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Abstract

The goal of this pro gradu-work "Russia's integration with European Union – on the way towards the Common European Economic Space" was to study Russia's EU-relations. The paper was divided into four sub-objectives: to study integration process as such, to analyze Russia's role in the world economy, to go through the basic concepts regarding EU-Russia relations and to cover key future issues. Using both primary and secondary data available, the qualitative study was conducted.

After the Second World War world trade has been liberalized in many aspects through different agreements taking different forms and levels. In integration discussions, countries merge into political and economic unit. Integration aims to share economic prosperity between trading partners. Since it is seen multidimensional phenomenon, the deeper interdependence creates not only economic but also social and geopolitical issues.

After the Cold War world and the collapse of the USSR, the economic relations between Russia and the rest of the Europe have deepened into the integration discussions. The three main drivers of Russia's integration are Commonwealth of Independent States (CIS), European Union (EU) and World Trade Organization (WTO). EU is the main trading partner of Russia, and after Union's eastern enlargement the economic interdependence will increase.

European Union is an example of regional integration that is based on Single Market. Despite of the fact that Russia may never become a member of the Union it highlights the importance of deepening trade relations. Future of Russia is highly linked with country's ability to adapt its legislation with the one in the EU's aquis and support changes needed on its way towards functioning market economy and democratic society.

Integration discussions started in 1994 signing Partnership and Cooperation Agreement (PCA), continued in 1999 by drafting Common Strategies, by highlighting the importance of Northern Dimension and now by developing the concept of Common European Economic Space (CEES). The latest mention is created to serve as a strategy in changing trade conditions in the whole European continent, especially after the EU's enlargement.

The several benefits of the European extension towards Russia are proven to overweight the costs. To avoid European marginalisation, the EU will need to adopt new Widening Europe concept towards the rest of the continent, especially towards Russia, in its external commercial policy. With the help of EU's assisting instruments, especially Tacis, EU and Russia can be strategic partners also in the future.

Key words	Integration, Russia, EU, economic relations, trade, international economics, WTO, CIS
Further information	