTAs will fully realize, are assessed and significant growth or GDP and welfare level are researched.

The trade policy impact though the ENP's action Plan implementation success differs country to country. Consequently, the EU trade with its immediate neighbors is notable by its non-homogeneous nature due to the fact that surrounded countries vary according to their economic performance. As some author distinguishes (Liagrovas, 2013, p.4) the EU has four groups of neighboring countries:

- Developed countries (wealthier than the most EU member states – Norway, Switzerland, Iceland, and Israel);
- Emerging upper middle income countries (with \$4 000 – \$10 000 GDP per capita – alongside with other countries this group includes Belarus and Ukraine, with \$6 202 and \$3 971 GDP per capita correspondently in 2012);
- Hydrocarbon countries (producers and exporters of Hydrocarbon group includes Azerbaijan together with Russia, Syria, Algeria and etc.);
- Lower middle (with income levels less than half of some EU member states e. g. Bulgaria with \$14 234.572 in 2012; the group includes Armenia, Georgia, and Moldova together with Egypt and Morocco).

And therefore, there is a substantial difference between economic indicators of EaP countries. The factors and motives which comprise the basis of regional unification have vivid political character. But this doesn't mean that affords of states, that are now based on political consideration, will have no results. The classic scheme, that Balassa (1961) had been suggested, distinguishes between cooperation and integration. Thus, the EaP region process can be determined as the process of integration and not the state of integration (Balassa, 1961).

**Table 1. Some Trade Related Data on EaP Partner Countries  
(European Commission, 2017b)**

Country	GDP per capita	Average applied tariff		Total number of services with GATS commitments in WTO
		Agriculture	Manufacturing	
Belarus	6,202.0 (current USD 2012)	15.2 (2011)	9.0 (2011)	N/A
Ukraine	3,971.2 (current USD 2012)	9.5 (2011)	3.8 (2011)	137
Azerbaijan	7,226.6 (current USD 2011)	14.1 (2011)	8.2 (2011)	N/A
Armenia	3,135.0 (current USD 2011)	6.8 (2010)	2.2 (2010)	106
Georgia	3,513.6 (current USD 2011)	7.2 (2010)	0.7 (2010)	125
Moldova	2,135.9 (current USD 2011)	10.5 (2010)	3.7(2010)	147

The table above indicates a quite varied picture of the countries. Moreover, the main Macroeconomic data shows a wide range of diversity among the countries. First of all, these countries vary by its population numbers: the group consists of the countries with 3-4 million inhabitants (Armenia, Georgia, Moldova), includes twice as big nations (Azerbaijan, Belarus) and has a country with 45 million inhabitants, population of which over the period 2013-2016 has declined by 2 million and reached 43. Naturally, the GDP of these countries differ from 6 Billion of Euros (Moldova) up to 135 and 84 Billions of Euros correspondently, in 2013 and 2016, for Ukraine. Identical countries in terms of population Georgia and Moldova (4 million inhabitants in both countries) significantly differ by the size of economies: Georgia's' GDP amounted 12 Billions of Euros in 2013 and has increased up to 13 in 2016, while Moldova's remain at 6 Billions of Euros as it was in 2013. Meanwhile, the biggest amount of GDP per capita is observed for Azerbaijan as of 5.976 euros in 2013 and the lowest was indicated for Moldova as of 1.690 in 2013. However, this picture changed in 2016 when the highest GDP per capita was showed for Belarus and the lowest again for Moldova, correspondingly 4.660 and 1 717 euros per capita. As for Georgia, during the period the country showed the little progress from 3.213 euros in 2013 up to 3.471 in 2016. The highest real GDP growth had Moldova 9,4% in 2013, which was declined in following years and showed 4,8 % in 2014, -0,4 in 20015 and again the highest in 2016 as of 4 %. As for Georgia, over the period of 2013-2016, the highest GDP growth was in 2014 and reached 4,6% starting from 3,4% in 2013 and declined to 2,7% in 2016.

**Table 2. Main Macroeconomic Data of EaP countries  
(European Commission, 2017b)**

Country	Population (millions of inhabitants)	GDP (Billions of Euros)		GDP per capita (euros)		Real GDP Growth %		Inflation rate		Current account balance (% of GDP)	
		2013	2016	2013	2016	2013	2016	2013	2016	2013	2016
Azerbaijan	9	55	34	5 976	3 574	5.8	-3.8	2.4	12.4	16.1	-3.8
Armenia	3	8	9	2 810	3 172	3.3	0.2	5.8	-1.4	-7.3	-2.9
Belarus	9	55	43	5 816	4 660	1.0	-3.0	18.3	12.7	-10.4	-4.9
Georgia	4	12	13	3 213	3 471	3.4	2.7	-0.5	2.1	-5.8	-12.4
Moldova	4	6	6	1 690	1 717	9.4	4.0	4.6	6.4	-5.2	-3.4
Ukraine	45/43	135	84	2 988	1 982	0.0	2.3	-0.3	13.9	-9.2	-3.6

Above discussed diverse macroeconomic data naturally, entails differences in trade flow of these countries both with the world and with the EU. As for the trade flows between countries, the picture is not homogenous as well. Lets' compare the period of starting the initiative of eastern partnership in 2009 and the latest data when some of the partner countries (Georgia, Moldova, and Ukraine have DCFTAs is a force with the EU).

**Table 3. Trade flows between the EU and the EaP Countries in 2009 (mln. euro)  
(European Commission, 2017b)**

Country	Export to the EU	Growth %	Import t to the EU	Growth %	Total trade with EU
Armenia	161	-49,4	535	-20,1	696
Azerbaijan	7,546	-29,2	1,602	-22,3	9,148
Belarus	2,593	-45,1	4,999	-21,8	7,591
Georgia	517	-29,7	939	-25,5	1,457
Moldova	519	-31,2	1,246	-27,4	1,765
Ukraine	7,943	-45,8	13,991	-44,4	21,934

**Table 4. Trade flows between the EU and EaP Countries in 2016 (mln euro)  
(European Commission, 2017b)**

Country	Export to the EU	Growth %	Import t to the EU	Growth %	Total trade with EU
Armenia	335	9,9	600	-4,6	936
Azerbaijan	7,605	-28,9	12,88	-45,5	9,486
Belarus	2,956	-20,7	4,996	-12,4	7,951
Georgia	551	-25,2	1965	6,8	2,516
Moldova	1,317	7,7	2,026	-2,1	3,343
Ukraine	13,08	1,9	16,505	17,6	29, 586

Data shows that the biggest amount of trade flows between the EU and the EaP partner country is exposed for Azerbaijan and Ukraine as it is expected by the sizes of their economies. But the interesting evidence is revealed. While in 2009 both countries were the largest trade partners in the Eastern neighborhood of the EU comprising 21 934 mln euro total volume of trade for Ukraine and 9 148 mln euro total trade with the EU for Azerbaijan. In 2016 this showing increased for Ukraine up to 29 586 (despite the conflict and annexation of the southern part of Ukraine) and remained approximately the same for Azerbaijan, showed just slight growth up to 9.486 mln euros. Worth to note, that Ukraine has signed DCFTA with the EU in 2014, and Azerbaijan was not involved in the Free Trade Agreement talks. As for other countries which signed AA/DCFTAs with the EU, Georgia, and Moldova, their trade was significantly increased from 1.457 mln euros and 1.765 in 2009 up to 2.516 mln euros and 3.343 mln euros in 2016, correspondingly. As for Armenia and Belarus, which are beyond the DCFTA space, their trade flows in the period slightly changed and show little growth. In 2009 Armenia's Trade flow consisted 696 (as shown in the table) and reached 936 in 2016, meanwhile Belarus showed even less progress in terms of growth of the volume of trade flows with the EU. In 2009, Belarus total trade with EU comprised 7.591 mln euros and in 2016 was slightly increased and amounted 7.951 mln euros. The impact of DCFTAs on volumes of trade with the EU is vivid and presented in the tables above.

Thus, the overall realization of DC FTA will benefit improvement of welfare for the citizens of EaP partner countries. Better access to high quality products on domestic markets, ensured food safety and potential of higher income generating from new business opportunities and economic growth are among main gains and benefits arising from deeper and broader European integration.

Alongside with the uncountable political meaning, Association Agreement has tremendous economic benefits for national economies. It is expected that the DCFTA, which is an integral part of AA, will open the EU's internal market which is the biggest market of the world due to its approximately 500 mln population with the highest purchasing power. As it was already shown, the Georgian export and import to and from the EU are characterized by growing dynamics which is expected to continue increasing over the time, especially after DCFTA requirements are fully met. The EaP countries have implemented a wide range of reforms to improve Food Safety and Consumer Protection. An important package of legislative changes aiming at harmonization of the national legislation with the international standards elaborated in close cooperation with the EU experts and civil society has been adopted in all three countries. As for Georgia, the special attention is paid to effective anti-monopoly policy and

harmonization of technical regulations. The Government's efforts are focused to ensure favorable business environment, with strong guarantees of private property rights (Sepashvili, 2014). All these actions facilitate Georgian companies to produce higher standard products that will lead to more competitiveness of Georgian producers.

## Conclusion

Today the EU remains a "classic model" of successful regional integration which positively influences the economic development of the member-states as well as neighboring countries. Nowadays, we are witnessing dramatic changes occurring in the region, which gives a start to the new developments closely connected with the gradual integration of the EU's Eastern neighbors into European Economic space. The impact of integration on economic growth and the means and ways of implementation of integration assumes greater importance for EaP region countries over the development.

The coexistence of political and economic interests and the need of strengthening stability and security leads region countries toward the integration, and economic cooperation that in its turn creates the solid basis for security building and conflict resolution, which are the top challenges on the contemporary global world. As Federica Mogherini, High representative of the European Union for Foreign Affairs and Security Policy, Vice-President of the European Commission, has noted in the European Union Global Strategy noted "None of our countries has the strength nor the resources to address these threats and seize the opportunities of our time alone. But as a Union of almost half a billion citizens, our potential is unparalleled (European Commission, 2016, p.3). So no wonder that currently, EaP Partner Countries affords are directed through neighborhood policy that are unprecedented enhanced for some of them (Georgia, Moldova Ukraine) by signing the AA/DCFTAs, towards regional peace, security and economic cooperation and are focused on strengthening the democracy, rule of law, human right protection and economic tasks and projects.

Thought this work will be fruitful only in case if existing economic and political problems would be solved in the region. On the other hand, economic cooperation, in its turn, can positively contribute to regional political climate. But until it happens, strong international financial support is necessary in order to develop existing projects in the field of infrastructure or any other fields that will play the role of the impulse for

economic promotion. Much progress is expectable after full-scale activation of DCFTAs.

EaP region constitutes an area of increasing strategic importance for the European Community. Despite numerous obstacles and conflicts, which prevent the advancement of the region, participating in regional integration processes creates the good circumstance for European integration. EaP is an inseparable part of modern European architecture.

CSR agenda is recognized as a key element in promoting sustainability of civil society/community activities. The CSR is based on three main axes: Multi-stakeholder dialogue; Building capacities of CSR actors and exchange of experience/innovative ideas; Strengthening business involvement in community development via promoting partnerships between actors. All these principles are supported and boosted by the EU, in the agreement framework presented above.

Thus, Region countries have no future without the Peace and security together with economic development and macroeconomic stability; otherwise, economic development and strengthening the peaceful environment will be impossible. The choice is between the universal conflict and the common projects, and region countries political will tend to choice cooperation and stability.

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Received: May 17, 2017  
Accepted: August 4, 2017