

**REPUBLIC OF AZERBAIJAN**

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**Features of integration processes in the European  
Union: problems and prospects**

Specialty: 5908.01 – Political Theory  
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**ABSTRACT**

of the dissertation for the degree of Doctor of Philosophy  
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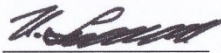
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## GENERAL CHARACTERISTICS OF THE WORK

**Relevance of research work.** Integration processes have covered virtually all continents as a concrete expression of the globalization trend and the growing interdependence and interdependence of national economies of different countries in the field of economy. These processes are conditioned by objective processes and trends in the system of international relations, including the system of international economic relations.

Both theoretical and practical aspects of these processes taking place at the global and regional levels are becoming increasingly relevant. The relevance of the research topic can be expressed in the following provisions:

- protection of general peace and security in the system of interstate relations, development of economic cooperation between states, as well as terrorism, extremism, combating challenges such as separatism, the need to regulate political, economic, environmental, social issues, etc. Problem solving leads to the emergence of different integration models and the need to define the essence and content of the concept of integration. At the same time, various conceptual approaches to the solution of this problem are put forward, and there is a need to study them in the framework of political science.
- The level of development of integration processes, which led to the formation of state unions of an integrated nature, leads to the formation of a single political, economic and legal space. The highest level of this process has been achieved in Europe. The EU plays an important role in the development of integration processes on the European continent and sets an example in their effective regulation. For this reason, the identification and study of the prospects for the development of integration processes within the EU, the most successful integration community in the world, indicates that the chosen research topic is dedicated to a topical issue
- Study of the integration processes that have been most successful in Europe and have taken place gradually, identifying patterns and prospects in this process, as well as developing and compiling an optimal model of possible participation of the Republic of Azerbaijan in various integration processes at the regional and universal levels. is

of great interest to political science. Thus, after regaining its independence, one of the strategic directions of economic development of the Republic of Azerbaijan is integration into the European economic space. As noted by the President of the Republic of Azerbaijan, Mr. İlham Aliyev, the European Union reflects the best practices of the world organization that supports its members.<sup>1</sup>

In modern times, Azerbaijan and the EU are interested in updating the mechanism of cooperation and integration processes in order to deepen and further develop their relations. The solution of these problems is of special importance and is one of the important issues facing the political science of our country. The study of the further deepening of relations between the Republic of Azerbaijan and the EU and the improvement of integration processes is the main direction of the current research and determines its relevance

The study of the features of integration processes in the EU and the problems and prospects in this area, as well as Azerbaijan's cooperation with the EU, is one of the least studied problems in Azerbaijani political science. In the works of such Azerbaijani authors as H. Hüseynova, R.M. Sevdimaliyev, S. Gamidov, R.S. Gasimzadə<sup>2</sup> and others touched upon some aspects of this issue. At the same time, it should be noted that in the political science of our country there is no special monographic study devoted to the study of the features of integration processes and the problems and prospects in this area within EU and the prospects for the development and further deepening of cooperation between the Republic of Azerbaijan and the EU. The current dissertation is aimed at filling these gaps.

The theoretical basis of the current research work is made by the works of Azerbaijani scientists such as H. Hüseynova, R.S.

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<sup>1</sup> Əliyev, İ.H. İnkişaf – məqsədimizdir. 65-ci kitab. B: Azər nəşr, 2018, - s. 343-344.

<sup>2</sup> Hüseynova, H.K. Azərbaycan Avropaya inteqrasiya proseslərində (1991-1997) / H. K. Hüseynova. - Bakı: Hərbi Nəşriyyat, -1998. - 280 s; Sevdimaliyev, R.M. Avropa İttifaqının Cənubi Qafqaz siyasəti: birtərəfli texniki yardımdan çoxtərəfli əməkdaşlığa doğru // - Bakı: Beynəlxalq hüquq və inteqrasiya problemləri, 2017. № 1 (49).- s. 69-78; Həmidov, S. Avropa İttifaqında siyasi inteqrasiya prosesləri və Azərbaycan / S. Həmidov. - Bakı: Qanun, 2011. - 328 s.; Qasımzadə, R.S. Avropa İttifaqı və Azərbaycan: “Yeni Qonşuluq Siyasəti” / R.S. Qasımzadə. – Bakı: “Adiloğlu” nəşriyyatı, 2011. - 152 s.

Gasızmzadə, S.A. Eyvazova, R.M. Sevdimaliyev, A.I. Sadigov, U. Abbasova, A.I. Bayramov. In the process of writing the dissertation, the author referred to the scientific works of leading scientists of post-Soviet countries such as G. Gornig, O. Vitviskaya, O.M. Mesherakova, S.Y. Kashkin, M.N. Shumskiy, Y.M. Yumashev <sup>3</sup> and etc.

In the process of writing the dissertation, the author also used the scientific works of scientists from other foreign countries, B. Balassa, E. Dragomir, A.P. Fimister, M.M. Dabbah, D.A. Mitrany, E.D. Haas, A.Niemann, P.C. Schmitter, Philippe C. J. Bulbitt, M. Burgess, V.Rosamond, A.Spinelli, J.Finder, P. Taylor, A. Arnull, S.Atatüre, J.J. Grimmett, J.H. Jackson, V.Feld, K. Cemalettin, S. Artan<sup>4</sup> and others. In addition, numerous international acts have been used, including the rich practice of the European Union. Materials obtained from Internet resources were also widely used in writing the dissertation.

**Object and subject of research:** The object of research is the integration processes taking place within the European Union and

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<sup>3</sup> Витвицкая, О. Право Европейского союза / О. Витвицкая, Г. Горниг. – СПб: Питер, 2005. - 256 с; Юмашев, Ю.М. Правовая эволюция Европейских Сообществ: до и после Маастрихта // - М.: Моск. журнал международного права, 1992. № 3.- с. 73-92.

<sup>4</sup> Balassa, B. The Theory of Economic Integration / B. Balassa. – London: Allen & Unwin Ltd., 1962. - 304 p. ; Dragomir, E. The creation of the Council for Mutual Economic Assistance as seen from the Romanian archives // - Oxford: Historical Research, 2015, vol. 88, issue 240. - pp. 355-379.; Fimister, A.P. Robert Schuman: Neo-Scholastic Humanism and the Reunification of Europe (Philosophy and Politics). - Brussels: P.I.E. Peter Lang, 2008. - 286 p. ;Neamann, A., Schmitter, P.C. Neofunctionalism // European Integration Theory. Edit. Wiener, A., & Diez, T. Oxford: Oxford University Press, 2004, - p. 45-66.;Bulbitt, J. Federalizm // The Oxford Concise Dictionary of Politics./ J.Bulbitt. – Oxford: Oxford Press, 1996.;Burgess, M. Federalism and Federation in Western Europe./ M. Burgess M. - London: Croom Helm, 1986. – 227 p.;Rosamond, B. Theories of European Integration. New York: Palgrave, 2008.-232 p.;Spinelli, A. The growth of the European movement since the Second World War. London, 1972.; Atatüre, S. The Historical Roots of European Union: Integration, Characteristics, and Responsibilities for the 21<sup>st</sup> Century // - *Alton: European Journal of Social Sciences* – Volume 7, Number 2. 2008. - pp. 18 – 32.; Cemalettin, K., Artan, S. “The Impact of a Customs Union on Turkey’s Foreign Trade // - *Studies in Business and Economics*, 2009. - pp. 16 – 26.

covering various areas, as well as the processes of cooperation between the EU and the Republic of Azerbaijan in this field, The subject is the study of the problems arising in the integration processes in the EU and the prospects for the development of this institution, and the political, economic and other relations of the Republic of Azerbaijan with the EU. prospects for the development of relations.

**Goals and objectives of the dissertation.** The purpose of the dissertation is to study the problems arising in the course of integration processes in the European Union and the prospects for the development of this institution, as well as the future prospects of EU cooperation with the Republic of Azerbaijan, as well as development of integration between the parties.

To achieve this goal, the following **issues** are set in the dissertation:

- Definition of the concept of international integration in modern times;
- Research of political theories (federalism, functionalism and neo-functionalism) on EU integration processes;
- Defining and indicating the grounds and conditions, political and legal stages of the development of EU integration processes
- Investigation of the factors necessitating the formation of a free trade zone, customs union, common market;
- Study of the features of the EU economic and monetary union, the study of full economic and political integration activities;
- Analysis of the establishment and development of relations between the Republic of Azerbaijan and the EU;
- To study the conditions determining the need to analyze and update the existing legal framework of relations between the Republic of Azerbaijan and the EU and to determine the prospects for the development of relations between the Republic of Azerbaijan and the EU, etc.

**Research methods.** The methodological basis of the dissertation is the dialectical method of scientific cognition and systematic, formal-logical, comparative and other special-scientific methods of research based on it. Thus, when defining the concept of integration, the formal-logical method was used, and when studying the stages of EU integration - comparative, and in studying the EU as a single entity - systemic methods.

**The main provisions of the defense.** The main provisions of the dissertation are based on the goals and objectives of the dissertation research:

1. There is no single, universal and unambiguously accepted definition of integration in the theory of modern political sciences. At the same time, a number of general elements of the concept of integration can be noted. Under the definition of integration should be understood the organization of two or more units by combining a number of its components, their interaction, the establishment of a system agreed by its subjects to determine the main activities to achieve the goals of the parties.

2. As a result of the development of international integration, the emergence of certain factors and economic conditions in the relations of member countries with common interests, goals and a common strategy to achieve such goals gradually leads to the interconnectedness of such countries in socio-economic and political spheres. In order to achieve the goals of the parties, it is necessary to understand the establishment of a system agreed by its subjects in order to determine the main areas of activity.

3. It is necessary to have a number of grounds and conditions for the emergence and formation of integration processes in modern times. Belonging of integrated countries to a certain region, high level of economic development, formation of market economy on the basis of economic structure, mutual complementarity of member countries in terms of resources, production and science and technology, presence of leading state or states in integration. In regional integration, common historical roots, cultural similarity, language and religion proximity are important.

4. There is still no general theory of European integration capable of fully explaining the complex phenomenon of integration. However, existing political theories (federalism, functionalism, neofunctionalism) plays an important role, including defining the concept of integration and the prospects for the development of this phenomenon.

5. A full economic and political union of member states has been established within the EU. This includes pursuing a common and

coordinated foreign policy and security policy, establishing a common institution of citizenship, establishing a single institutional body with relevant powers, and so on. testifies. establishment of single institutional bodies with relevant powers, etc. testifies. establishment of single institutional bodies with relevant powers, etc. testifies.

6. Relations between the Republic of Azerbaijan and the EU have gone through several stages and have been formed within the framework of various programs and projects (TACIS, TRASECA, INOGATE, ENG, Eastern Partnership, etc.). Relations between the Republic of Azerbaijan and the EU can be characterized as strategic, not simple.

7. The Partnership and Cooperation Agreement concluded between the parties has a special place in the regulation of relations between the Republic of Azerbaijan and the EU. This document is an international agreement by its nature and has a number of binding obligations. However, the EU and the Republic of Azerbaijan need to update their existing framework to develop their relations and deepen their integration processes. The new Agreement on Modernized Strategic Partnership between the Republic of Azerbaijan and the EU can form the basis for deepening cooperation and integration processes between the parties.

**Theoretical and practical significance of the research.** This dissertation is the first monographic study in the country's political science devoted to the theoretical study of the features of integration processes in the EU. In addition, the current dissertation work research can be used in the future to write scientific papers on this issue and to develop textbooks (textbooks) and programs on political science, international relations. The results and proposals of the study are used in forecasting relations between the Republic of Azerbaijan and the EU, in preparing proposals for determining the optimal mechanism between the Republic of Azerbaijan and the EU, in particular in drafting a new framework agreement between the Republic of Azerbaijan and the EU.

**The practical significance** of this dissertation research lies in the fact that it can be used as additional material for educational and pedagogical activities, including in the educational process of general and special courses on “Political Science”, “Political Institutions and



Systems”, “International Relations”, “Politology”, “International Integration”, and etc.

**Approbation and application of the dissertation.** The main scientific provisions and results of the dissertation are reflected in the applicant's scientific monograph “Integration processes within the European Union: problems and prospects for their solution”, scientific-practical conferences, 10 scientific articles published in relevant scientific journals in the Republic of Azerbaijan and abroad.

**Name of the organization where the dissertation work was carried out.** Khazar University

**The total volume of the dissertation.** The structure of the dissertation reflects the nature and subtleties of the subject of the scientific work and is conditioned by the applicant's desire to comprehensively reveal the problems, research goals and specific objectives and includes an introduction (16409 characters), three chapters (262951 characters), a conclusion (7231 characters) and a list of references. The total volume of work with characters - 286591 signs. The total volume of the abstract is 4741 characters.

## MAIN CONTENT OF THE WORK

**In the Introduction** of the dissertation the relevance of the dissertation research, the purpose and the main tasks of the work , its methodological basis, theoretical and practical significance, scientific novelty, provisions of the defense and the study approbation results are determined.

**Chapter I** is entitled “**The main stages of the integration process in the European Union**” and consists of four subchapters. The *first subchapter “The Concept of International Integration”*, is devoted to the study of the concept of international integration in general and the definition of the concept of international integration.

The author emphasizes that neither in international documents nor in the scientific literature there is a worldwide accepted concept of “integration”. The applicant notes that the concept of "integration" began to be more widely used in scientific circulation in the early twentieth century. H. Spencer, R. Schmed, H. Kelzen, D. Schindler,

Americans M.H. Mescon, A. Albert, F. Khedouri, Swiss H. Grunter and others studied the issues of integration processes. also touched on in their scientific works. After World War II, the term began to be used for international economic cooperation and later for other forms of international cooperation (political, cultural, scientific, etc.). The term integration was first officially used on October 31, 1949, at a meeting of the Council of the European Economic Cooperation Organization by its administrator P. Hoffman.<sup>5</sup>

The essence of the integration process, the implementation of its basic principles, In order to define integration models, it is necessary to define this term accordingly. Various definitions of "integration" can be found in the scientific literature (D.V.Trenin, E.A.Yefanova, N.E.Ovcharenko <sup>6</sup>). The author concludes that the main purpose of integration processes, albeit to varying degrees, is to form the basis for ensuring effective activity both on a regional and universal scale, and to intensify various forms and methods of cooperation between states.

The author concludes that the main goal of integration processes, albeit to varying degrees, is to form the basis for ensuring effective activity both on a regional and universal scale, and to intensify various forms and methods of cooperation between states. Integration enhances the ability of subjects to solve problems qualitatively, while ensuring internal stability.

The author identifies a number of features of integration. *First*, integration means merging. That is, in this case, regardless of the type of integration, it must have at least two subjects. *Second*, integration must be interstate. *Third*, integration must be voluntary. That is, the parties must want it, take the initiative and make certain efforts to achieve it. *Fourth*, the subjects of integration must be independent.

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<sup>5</sup> Behrman, G. The most noble adventure: the Marshall plan and the time when America helped save Europe / G. Behrman. - New York: Free Press, 2007. - p. 262

<sup>6</sup> Овчаренко, Н.Е. Модели современных интеграционных процессов: Материалы к курсу лекций // - М.: Проблемы глобальных интеграционных процессов, 1996. - с. 109 ; Тренин, Д.В. Интеграция и идентичность: Россия как «новый Запад» / Д.В. Тренин. - М.: Издательство «Европа», 2006. - с. 28 ; Ефанова, Е.А. Экономическая сущность интеграции. Предпосылки и виды интеграции // - Орел: Вестник ОрелГИЭТ, 2008. № 4 (6). - с. 24-25

*Fifth*, integration must be beneficial to the parties. *Sixth*, integration is formalized mainly by binding international agreements.

Based on the study of theoretical aspects of integration processes, the author gives her own definition of the concept of integration. Integration is the creation of a system of two or more units organized by combining a number of its components, interacting, and agreed by its subjects in order to determine the main directions of activity in order to achieve the goals facing the parties.

***In the second subchapter of Chapter I, entitled “Grounds and conditions for the development of integration processes in the European Union”,*** examines the economic-geographical and socio-political conditions and grounds for the development of integration processes in the European Union.

Among the *economic and geographical bases* for the development of integration processes in the EU, the author states that the countries to be integrated belong to a certain region; high level of economic development; the organization of a free market economy, which is the basis of their economy; notes the mutual complementarity of the integrated countries in terms of resources, production and science and technology. If necessary, the economies of these countries are mutually beneficial to each other. The complementarity of the economies of the integrated countries is primarily due to the diversity of the export structures of these countries. According to the author, the lack of complementary structures in the integrated states slows down the integration of African countries as a whole, and in another region is one of the main economic reasons for the low level of integration between Arab countries. At the same time, the formation and development of integration processes emphasizes the high level of education, science and technical development in the EU member states. Among the *socio-political conditions and grounds*, the author notes that the integrated states are democratic and have political pluralism. In such states, human rights and fundamental freedoms must be respected. Also, in these states, there must be a separation of powers, and they must be based on the rule of law, and one of the main conditions of the integrated states must be the consent of the majority of the population.

In the emergence and formation of integration processes among the *socio-political foundations* of integration, it is necessary to have a leading state or statehood. Such leaders in the EU are Germany and France. It is true that membership of each new state in the EU is formally based on consensus. However, it should be noted that these two countries play a leading role in such processes. The author notes that in scientific literature the meaning and other foundations are emphasized. Among them, the members of the EU have a common history, a common culture and a lot in common in science and education. It is also noted that they all belong to one religion - Christianity. It is no coincidence that the EU is sometimes called a Christian club, and some influential circles protest against the adoption in the club of Muslim countries. However, formally the EU has no relation to religion. The author classifies the basic foundations and conditions of the emergence and formation of integration processes in the most recent time: countries, following integration, should belong to a certain region (state, belonging to the European Union); Countries integrated into the EU are characterized by a high level of economic development; market economy - the basis of the economy of the state, participating in the process of creation and development of integration processes; reciprocity of EU member states in terms of resources, production, science and technology in the formation and development of integration processes; Integration into the EU means that democracy bears a political character; in accordance with the legislation of its country, it is necessary to have agreement of majority of the population of the member states of the EU. Integration into the EU also depends on the will of the political leadership of the state; the existence of a leading state or state integration in the awakening and formation of integration processes in the EU; Common historical roots, some cultural similarities, linguistic and religious closeness also represent the importance of integration into the EU.

***In the third subchapter of Chapter I “Political theories of integration processes in the European Union”***, the author considers various political theories related to European integration, including federalism, functionalism, fundamentalism and fundamentalism. Here the author first analyzes federalism (R. Kudenkhov-Kalergi, A.

Spinelli, E. Whistrich, M. Albertini, etc.) and functionalism (D. Mitra, P. Taylor, etc.), and then neofunctionalism (E. Haas, L. Lindberg, F. S. Schmitter, L. Scheinemann, etc.) The theory of federalism is one of the first theories of European integration. One of the most important scientific works in this field was "All-Europe" published by R. Kudenhov-Kalergi. In this work, he put forward the idea of uniting Europe on the basis of a single constitution. Inspired by the idea of a single European dream, European federalism has become the most widespread political theory of European integration. Along with this political theory, the theory of functionalism on integration processes in Europe has also been put forward. The founder of this theory is D. Mitrani, author of the book "Current Peace System: An Argument for the Functional Development of the International Organization". Unlike the proponents of federalism, the proponents of functionalism believed that "first the economy, then politics". One of the main theories trying to explain the ongoing integration in Europe is neofunctionalism. The founder of this theory is the American political scientist E. Haas. Other prominent figures in this theory include L. Lindberg, A. Niemann, F. Schmitter, L. Scheineman, and others. The main idea of neo-functionalists is that the expansion of integration is a process that takes place regardless of the will of politicians. Especially political integration is possible when political integration is separated from economic integration. According to the theory of neo-functionalism, integration between several countries in one area inevitably leads to integration in other areas. Thus, according to neo-functionalists, integration seems to flow from one sphere to another. This effect is called spillover.

The importance of political theories of European integration is expressed in the attempt to form the theoretical basis of the unification of European states, and the idea of these political principles is the essence of our political theory in formation of the unions, and then and in the EU. The author comes to the conclusion that until now there is no general theory of European integration, capable of fully explaining the complex integration phenomenon. However, existing political theories, such as federalism, functionalism and neo-functionalism, play an important role in its study, determining what it means to understand the integration and prospects of its development.

*In the fourth subchapter of the Chapter I, “Political and Legal Stages of Implementation of Integration Processes in the European Union”*, outlines the main stages of integration within the European Union. The applicant marks a number of stages of integration from the point of view of the formation of integration in Europe. They began with the creation of the European Coal and Steel Community (ECSC) on April 18, 1951 in Paris. The main idea here was the unification of the Franco-German coal and metallurgical industries and their products, as they formed the basis of the industrial and energy sectors of the economy. The author emphasizes two aspects of the stage of formation of integrated processes. First of all, the process of integration of the ECSC member states, covering other sectors of the economy, and the other aspect was the creation of a common market of EU member countries. With this purpose March 25, 1957 In Rome, two international agreements were signed: the European Economic Community (EEC) and the European Atomic Energy Community (EAEC). The EEC agreement provided for the establishment of a common market in the economic sphere, covering all sectors of the economy not regulated by the ECSC agreement. The foundation of the EEC institutional mechanism was guided by the guiding principles underlying the ECSC institutional mechanism.

EAEC aims to create the necessary conditions for the establishment and development of the nuclear industry in its member countries. Thus, three various and different Unions - ECSC, EEC and EAEC - were created. However, there were important factors that united these three communities. First, the members of all three institutions were the same states. Second, all three of these unions had similar or close goals. Third, the institutional mechanisms of these associations were almost identical. Fourth, the legislative and judicial bodies of EEC and EAEC functioned as institutional bodies of all three existing Unions.

An important stage of integration within the EU is the creation of the EU as a single entity. For this purpose, an agreement was signed on February 7, 1992 in Maastricht. This document laid the foundation for the EU to become a political body and was one of the steps taken to reach a new, higher level of European integration.

First of all, there was a need to continue institutional reforms in the EU to continue the integration process and improve the organizational and legal framework for its expansion into new areas. In order to improve the functioning of the EU, the “Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community” was signed in Lisbon on 19 October 2007. This Agreement has made certain amendments to the founding documents of the EU. The European Union ceases to exist and its successor is the EU. The founding documents of the EU are the Treaty on the European Union - TEU, i.e. the Maastricht Treaty of 1992 (as amended by the Lisbon Treaty of 2007) and the Treaty on the Functioning of the European Union - TFEU, i.e. the Treaty of Rome of 1957 (as amended by the Lisbon Treaty of 2007 ). Both constituent documents have the same legal force and complement each other.

The author concludes that the EU, as an integration institution, has gone through a series of political and legal stages in its formation and development. Initially, the integration process began with economic interaction in various fields and gradually spread to new areas, including politics, security, science, education and other areas of humanitarian activity. Each of these stages as a whole was characterized by both a gradual deepening of integration processes and an expansion of integration processes.

**Chapter II** of the dissertation is entitled “**The main components of the EU integration process and development prospects**” and consists of five subchapters. *The first subchapter* examines the issues of “*Establishment and formation of a free trade zone in the European Union*”. The author notes that from the point of view of the development and efficiency of international trade, trade zones were created in different regions, exempt from taxes and duties. The largest free port in the world is still Hamburg, the city of the Hanseatic League. In a sense, it can also be considered the successor to the political and economic Hanseatic League<sup>7</sup>, which existed from the 12th century to the middle of the 17th century and united about 300

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<sup>7</sup> Hammel-Kiesow, R. The Hanseatic League // - The Oxford Encyclopedia of Economic History. Edited by Joel Mokyr, vol. 2, Oxford, 2003. - p. 495-498

trading cities of Northwestern Europe (for example, Bremen, Hamburg, Wismar, Kiel, Einbeck, Lübeck, Stade, etc.).<sup>8</sup>

The author emphasizes that Free-Trade Zones (FTZs) are one of the most important types of integration in the world. This is confirmed by the data of the World Trade Organization (WTO). Thus, according to the WTO, on June 15, 2014, 585 regional agreements on the establishment of free trade zones were signed (379 of them entered into force). At the same time, agreements on the establishment of FTZ account for 84% of all regional trade agreements.

In general, it should be noted that a well-defined definition of a free trade zone is not found in any official document. In each case, the goals, objectives, functions and other parameters of such a zone are determined by either bilateral or multilateral agreements on its establishment. Various definitions of the concept of FTZ can be found in the scientific literature.

However, according to the author, there are a number of features that characterize free trade zones. First of all, such zones are created by independent states. Second, such a zone forms a single space, covering the territory of two or more states. Third, the “rules of the game” in such a space are almost the same. That is, all quantitative restrictions, customs duties and taxes are eliminated in this area, the requirements for goods and services are the same, and so on. Fourth, the same customs tariffs and duties are set for other countries. Fifth, as a rule, agreements on the establishment of FTZ are indefinite.

The Rome Treaty establishing the EEC on March 25, 1957 laid the foundation for the formation of integration in the EU in the form of a free trade zone. The author concludes that a free trade area is a form of international integration; The establishment of a single free trade zone within the EEC is an initial and important stage in the formation and development of integration processes between the member states of this union; A single free trade zone within EEC was rapidly formed and was almost fully established by 1968; The formation of a single free trade area within the EEC has created the

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<sup>8</sup> John D. Fudge. *Cargoes, Embargoes and Emissaries. The Commercial and Political Interaction of England and the German Hanse, 1450 – 1510* / J. D. Fudge. - Toronto: University of Toronto Press, 1995. - 265 p.



necessary conditions for the transition to a deeper stage of integration processes within the EEC.

***The second subchapter of Chapter II, “Establishment of a Customs Union in the European Union”***, analyzes the specifics of the establishment of a customs union within the EU. A higher stage of integration in the formation of the EU is associated with the establishment of a customs union. The concept of a customs union means the replacement of two or more customs territories with one customs territory. The member states of the customs union pursue a common foreign trade policy against third countries, setting the same foreign customs tariff on the perimeter of the common customs territorial borders. Customs unions aim not only to liberalize mutual foreign economic relations, but also to unite all sectors of the economy in a single economic space through integration. The establishment of a single tariff for goods and services protects the member states of the union from external dependence and creates favorable conditions for the production of competitive products within the union.

The member states of the Customs Union pursue a common customs policy.

The author points out that the establishment of a customs union should take place for objective reasons and should be favorable for member states. For example, the share of exports within EEC has been steadily increasing, from 40% in 1958 to 55% in 1970. This growth trend continued at 53.2% in 1981, 54.4% in 1982, 55.0% in 1983 and 54.6% in 1984.

The author concludes that customs unions are a higher, deeper and more complex form of international integration than FTZ. While there are hundreds of international FTZs in the world, there are only a few customs unions. The Customs Union is the world's first customs union within the EEC. The formation of the Customs Union within the EEC has laid the necessary foundations for the transition to a higher level of integration within this union.

***The third subchapter of Chapter II, “Formation of a common market in the European Union”***, is devoted to the study of the formation of a common market within the EU.

The development of integration processes at a new level in EEC has essentially led to the need to complete the process of creating a single internal market.

In general, the concept of a common market is understood as a single space created covering the territory of two or more states, ensuring the free movement of goods, works and services, as well as factors of production - capital and labor resources, across the national borders of member states. At the same time, along with the conditions and factors provided by other forms of integration, the common market envisages the creation of a single legal framework for entrepreneurial activity. At the same time, by pursuing a common trade policy, member countries retain their independence in monetary, credit, budgetary and tax policies. However, member states coordinate their policies in these areas. The author notes that in the scientific literature, in addition to the general concept of the market, they also use the concepts of single market and identified market. The term domestic market is also used. According to the author, these terms should be considered as synonymous.

It should be noted that the Rome Agreement of March 25, 1957 laid the foundation for the creation of a single market in the EEC. This, in turn, laid the foundation for the further development of integration processes between the member states of the Union.

In general, EEC's institutional authorities have developed more than 300 different programs to remove barriers to trade and other sectors of the economy between EU member states in order to fully shape the common market. These barriers were almost eliminated in the 90s of XX century, and the process of creating a virtually single internal market within the Union was completed.

The author concludes that the common market space established between states is a form of deeper economic integration than the FTZ and the customs union; For the first time in the world, a common market between states has been established within the EEC; There are several key elements of the overall market. The first is the existence of a customs union, the second is the elimination of barriers to the interaction and competition of member states, and the third is the antitrust, trade, transport and others in the institutional bodies of the Union is to pursue a coordinated policy in the fields. The

establishment of a common market within EEC has also laid the groundwork for the expansion of integration processes into other new areas, such as science, technology, currency relations, environmental protection and so on.

**The fourth subchapter of Chapter II “*Establishment of the Economic and Monetary Union in the European Union*”.** The next stage in the formation of the EU is the creation of an economic and monetary union. Such a form of integration has several important elements. Such a form of integration envisages the implementation of a single economic and monetary-financial policy, coordination of national, tax, anti-inflation, currency and other measures. Obviously, this union is characterized by the free movement of goods, services and factors of production in the territory of member countries. At the same time, monetary and fiscal policies are equated in the economic and monetary union, single tax rates and tax structure are determined.

The author examines the features of the Economic and Monetary Union and defines the essence of the Economic and Monetary Union as a form of integration. The basis for integration within the EU in the form of an economic and monetary union was the Treaty on the European Union, signed in Maastricht on 7 February 1992.

The stage of creating a currency union in an integration union in the form of an economic and monetary union is more complicated. In one region or another, the currency union is a single central bank, a single currency in circulation, an agreed single currency and credit policy, a coordinated macroeconomic policy including the creation of a single regional monetary system.

The author concludes that the integration of member states in the form of economic and monetary union is one of the highest forms of international integration. Although there are a number of so-called economic and monetary unions in the world, this does not mean that they are essentially a form of integration. The economic and monetary union formed within the EU is the most developed economic and monetary union in the world. The formation of the economic and monetary union of the member states within the EU has created the necessary basis and conditions for the transition to a new stage of

integration of these states - a form of full economic and political integration.

*The fifth subchapter of Chapter II, “Full Economic and Political Integration in the European Union”, is devoted to the analysis of full economic and political integration within the EU.*

The highest level of the integration process implies the unification of member states within a full economic and political union. First of all, it should be noted that the main purpose of the economic union, which is part of a full economic and political union, is to pursue a coordinated or unified economic policy and monetary, tax, budget, currency, etc. creation of a common or harmonized legal framework in the fields. Mainly for these purposes, the general institutional bodies of the Union pursue the economic interests of the Union as a whole. This, in turn, creates the necessary conditions for the establishment of a political union of member states.

Establishing full economic and political integration within the EU is the highest stage of integration. The author notes a number of features that characterize full economic and political integration within the EU.

The author concludes that the emergence of certain factors and economic conditions in the relations of member countries with a common strategy to achieve common interests and goals as a result of the development of international economic integration gradually leads to the interdependence of socio-economic and political activities of such countries. A full economic and political union of states has been established within the EU. This includes the conduct of a common foreign policy and security policy, the establishment of a common institution of citizenship, the establishment of a single institutional body, and other testifies. In such a union, the member states pursue a common and coordinated policy. At the same time, there are some contradictions between the EU member states. In some cases, such conflicts may even lead member states to leave the organization. The example of Great Britain is a clear proof of this.

**Chapter III** of the dissertation is entitled “**Development of integration processes between the Republic of Azerbaijan and the European Union**” and consists of four subchapters. *The first subchapter* examines the issues of “*Establishment and formation of*

***relations between the Republic of Azerbaijan and the European Union”.***

The author notes that the history of relations between Azerbaijan and the EU begins after Azerbaijan regained its independence. National leader Heydar Aliyev played a special role in establishing these relations. The author writes about various programs between the Republic of Azerbaijan and the EU, including EU Emergency Aid, TACIS, TRACECA, INOGATE, ECHO, ERASMUS MUNDUS, TEMPUS and other investigates programs. The author also analyzes the Azerbaijan-EU Action Plan signed on June 14, 2006 within the framework of the European Neighborhood Policy (ENP). At the same time, the author pays special attention to the study of relations between the EU and Azerbaijan within the framework of the Eastern Partnership program. The author emphasizes that relations between the EU and Azerbaijan are developing quite intensively in both the political and economic spheres. At the same time, the author notes that energy relations have a special place in the EU's relations with the Republic of Azerbaijan and studies these relations in detail. According to the author, the brilliant victory of the Azerbaijani army over the occupying Armenian armed forces in the 44-day Second Karabakh War will allow the development and deepening of relations between Azerbaijan and the EU, especially economic relations. It is known that the victory of the Azerbaijani state in the 44-day Patriotic War has created a new reality in the region. Thus, the joint declaration adopted by the Republic of Azerbaijan, the Russian Federation and the Republic of Armenia on the results of the Second Karabakh War, as well as the provision on the operation of the Zangazur transport corridor was reflected . The opening of the Zangazur transport corridor envisaged in this document will enable great economic benefits to be transported through this transport corridor, including the European Union, using China, other Asian and Pacific countries, and the territories of the Central Asian countries. It is the opening of the Zangazur corridor and other transit transport corridors through Azerbaijan that will reshape the world's transport map. Relations between the Republic of Azerbaijan and the EU are not in the form of simple cooperation. Such relations are characterized by many elements and processes of integration. Integration processes between

the Republic of Azerbaijan and the EU cover various areas, including politics, economy, infrastructure, security, science and technology, culture and etc. Relations between the Republic of Azerbaijan and the EU have a strategic nature. This is an important and decisive condition for the integration of the Republic of Azerbaijan into the European space.

*In the second subchapter of the third Chapter* of the dissertation ***“Treaty-legal framework of relations between the Republic of Azerbaijan and the European Union”***, the treaty-legal framework of Azerbaijan's relations with the EU is analyzed. The author notes that relations between the Republic of Azerbaijan and the EU are characterized by deepening integration processes in various fields and are regulated by various international acts. Such acts include various EU programs and EU Action Plans with each country.

In addition, the author analyzes in detail the so-called “Partnership and Cooperation Agreement” (PCA), which is one of such acts. Between the EU and Azerbaijan PCA is also the basis for their cooperation. Certainly, due to the passage of time after the signing of the PCA and the emergence of new circumstances, there was a need to sign a new document aimed at regulating relations between the parties. Negotiations on the signing of such a document began on February 7, 2017, after the visit of President of the Republic of Azerbaijan Ilham Aliyev to Brussels.

The author draws a number of conclusions from the study conducted in this subchapter:

1. Relations between the Republic of Azerbaijan and the EU are governed by a number of international instruments. The legal force of such acts is different. Thus, a number of acts adopted between the Republic of Azerbaijan and the EU are mainly of a recommendatory nature. At the same time, the obligations arising from the Action Plan signed by the EU with the Republic of Azerbaijan are in some cases international in nature due to their legal force and are binding on its parties.
2. The PCA has a special place in the regulation of relations between the Republic of Azerbaijan and the EU. This document is an international legal agreement by its legal nature and creates a number of binding obligations of its parties.

***The third subchapter of Chapter III is entitled “Factors that make it necessary to renew the foundation of relations between the Republic of Azerbaijan and the European Union”.***

According to the author, in order to develop relations between the EU and the Republic of Azerbaijan and deepen the integration process, there is a need to update the existing basis between them. The author analyzes a number of objective reasons and factors that determine this. First, more than 20 years have passed since the closure of the PCA, which regulates relations between the EU and Azerbaijan, and this agreement no longer fully complies with the high level of relations between the parties. During this period, the EU and Azerbaijan have gained experience in cooperating in significantly different areas. Second, the collapse of the USSR was rapid, and the EU did not have a clear strategy for interaction with the region and the newly formed post-Soviet countries. On the other hand, the enlargement of the EU, which took place at the expense of the CEE countries in the 1990s, is becoming one of the priorities for the development of this integration union. Third, the EU's territory has grown. Fourth, as a result of the reforms carried out during this period, significant changes have taken place in the development of Azerbaijan and the political and economic potential of our country has increased significantly. At the time of the closure of the PCA between the EU and Azerbaijan, our country was considered a country with a transition economy. Today, the EU recognizes Azerbaijan as a market economy. Azerbaijan's foreign exchange reserves continue to grow. Fifth, there is more political and economic integration between the EU and Azerbaijan in modern times, and close mutually beneficial relations have been established. EU investments in Azerbaijan's fixed assets amount to about \$ 20 billion USD. Currently, 1,700 European companies operate in Azerbaijan. Sixth, a number of provisions between the EU and Azerbaijan reflected in the PCA have become obsolete and have lost their relevance. Seventh, the current PCA does not reflect the whole reality of the relations between the EU and Azerbaijan. Thus, in the period following the signing of the PCA between the EU and Azerbaijan, the EU has developed a European Neighborhood Policy concept. This concept is the EU's new approach to neighboring countries.

The author concludes that there is a need to change the existing PCA between the Republic of Azerbaijan and the EU and to sign a new binding agreement between the parties. In modern period, new tasks and goals are being formed between the parties in many areas of interaction between the Republic of Azerbaijan and the EU. Their solution requires further deepening of integration processes between the parties and the emergence of new areas of cooperation. The new agreement between the Republic of Azerbaijan and the EU should be aimed at modernizing the foundations of cooperation between the parties, as well as the development of integration processes.

***The fourth subchapter of Chapter III is entitled “Prospects for the development of relations between the Republic of Azerbaijan and the European Union”.***

The author analyzes various possible directions for the development and deepening of cooperation between the Republic of Azerbaijan and the EU.

The first direction is the signing of an association agreement between the Republic of Azerbaijan and the EU. The second direction is to renew the basis of relations between the Republic of Azerbaijan and the EU. This can be achieved by concluding a new partnership and cooperation agreement of a different nature, or by signing an additional protocol to the existing PCA between the parties, or by signing a new modernized strategic partnership agreement. In this case, the main purpose of this document is to update the provisions of the PCA between the Republic of Azerbaijan and the EU, taking into account modern requirements and changes.

The author concludes that it is more expedient for Azerbaijan to sign a new agreement with the EU entitled “Modernized Strategic Partnership Agreement”. However, according to the author, the new modernized strategic partnership agreement between Azerbaijan and the EU should have a number of important parameters. The title of the document should reflect the essence of relations between Azerbaijan and the EU. For this reason, the title “Modernized Strategic Partnership Agreement” can be considered as successful. The reflection of the term "modernized" in the title of the agreement reflects the modern realities at the level of interaction between the parties in the new agreement. However, the new Modernized Strategic



Partnership Agreement must adhere to the principle of succession of the provisions of the existing PCA between the Republic of Azerbaijan and the EU. On the other hand, the provisions of the new agreement should focus on the development of the provisions of the existing PCA. Such an approach allows the parties to maintain important elements of integration. The new agreement should also provide the possibility of concluding specific area agreements between the parties.

However, the conclusion of the Modernized Strategic Partnership Agreement between the Republic of Azerbaijan and the EU does not mean that there will be no need to conclude a new basis agreement governing relations between the Republic of Azerbaijan and the EU in the future. For example, it could be an agreement between the Republic of Azerbaijan and the EU on the establishment of a free trade zone.

The **Conclusion** of the dissertation summarizes the main results of the current research and reflects the results of the work.

The main provisions of the dissertation research are reflected in the following published scientific papers:

1. Formation and development of cooperation between the Republic of Azerbaijan and the European Union // Institute of Philosophy of the Azerbaijan National Academy of Sciences, Scientific works, 2016. N 2. - p. 132-139
2. Foundations and conditions of integration processes in the European Union // Baku, Journal of Civilization, 2017. N 2. - p. 132-140
3. The main political and legal stages of the implementation of integration processes in the European Union // Baku, Journal of Civilization, 2017. N 3. - p. 33-43
4. The main stages of the implementation of integration processes within the European Union // Baku, Journal of Geostrategy, 2017. N 1. - p. 57-61
5. The necessity of updating the mechanism of cooperation and integration between Azerbaijan and the EU // Kyiv, Gilea, - 2017, - p. 491-495

6. The concept of integration in international relations // Materials of the scientific conference on the impact of multiculturalism and cultural diversity on the development of tourism in Azerbaijan. Baku, May 26, 2017. - p. 82-85
7. The main factors determining the need to update the bases of mutual relations between Azerbaijan and the EU // Scientific achievements of the third millennium. VI International Scientific conference. 30.09.2017. Part 1. Chicago, 2017, - p. 5-10
8. The development of integration processes between the Republic of Azerbaijan and the EU // International Journal of Information Research and Review 2, -2018, vol. 05, issue 06 - p. 5555-5563
9. The main symptoms of economic and political integration in the European Union // Current issues of the theory and practice of development of scientific research. International scientific-practical conference. April 19, 2021. Penza, Russian Federation. - p. 45-52
10. Prospects for the development of relations of the Republic of Azerbaijan with the European Union (theoretical aspects) – //“Public Administration: Theory and Practice” journal, Baku. - 2021. p.257-270
11. Integration processes within the European Union: problems and prospects for their solution. Science and Education Publishing House. Baku. – 2021. 223 p.

The defense of the dissertation will be held on April 19 2022 at 14:00 at the meeting of the FD 2.30 Dissertation Council operating under the Academy of Public Administration under the President of the Republic of Azerbaijan.

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The dissertation is available in the library of the Academy of Public Administration under the President of the Republic of Azerbaijan.

Electronic versions of the dissertation and abstract are available on the official website of the Academy of Public Administration under the President of the Republic of Azerbaijan.

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