

Секція: Економічні науки

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EAP IN FOSTERING GLOBAL ECONOMIC GOVERNANCE: NEW MEGA-REGIONAL ARISING

The initiative of EU to promote the cooperation on its eastern neighborhoods and developed instruments have been modifying and adapting to new socio-economic and politic conditions both within the EU and East European countries during the whole period of consideration. While the core principles remained the same: the security and prosperity are the key ones for any action or program document. The political and economic landscape changed significantly.

From 2004, when ENP was initiated, a lot of countries experienced drastic economic changes and democratic revolutions proving their intention to move towards European values as well. These processes revealed the challenges for stable development of the whole region historically placed between two centers of economic power: Russia and EU and facing respective dilemma. EU responded in promoting FTA and association agreements with selected countries, to provide them with better cooperation possibilities and, thus, integration to EU marker. This is expected to have various effects: an increase in the standard of living in home countries, improving production facilities and quality of products, increase in receipts from external trade, stronger institutions etc. At the same time, it is important to foster the development of in-between economic links of Eastern

neighborhood countries as the strong borders is a prerequisite of strong Europe and Eurasia.

There are a lot of researches devoted to the issues of Eastern partnership functioning and to the roles different countries were playing in respective processes. Among the most prominent one should note those of Kharlamova G. (2015) [1], who considered the progress in democratic values in Armenia, Azerbaidjan, Ukraine, Moldova, Georgia and Belarus and the respective development of GDP indicators. Including trade flows into the analysis as well as other economic indicators, she showed that ENP has a significant positive effect over the countries, while it is still imbalanced and do not respond properly to the specific needs of EaP states.

Latoszek E. and A. Kłós (2016) [2], assessing the regulation mechanism within ENP and EaP, discussed the place of EaP initiative among other possibilities of cooperation within the region, which pretended to fill in the gaps which are assumed not being met by EaP instruments. Among others these are the Black Sea Synergy and the Northern Dimension.

Sadowski R. (2013) [3], in his turn, analyses the progress in trade between EaP countries and EU till 2012 in depth and shows that up to that time EU become the main trading partner for some countries. In whole, the countries of the region improved their positions in doing business report and corruption perception rankings demonstrating that ENP reached its goals.

Sandu I. and G. Dragan (2016) [4] concluded that EaP members are commercially dependent on the EU single market, the share of EU-28 in their total trade varied from 25.17% to 51.72% in 2014. At the same time, they supported the idea of Kharlamova on the asymmetry in the relations of EaP and EU, as well as the shift in the essence of EaP, becoming more a security strategic policy of stabilization than an economic pursuit.

The situation is pretty similar to that developed earlier in such well-known mega-regional agreements as RCEP and Shanghai cooperation organization. EaP

alongside with Southern Partnership of EU and their various FTAs, PTAs and other agreements represents another case of *spaghetti bowl problem* of the need to simultaneous mastering various trade and economic regimes of cooperation widespread in Asia. While there are evident differences in trade and production structure of participating countries like in case with BRICS and SCO. It is highly probable that EU can play the role in setting up new mega-regional agreement uniting European, Middle East and Africa like China's did in Indo-Pacific region.

References

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