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**ANALYSIS OF ECONOMIC RELATIONS BETWEEN AZERBAIJAN
AND EUROPEAN UNION: CHALLENGES AND OPPORTUNITIES**

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INTRODUCTION

The actuality of the subject. The development of international economic integration processes, as well as the expansion of international cooperation among the world countries, should be regarded as a logical continuation of objective process and substantial quantitative and quantitative changes in the world economic relations system in the 1990s. One of the most important laws of the modern world economy and the rise of the BIM system. integration now plays an important role in the further improvement of the modern BIM system, becoming the most important form of global economic growth, generally economic prosperity.

At the same time, globalization and international economic integration processes, the development of the transition economies, as well as the present and future economies of the Republic of Azerbaijan, directly depend on foreign economic impacts, expansion of mutual economic cooperation with other foreign countries and the most rational form of the international economic system.

Under transition economies, Azerbaijan is experiencing a period of economic and social development that has never been an alternative, with a whole new set of quantitative and qualitative parameters. The fundamental economic reforms and radical changes in the country, and on the other hand, are actively promoted by the country's global economy and world economic relations system. Integration is being implemented.

In this regard, the development of international cooperation among the countries of the world and the effective introduction of the national economy on the basis of the world economy constitute the basis of the economic development of post-Soviet economies. In this sense, the European Union, one of the centers of economic and political power of the Republic of Azerbaijan, and its entry into the European economy has become one of the main goals.

The free economic relations between the EU and the Republic of Azerbaijan have begun to develop further since our country gained independence in 1991. In short, the independence of the Republic of Azerbaijan by the European Union was recognized on 31 December 1991 and on February 27, 1992 official contacts have been established. From now on, economic cooperation between the Republic of Azerbaijan and the European Union is developing on a large scale. In this regard, the Technical Assistance to the CIS (TACIS) program can be considered as the first large-scale project. At the same time, the European Trans Corridor Europe (TRACECA) project, proposed in 1993, the Partnership and Cooperation Agreement (TAP), signed between the Republic of Azerbaijan and the European Union in 1996, and the European Neighborhood Policy (ENP) and

the Eastern Partnership (SM) initiative proposed as the logical continuation of the ENP in 2009.

The research situation of the study. A number of important theoretical problems and practical issues of European regional economic integration, as well as the international economic relations of the EU and Azerbaijan, were reflected in the works of prominent foreign scientists and economists of Azerbaijan. Among them are Müller Armak, Alle, Belasa, Imbergen, Marshall, Myrdal, Hrbek, Fridman, Mandell, Lazonisk, Maxloup, Lipsey, Kryomer, Vayner, Pkruparmen, Linder Obsfeld as well as Nadirov, Alasgarov, Hajiyev, Muradov, Hasanov, Shakaraliyev, Alirzayev, Samadzad Bayramov and others from the economists of the republic.

In these works, the problems of European integration have been primarily explored in the context of the evolution of the universal and integral forms, and very good results have been obtained. In economically diverse countries, various problems of international economic integration have been studied in Central and Eastern European countries.

Purpose and objectives of the research. The main purpose of the dissertation is to analyze and evaluate the legality of the development of international economic integration processes within the EU, the evolution of the integration of Azerbaijan into the European economic space and its contemporary situation.

In order to achieve these goals, the following tasks have been set in the dissertational work:

- studying the theoretical and conceptual foundations of the international economic integration process and the features of the modern development phase within the EU;

- Analysis and evaluation of the current state of relations between the European Union and Azerbaijan;
- Analyzing and evaluating the economic cooperation between the European Union and the Republic of Azerbaijan;
- The essence of the AQS, its implementation mechanisms as the basis of the EU's foreign economic strategy;
- Evaluating the prospects for the development of mutual economic integration between Azerbaijan and the EU.

As an object of the research, the European Union and the Republic of Azerbaijan have been selected as economic co-operation.

The subject of the research is the study of theoretical, methodological and practical issues of strengthening the integration of the Republic of Azerbaijan into the European economic space.

The volume and structure of the research. Thesis consists of introduction, three chapters, 6 paragraphs, results and suggestions, list of used literature and additions. The literature source and web page of Azerbaijani, Russian and Turkish languages are shown in the list of used literature.

CHAPTER I.

1. THE MAIN TRENDS IN THE EXPANSION OF THE EUROPEAN UNION'S ECONOMIC RELATIONS

1.1. The scope of the broader EU dimension

The European Union is a political actor, unique (*sui generis*). Sovereignty, as well as the incentive motive for foreign policy action, in it is shared between the member states and various institutional players. Therefore, it is necessary to clarify what we mean when discussing the foreign policy of the European Union.

On the one hand, each of the member states has its own foreign policy priorities. On the other hand, the European Union itself speaks with one voice when communicating with third countries and at multilateral summits.

In the end, he communicates with the outside world in three different ways: [1]

- (1) intergovernmental,
- (2) through supranational institutions,
- (3) through individual member states.

Meanwhile, the term “foreign policy” is traditionally used to describe how states build their relations with other states within the framework of the international system. In essence, this term reflects the state-centric approach, even when it is used in relation to relations between states and other actors such as international organizations. At the same time, however, approaches and goals peculiar to the state in its interaction with other states when promoting their national interests on the world stage are always implied.

Since the European Union (EU) is not a state, it lacks centralized power and its own state institutions, while its foreign policy reflects, in particular, the general features of the functioning of its specific (supranational) institutions. Meanwhile, European communities, from which the European Union grew, have actually become participants in international relations since their appearance in the 1950s. Over time, the term “external relations” has a quite definite meaning in its appendix to the EU, meaning foreign trade, assistance to third countries and a number of other isolated sectoral “low” spheres of its international activities, which the European Commission (the Commission, EC) engaged in and later began to oppose “High” dimension of its foreign policy. [2]

The latter was born only in the 1970s in the form of European political cooperation (ENP) and initially had an informal basis. Then, the ENP was

formalized in the article of the Single European Act of 1986 and received the name of the Common Foreign and Security Policy (CFSP) in the 1992 Maastricht Treaty, which established the European Union. Due to the weaknesses of the intergovernmental CFSP and the unwillingness of member states to delegate to a supranational level those competencies that would enable such weakness to be overcome, since the 1990s, the European Union has also been developing common strategies and partnerships with various countries and regions of the world that can be described as its structural foreign policy.

Consistency in EU foreign policy is provided for in Articles 3 and 13 of the Treaty on European Union. Article 3 states that the European Union must ensure coherence of its actions in the international arena and that the Commission and the Council of Ministers of the EU (Council) must cooperate in order to ensure such coherence. Article 13 requires the Council to ensure the unity, coherence and effectiveness of the actions undertaken by the Union. It is a legal procedural obligation, from which political action flows. Actors in the EU foreign policy, acting in a common field, are obliged to coordinate their disparate actions in order to ensure the required consistency.

The focus of the authors of this paper is to find in the Lisbon Treaty of 2007, under the heading of the “external actions of the Union,” an attempt to combine its external relations, which the Commission continues to deal with, into a single CFSP system and all the “economic” directions of its foreign policy. [3]

The Treaty of Lisbon came into force in December 2009 after almost a decade of constitutional disputes in the EU. It does not replace the previous fundamental treaties, but introduces some important changes to the Treaty on European Union (1992 Maastricht Treaty DES) and the Treaty establishing the European Economic Community (Treaty of Rome 1957 now the Treaty on the Functioning of the European Union - DFES). [4]

Thus, our research is focused on the analysis of the institutional and political and legal architecture of the European Union's foreign policy as it has been put together in practice since 2010. In this sense, the EU's foreign policy is taken in a broad context, including its "high" and its "Low" component. We include in it not only the CFSP, including the Common Security and Defense Policy (JSE), but also the general trade policy, cooperation in the field of international development assistance, humanitarian assistance, and the neighborhood policy. [5] The device of each of them will be discussed in more detail on these pages. However, the external aspects of the internal competencies of the EU (agriculture, fisheries, transport, economic and monetary, environmental and energy policies, migration) are outside of our immediate attention.

In the presence of a common institutional architecture in specific aspects of EU foreign policy, understood in a broad sense, individual institutions and bodies perform different functions in it. The analysis in this case is built around the participation of numerous institutional actors in the EU's foreign policy, including the High Representative for Foreign Affairs and Security Policy, who also serves as Vice-President of the European Commission. The work highlighted the continued duality (split) between the CFSP and other EU foreign policy directions, as well as between internal and external dimensions in its operation. The existence of such a split is also recognized in the treaty text, which stipulates that the CFSP "obeys special rules and procedures" (Article 24 (1) DES), essentially remains intergovernmental. The main reason for the continuation of this split is the concern of the majority of member states to defend their own sovereignty in the presence of a common European foreign policy. [5]

One of the most important changes that were introduced under the Lisbon Treaty should be the formal rejection of the three pillars system. The three pillars are the main areas between which the competence of the European Union under

the Maastricht Treaty was distributed. The first (communitarianized) support was mainly related to economic issues, where supranational regulation was applied, the intergovernmental CFSP was included in the second, the third in the field of internal affairs and justice. In the Amsterdam Treaty of 1997, the entire package of the Schengen agreements was included, according to which the provisions concerning the free movement of persons were transferred from the third pillar to the first pillar. The presence of individual pillars was considered the main obstacle that prevented the implementation of a harmonized EU policy in the international arena. This was particularly felt when addressing security problems, where multidimensional threats, in response to them, required the mobilization of instruments that remained in different subordination (national or supranational). The Lisbon Treaty did not completely abolish this complex system, but gave the EU the status of a legal entity. This means that the EU is now entitled to enter into international relations in all areas without exception, regardless of the nuances associated with its competence in various matters.

In 1922, Richard Coudenhove-Kalergi published his famous work *Pan-Europe*, a project. In it, an aristocrat of Austrian-Hungarian descent analyzes the ideas of a high-ranking French official, Louis Luscher, stating that modern wars require gigantic industrial potential from the participants. By contrast, it is thus possible to avoid conflict between large states by placing their resources under collective control. Thus, there is hope for the prevention of a new war between Germany and France in the case of joint control by these countries of German coal and French steel.

Coudenhove-Kalergi proposes to create the United States of Europe according to the American model. In his opinion, this would contribute to the creation of a sovereign Europe along with the United States, the USSR and the British Empire. In his understanding, Europe stretched from Poland to France. [6]

In 1926, Coudenhove-Kalergi created an organization called the Pan-European Union and convenes a congress in Vienna, which brought together more than 2,000 participants. Coudenhove-Kalergi proposes a project of peaceful cooperation of sovereign states, opposing the fascist vision of a forcibly united Europe in which the nation states would be destroyed. He has won the support of many intellectuals, including Guillaume Apollinaire, Albert Einstein, Sigmund Freud, Thomas Mann, José Ortega y Gasset, Pablo Picasso, Rainer Maria Rilke, Saint-John Perce and others.

In the 1930s, the project was politically embodied thanks to the work of Aristide Briand and Edward Herriot. Twenty-six states are invited to join the Federal European Union. In addition, entrepreneur Jean Monnet, who was the first deputy secretary general of the League of Nations, states that this union is de facto becoming a European intergovernmental organization, and proposes to turn it into a European Union. Unfortunately, these measures are taken too late and cannot prevent the Wall Street crisis and the danger. [7]

At the end of the Second World War, Coudenhove-Kalergi moved to the United States, where he was actively lobbying to convince Washington to impose a federal organization on Europe immediately after peace was established. His efforts lead to success in 1946, when this idea is approved by the Council on Foreign Relations, which includes it in the list of recommendations to the State Department. For his part, in 1946, former British Prime Minister Winston Churchill opposes the Iron Curtain that fell on Europe. He states that it is necessary to stabilize the western part of Europe and prevent the communist infection.

On May 8, 1946, the British twin of the Council on Foreign Relations, the Royal Institute of International Relations (RIIA, the so-called “Chatham House”), marks the first anniversary of the Reich surrender with a presentation of a joint project between London and Washington. He voiced the Anglo-American

position of Josef Retinger, a former adviser to the fascist Polish government, who was in exile in London and became an agent of the secret services of Her Majesty. This position is popularized by Winston Churchill, who in turn favored the creation of the “United States of Europe”. [8]

However, this project has nothing to do with the project of Kudenhova-Kalergi and the democrats of the interwar period. London and Washington intend to create a common Anglo-American citizenship, thus consolidating the great Anglophone empire. In this context, “Europe” is viewed as a constellation of states invited to cooperate with each other and place part of their industrial resources under the control of a supranational authority, more or less obviously led by the English-speaking empire. All these measures were supposed to lead to the creation of a vast free trade zone, inaccessible to communist influence. [9]

1951 PhcBelgiumNiderlandLuxemburgFranceItalyThe European Coal and Steel Community (ECSC - European Coal and Steel Community), the goal of which was to unite European resources for the production of steel and coal, which, according to its creators, was supposed to prevent another war in Europe. Great Britain refused to participate in this organization for national reasons sovereignty.

In order to deepen economic integration, the same six countries in 1957 are the European Economic Community (EEC, Common Market) (EEC - European Economic Community) and the European Atomic Energy Community (Euratom - European Atomic Energy Community). The EEC was created primarily as a customs union of six states, designed to ensure the freedom of movement of goods, services, capital and people. Euratom was supposed to promote the unification of the peaceful nuclear resources of these states. The most important of these three European communities was the European Economic Community, so later (in the 1990s) it became simply the European Community (EC - European Community). The EEC was established by the Treaty of Rome in 1957, which entered into force on January 1, 1958. In 1959 EC, the European

Parliament was created - a representative consultative, and later a legislative body. [10]

The European Union, if we consider it as a single economy, produced a gross domestic product in 2009 in the amount of 14.79 trillion international dollars in calculating the parity of purchasing power (\$ 16.45 trillion at nominal value), which is more than 21% of world production. This puts the Union's economy in first place in the world in terms of nominal GDP and second in terms of GDP at PPP. In addition, the Union is the largest exporter and the largest importer of goods services, as well as the most important trading partner of several large countries, such as, for example, China and India.

The head office of the 161st of the 500 largest companies in terms of revenue (rated by the Fortune Global 500 in 2010) is located in the EU. [11]

The unemployment rate in April 2010 was 9.7%, while the level of investment was 18.4% of GDP, inflation - 1.5%, and the state budget deficit - 0.2%. Per capita income varies from state to the state and is in the range of \$ 7 to \$ 78 thousand. [12]

The functions of the European Union are to ensure closer relations between member states. This is done in order to empower member states, such as free trade, freedom of movement, free choice of work. Previously, it was associated with many bureaucratic barriers. The European Union can also be called a counterbalance to the United States as the only global superpower.

The European Union, an organization that is actively involved in the public and political life of society on a global scale. The European Union participates in the assessment of significant events in the world, both positive and negative. The Georgian-Ossetian conflict in August 2008 also received its assessment from the European Union. [13]

The European Parliament supported the findings of the report of the international independent commission of the European Union headed by Heidi Tagliavini to investigate the circumstances of the conflict in South Ossetia, which says that Georgia started the war in August 2008, but Russia provoked it. The document also noted that the response of the Russian side during the armed conflict was disproportionate.

The reaction of the world community to the comments of the European Union did not take long to wait. The United States changed its attitude towards Saakashvili, it is enough to recall that recently at the session of the UN General Assembly President Barack Obama refused to meet with him at the UN General Assembly session. "Not only in Russia, but also in any other country, Saakashvili is no longer taken seriously. The Saakashvili regime rests only at the expense of anti-Russian rhetoric," Burjanadze said. [14]

In a very short period of time by historical standards, the EU has evolved from a small subregional economic grouping into a truly European integration organization of universal competence, which has its own management apparatus and operates in various spheres of public life.

At the present stage of development, the EU is already based on other goals and objectives that it plans to achieve and solve. If earlier the unification of the countries of Europe into a single Union had the character of cooperation and was expressed in the coordination of common forces to solve a number of problems, now it is a kind of "state" (or supranational entity) that sets different goals and objectives.

1.2. Issues of determining the place of the new member countries in the European Union

The expansion of the European Union is another factor that requires the acceleration of economic development in order to meet the legitimate hopes of

the new EU member states. And although the economies of the acceding countries are growing faster than the average, it is necessary to ensure higher economic growth rates in the European Union as a whole. This will allow the countries of Central and Eastern Europe to get rid of the feeling of social injustice, and the current EU members to ease tensions with each other, as lower taxes and wages in newly joined countries attract more investment and create more jobs.

In the face of these problems, the heads of European states agreed in 2000 to adopt a ten-year Lisbon program to stimulate innovation, support entrepreneurship, and expand research and development. Except for the few exceptions, its results are not yet uniform.

Implementation of the program has encountered difficulties because it covers politically sensitive issues such as labor market flexibility, pension and health care reform, and the creation of e-government. Nevertheless, a number of “direct and practical” actions can be taken to increase investment in research and development (R & D), which will help improve the competitiveness of Europe, avoiding major political problems.

“The problems in the field of R & D are not so complicated, therefore the implementation of such a plan should go much easier if European leaders are really interested in improving competitiveness and growth rates,” said Lord Patten - Chancellor of Oxford and Newcastle Universities, former Council of Europe Commissioner for External Relations “We have to admit that higher education in Europe as a whole is in a terrible state.” We often talk about bridging the gap in military spending between the US and Europe. So let's not fool ourselves - we are not going to do it. But we must be able to bridge the gap in investment in our universities, and these are almost 3.3 thousand universities scattered throughout the territory of the European Union. ” [16]

As a percentage of GDP, the US spends on research and development and higher education twice as much as Europe, and therefore European countries have

less opportunity to retain cadres of researchers and scientists who are formed in European science. In fact, only a quarter of Europeans enrolled in graduate studies at American universities are returning to Europe. “Is it possible to blame those who remain in the USA? - Asks Lord Patten. “There is less workload, more investment in equipment and laboratories, and much higher wages.” Note that 48% of the EU budget is spent on agriculture (Table 3) - a sector in which only 7% of the workforce is employed. [6]

Federalization is the main trend in the development of the European Communities and the Union since their foundation to the present day. The most important achievements on this path are: [18]

- building a common market, on the basis of which a single internal EU market is formed - “a space without internal borders, in which, according to the provisions of this Treaty, free movement of goods, persons, services and capital” is provided (Article 14 of the Treaty establishing the European Community);
- building an economic and monetary union. It is based on the single currency of the EU - the euro (the United Kingdom, Denmark and Sweden, which for various reasons have kept their national currencies in circulation, do not participate in this process);
- the creation of the Schengen area and the introduction of a single visa for foreigners on the basis of the Schengen agreements;
- the development and implementation by the institutions of the European Union of a common policy in various fields: common EU agrarian policy, competition policy, immigration, transport, environmental policy, etc .;
- the formation of the law of the European Union - an independent legal system that regulates many important areas of public relations with the participation of member states, legal entities and ordinary citizens;

- the introduction of the institution of citizenship of the Union as a stable legal relationship of citizens of member states directly with the European Union. The new integrated source, which enshrines the foundations of the legal status of citizens of the Union, is the European Union Charter of Fundamental Rights adopted in 2000;
- the adoption of legislation on the European joint-stock company - a single legal form of legal entities that can be used for business activities throughout the European Union;
- the development of legislation and the adoption of organizational measures in the criminal law sphere with a view to turning the European Union as a whole into a “space of freedom, security and justice” (Article 2 of the Treaty on the European Union): regulations on combating terrorism, counterfeiting, money laundering and other forms of “transnational” crime; the establishment of minimum standards for the protection of the rights of victims of crime; the establishment of the European Police Office (Europol); preparing for the introduction of a “European arrest warrant” and others;
- the transformation of the European Union into an independent participant in international relations, the establishment of partnership relations with foreign countries, including the Russian Federation (Partnership and Cooperation Agreement 1994 and other agreements between Russia and the EU on specific issues).

At the beginning of the XXI century, the European Union entered a new stage of transformation, the purpose of which is to make this organization more democratic and able to function effectively in conditions when it will include about thirty member states.

The European Union is one of the world centers of culture and civilization. According to some legal scholars, the EU democratic legislation is one of the most

advanced in the world, if not the most advanced. The EU's role in the world is constantly and steadily increasing, as evidenced, for example, by the introduction on January 1, 2002 of a common European currency - the euro - a competitor of the American dollar and the creation of a common European rapid reaction force - a prototype of a future unified European army capable of being outside the NATO structure. De facto, the EU has become not only an economic, but also a political rival of the No.1 power in the world, gradually leaving the orbit of US influence, and in the future it may become an independent military force. And most importantly, the territory of the EU has been constantly expanding since its inception, which cannot but affect its neighbors, the most significant of which is the Russian Federation.

One of the important steps towards the expansion of the European Union was the Nice Treaty, the leitmotiv of which was to prepare the EU for enlargement, outlined the number of candidate countries for accession to the EU and set the time for the conference, during which the conditions and approximate accession date should be worked out and approved. new members. [19]

Such a conference was assembled in 2003, the result of which was the new Athenian Treaty of February 1, 2003 between the EU countries and the candidates for entry (10 countries), which became full members of the EU on May 1, 2004.

The most important part of the Athenian Treaty is the Act regarding the terms of accession and the amendment of the treaties on which the EU is based. This act, in Art. 1 subdivides the parties to the Treaty into the existing member states of the Union and the new EU member states. In accordance with it, new countries join all the constituent treaties of the EU and recognize in their territory all acts adopted in the EU, including the Treaty on the European Union (Art. 49) and the "Copenhagen criteria", which were formulated at the EU summit in Copenhagen in 1993, where the conditions for the adoption of candidate countries to the EU were established.

In accordance with Art. 49 of the Treaty on European Union, the candidate country should be in the spirit of "European", that is, the culture in the given country should be culture, political and legal traditions of the applicant for EU membership. Before joining the EU, a candidate country should bring its political and economic systems in line with EU standards in order to survive in the domestic market and become a full member. As for the geographical position in Europe, it is desirable, but not necessary, which confirms the entry of Malta into the European Union, which is closer to the African continent than to Europe, as well as Cyprus, which is geographically located in Asia and the definition of the candidate country of Turkey which is also located in Asia.

Democracy of the country is also one of the most important criteria for joining the European Union. In accordance with Art. 6 of the EU Treaty, the candidate country should respect the democratic principles of the constitutional order, which are freedom, democracy, human and civil rights, the principle of the rule of law. There are a number of requirements that must be met by each country intending to join the European Union, or already a member of the union. It: [20]

- Respect and protection of minorities;
- Stability, democracy and the rule of law, respect for human rights;
- Normally working market economy and the ability to withstand competition in the EU internal market;

The ability to assimilate the duties and objectives arising from EU membership. This means that candidate countries should include in their national legislation an established legal body, the general regulatory framework of the EU.

It should be noted that one of the most important conditions for admission to the European Union is a fairly high level of economic development of a candidate country, which should be comparable to the average level of the EU. It takes into account such criteria as GDP, including per capita, national income, an

acceptable level of inflation, and the absence of a budget deficit. An economically underdeveloped state has virtually no chance of joining the European Union, even if otherwise it fully complies with the requirements of Article 49 of the European Union Treaty.

An important condition is also the settlement by the candidate country of territorial disputes with neighboring states. This means that the state border must be clearly demarcated and all mutual territorial claims must be removed. Far from all EU accession countries and countries wishing to join the EU in some time perspective, the so-called EU candidates, may meet these criteria. [21]

So at the Athens summit in the EU did not accept all the candidate countries identified in the Nice Treaty. Bulgaria, Romania and Turkey have not yet entered the EU. Bulgaria and Romania gave time until 2007, so that these countries fully align their national legislation with EU standards and increase the pace of economic reforms. As for Turkey, the “stumbling block” is the low level of democracy, in particular the non-observance of human rights, the high level of military presence in government, the Kurdish problem, the problem of Northern Cyprus, tensions with Greece and Armenia, and the fears of some political forces of the Union (mostly right-wing) in relation to the influx of Turkish immigrants (migrant workers) in their countries, which can lead to dangerous friction with the local population. The countries that are now dreaming of joining the EU (Albania, Ukraine, Macedonia, Serbia, Georgia), according to many analysts, have virtually no chance of doing this in the near future. The main problems of these countries that prevent them from obtaining candidate status are the low level of economic development (with the exception, perhaps, of Ukraine), the weak development of democratic institutions, the violation of human rights and the high level of corruption. And in Serbia and Georgia there are also territorial problems (Kosovo and Abkhaz with Ossetian, respectively). Thus, this group of countries almost completely does not meet the Copenhagen criteria and Articles 6 and 49 of the

Treaty establishing the EU. But from a geopolitical point of view (for purely political reasons) and in accordance with the spirit of the “European idea from the Atlantic to the Urals”, the entry of these countries into the EU is beneficial for the Union itself and, apparently, such entry is only a matter of time.

As the experience shows, for many countries applying for membership, the political conditions for EU integration are difficult. Thus, the referendum held in October 2003 to amend a number of provisions of the Romanian Constitution in accordance with the EU requirements took place with great difficulty, since the measures introduced in accordance with EU standards only reduced the standard of living of the majority of the population, and the amendments to the Constitution layers. No less difficult can be the long-term consequences of hasty reforms, and in the future - the conditions for the interaction of new countries with developed European countries. Free trade regimes can do more harm than good for countries in the region, especially in the agricultural sector.

Similarly, an attempt to accelerate the curbing of corruption and the shadow economy can also have negative consequences. The hasty elimination of shadow structures can increase the already high level of unemployment in the countries of central and eastern Europe. In general, the interests of new and old European countries may not coincide on a number of other problems, including the regulation of migration, accession to the currency union. [22]

1.3.Potential opportunities of Azerbaijan to become a member of the European Union

EU relations with Azerbaijan began in 1991. Their basis is the Partnership and Cooperation Agreement, which entered into force in 1999 and provides opportunities for large-scale cooperation in the areas of political dialogue, trade, investment, economics, legislation and culture. Since then, the European Union has been gradually expanding cooperation with Azerbaijan. In July 2003, the EU appointed a Special Representative for the South Caucasus. Since 2004,

Azerbaijan (as a state of the South Caucasus) is subject to the European Neighborhood Policy, as well as the Eastern Partnership initiative, immediately after its adoption in 2009. A protocol on Azerbaijan's participation in EU programs and cooperation with relevant agencies was adopted in July 2016.

On November 14, 2016, the EU Council approved the mandate of the European Commission and the EU High Representative for Foreign Affairs and Security Policy on behalf of the EU and EU Member States on a comprehensive agreement with the Republic of Azerbaijan. This new agreement should replace the Partnership and Cooperation Agreement and take into account to a greater degree the common goals and challenges that the EU and Azerbaijan are facing today. Negotiations on the new agreement began on February 7, 2017 after the visit of President Ilham Aliyev to Brussels on February 6. The new agreement will comply with the principles approved in 2015 as part of the revision of the European Neighborhood Policy, and will offer an updated basis for political dialogue and mutually beneficial cooperation between the EU and Azerbaijan. [24]

The unresolved conflict in Nagorno-Karabakh remains an obstacle to greater stability and prosperity in the region. The European Union, including through the Special Representative for the South Caucasus and the crisis in Georgia, supports and complements the efforts of the OSCE Minsk Group co-chairs to resolve the conflict. The EU is also conducting activities aimed at strengthening peace and stability in the territories divided by the conflict, in particular, through the implementation of the European Partnership for Peaceful Settlement of the conflict around Nagorno-Karabakh (EPNK).

Azerbaijan is an important energy partner of the EU, which currently provides 5% of the EU's oil demand and plays a key role in the delivery of Caspian gas to the EU market through the Southern Gas Corridor. The EU is the largest buyer of Azerbaijani oil and oil, which is shipped in transit through Azerbaijan.

In January 2011, in Baku, Jose Manuel Barroso, who was then President of the European Commission, and President Aliyev signed the Joint Declaration on the Southern Gas Corridor. The Southern Gas Corridor is a strategic initiative for the delivery of Caspian, Central Asian and Middle Eastern gas resources to European markets and the main diversification tool for ensuring the security of energy supplies. The infrastructure that will allow gas to be transported from the Caspian basin, in particular, from the Shah-Deniz 2 field, consists of expanding the existing South Caucasus pipeline from Azerbaijan to Turkey through Georgia; Trans-Anatolian pipeline crossing the territory of Turkey and connecting Georgia with Europe; and the Trans-Adriatic Pipeline, which delivers gas from the Turkish border to Italy through Greece and Albania. The giant Shah Deniz 2 gas field on the shelf of the Azerbaijani sector of the Caspian Sea will supply 10 billion cubic meters annually. meters of gas to European markets until 2020, and another 6 billion cubic meters. m of gas per year to Turkey.

However, cooperation between the EU and Azerbaijan in the field of energy is not limited only to the Southern Gas Corridor. The basis of bilateral energy cooperation was laid by the Memorandum of Understanding on the strategic partnership between the Republic of Azerbaijan and the European Union in the field of energy, signed in 2006. The memorandum identifies four priority areas of cooperation: legislative harmonization; increased security of supply and transit systems; developing a comprehensive energy management policy; and technical cooperation and exchange of experience. Regular bilateral meetings assess the development of relations between Azerbaijan and the EU in the energy sector. In 2016, the Commission launched the new EU4Energy regional program aimed at supporting the Eastern Partnership countries, including Azerbaijan, in achieving energy goals. The EU also supports the efforts of Azerbaijan in the field of energy efficiency. [25]

Currently, the European Neighborhood Instrument (ENI) is the main financial instrument for the period up to 2020; He replaced the European Neighborhood and Partnership Instrument, which operated from 2007 to 2013. EU assistance to Azerbaijan is provided on the basis of the Action Programs funded annually under the European Neighborhood Instrument. The priority areas for 2014–2017 are: 1) regional and rural development in support of the Government’s efforts to diversify the economy and ensure balanced and sustainable development, while at the same time eliminating disparities between the regions; 2) reform of the justice system, including support for out-of-court settlement of disputes, provision of legal support and access to the justice system, and the fight against corruption; and 3) education and professional development through improving the quality and conformity of vocational and higher education systems with EU standards and best international practices. Additional support for the modernization of state institutions and civil society is provided both within and outside the priority areas, in particular through bilateral programs with EU governments. The development of civil society institutions plays an important role in EU cooperation with Azerbaijan, which is confirmed by the fact that the EU is the largest foreign donor for civil society in Azerbaijan.

The Unified Support Program defines the strategic framework, objectives and exemplary financial allocations for bilateral cooperation between the EU and Azerbaijan for 2014–2017. Azerbaijan can also participate in regional programs funded under the European Neighborhood and Partnership Instrument and the European Neighborhood Instrument (mainly in the areas of energy, transport and border management); in the Eastern Partnership flagship initiatives, in cross-border cooperation programs and in all initiatives open to all countries of the European Neighborhood region: Erasmus +, TAIEX, SIGMA and the Neighborhood Investment Fund (NIF). In addition to the European Neighborhood Instrument, funding is available through the EU thematic programs: European

Instrument for Democracy and Human Rights, Instrument for Sustainability and Peace, Civil Society Organizations and Local Authorities, Human Development, Migration and Asylum. [26]

As a member of the Eastern Partnership and a member of the Council of Europe, Azerbaijan has signed legally binding commitments regarding respect for human rights and democratic development. The EU continues to emphasize the importance of issues relating to the protection of human rights, the possibilities of civil society and media freedom, speech and gathering in Azerbaijan as an important element of relations between the EU and Azerbaijan. Changes, including the release of political activists and journalists and the amendment of legislation regulating relations in civil society, occurred after visits to Baku by the EU Special Representative for Human Rights Stavros Lambrinidis in February 2015; Johannes Hahn, Member of the European Commission for Enlargement and the European Neighborhood Policy, in April 2015; President of the European Council Donald Tusk in July 2015; and Federica Mogherini, High Representative of the European Union for Foreign Affairs and Security Policy and Vice-President of the European Commission, in February 2016. Other priorities include strengthening the rule of law and democratic institutions; supporting the development of social and economic inclusion and ensuring equal rights for all. The EU continues to interact with Azerbaijan on these issues. The sixth meeting of the EU-Azerbaijan Subcommittee on Justice, Freedom, Security, Human Rights and Democracy was held in Brussels on October 16-17, 2016.

The EU Erasmus + program supports higher education institutions, teaching and administrative staff and students in partner countries, including Azerbaijan. The Erasmus + program funds academic mobility of students from Azerbaijan for a period of 3 to 12 months to host universities in Europe or short-term mobility of university staff. In 2015–2017, the EU provided scholarships for studying, teaching or internships in Europe to about 880 students and employees

of universities from Azerbaijan, and 450 students and employees of European universities for training, teaching or training in Azerbaijan. [27]

In addition, the Erasmus + program funds capacity development projects for the modernization and development of the higher education system; Azerbaijan participates in seven projects of this direction. Education and research institutions in Azerbaijan can also receive funding through the Jean Monnet program, which contributes to the dissemination of advanced teaching and research experience in the field of European integration. The EU provides increased scholarships to the best students and faculty around the world, and also funds joint master's and doctoral degrees programs in which Azerbaijan can participate. 13 scholarships under the Erasmus Mundus program were received by students from Azerbaijan. Finally, activities for young people in the framework of the Erasmus + program (exchanges, volunteering and capacity development) are also available to citizens from neighboring countries. Currently 1,800 participants from Azerbaijan took part in such events.

In December 2016, an international conference “Interfaith tolerance and the role of the media” was held in Baku, and in September 2017 a visit to Brussels of the leaders of various religious communities of Azerbaijan was organized. Later, on October 12-20, 2017 the first festival “Imagine Euro Tolerance Festival” was held in Baku. [28]

In December 2013, Azerbaijan, the EU and a number of EU member states separately signed the Mobility Partnership. This Partnership establishes a number of political goals and defines areas in which further dialogue and cooperation between the EU and Azerbaijan will be continued in order to guarantee the safest and most efficient way for people to move. The first high-level meeting on mobility partnerships was held in February 2017 in Brussels. The two other instruments for cooperation in the field of migration are the Agreement on the Facilitation of the Issuance of Visas and the Agreement on Readmission, which

entered into force on September 1, 2014. Thanks to the Agreement on simplifying the issuance of visas to citizens of Azerbaijan, especially those who travel frequently, it has become easier and cheaper to obtain short-term visas to travel to almost all countries of the European Union.

CHAPTER II.

2. ANALYSIS OF ECONOMIC LEGAL COOPERATION BETWEEN THE REPUBLIC OF AZERBAIJAN AND THE EUROPEAN UNION

2.1. Legal basis of mutual economic cooperation between the Republic of Azerbaijan and the European Union

Integration processes in the modern world cover all continents, all continents around the globe. Many researchers in the integration call it not just the demand of time but also the revised law of history. The tendencies of intensification of regional and global cooperation can be observed in Asia, Africa and America. But the most obvious and clear integration model, the integrated model that has come to the forefront, is certainly only possible with a full view of Western Europe. In the last fifty years, the fruitful results and fruit of fifty years of mutual cooperation that penetrated all the countries of the world were achieved in this area. The phenomenon promoting the turning point in the fate of the people, which has been corroborating the domestic and foreign policy of the sovereign sovereign states, has become the main trend of world development.

On July 16, 2010, the first plenary meeting of the Association Agreement between Azerbaijan and the European Union was held. Speaking at the meeting, Head of the European Union Delegation John Kraier noted that the agreement is

an indication of the extent to which its organization is interested in deepening its relations with Azerbaijan and the region. The European Union has strategic interests in this region. These are issues such as stability, democracy, and the strengthening of the economy. Since 2009, the European Union attaches great importance to establishing close relations with the Eastern neighbors:

"This is a deeper, wider cooperation format. So we will conduct a regular assessment. Of course, negotiations will be accompanied by strict compliance with commitments. It includes obligations such as democracy, rule of law, and market economy laws. " John Kryer is convinced that the best work will be based on mutual trust. According to him, the European Union creates all conditions for the start of discussions on Association Agreements. [29]

Some economists note that the Association Agreement is another important step in the further deepening and strengthening of Azerbaijan's relations with the European Union. In 1995, Azerbaijan and the European Union signed an agreement on partnership and cooperation. "The agreement envisages carrying out political security dialogue, integration of the economy at a higher level, and so on. The harmonization of Azerbaijan's economic legislation with the EU legislation is being considered and necessary work is being done. Undoubtedly, in all fields and in this agreement, the issue of bringing the Azerbaijani legislation into compliance with the European Union legislation will be discussed ".[30]

Azerbaijan's strategic choice is undeniable. Azerbaijan "nucleus will favor the Union of Free Trade and Free Trade Zone in the Eastern Partnership, which is Russia's integration with the Customs Union, the Eurasian Economic Council or the European Union. We emphasized these two centers of power in particular that there is no other alternative to Azerbaijan. Therefore, Azerbaijan should seriously integrate one of these centers of power, taking into account its future strategic development and security. This is a destructive issue for Azerbaijan and

cooperation with power centers should be thoroughly analyzed on all parameters and should be taken into account taking into account risk factors.

The revival period of Russia coincides with 2001. Until then, internal conflicts in Russia, the emptiness of state power and so on. There were some issues like this. Shortly after the start of the Putin era in Russia it was possible to strengthen internal stability and state power. It has begun to repudiate the losing influence in the region and around the world.

It was then that the West, in particular the United States, had greatly influenced the regions of the fast-moving Russian regions. Naturally, such a situation could not please Russia at all. Unfortunately, in order to quit the situation and regain its reputation, Russia began to prefer its traditional approaches, not the methods adopted by the modern world. These include various pressures on the West, the integration of regional economic and transit and energy projects into the West. consisting of. However, as a member of the democratic world community in the modern world, it is unacceptable to put pressure on the nations that have the same rights as the people who have the right to freely choose their path of development. Typically, such methods give the opposite effect. [31]

We see that Russia has recently become more active in competing with the United States and Europe in order to reduce its influence in its traditional influential circles and at the same time to increase its influence. Establishment of Russia as an alternative to the European Union as a Customs Union within the Eurasian Union and the Commonwealth of Independent States may be considered as an example of this. In fact, this idea is to ensure that Russia is standing and moving forward. Of course, at the expense of the circle countries. But as the CIS states know this fact, they are not so enthusiastic about joining the Customs Union. It has objective and subjective reasons. These steps once again show that Russia sees itself as an extraordinary state, not as an ordinary state of the world but at the same time imposing its empire ambitions. But there is a point that is

striking here. Interestingly, many CIS countries are trying to get into the European Union and are hesitant to become members of the Eurasian Union and the Customs Union created under Russia's leadership. Of course, this is not inconvenient. Because the EU member states have gained considerable economic benefits. True, there are many criteria for accession to the European Union, so states that want to join have to accept them. However, these criteria are ultimately willing to perform, as they ultimately will have a positive impact on the strategic development of the countries. However, there are not many countries willing to voluntarily join the Customs Union and the Eurasian Union. Comparisons show that the Customs Union's competitiveness with the European Union in terms of economic potential is far from reality. According to calculations, if all CIS member countries join this union then the Customs Union will comprise only 4 out of the total GDP of the world. In the European Union this figure is 26. Moreover, it is impossible to apply this in the Customs Union, whereas the European Union operates under a single market principle. Not all members of the Alliance are members of the World Trade Organization, their commercial rules have not been adjusted. [32]

The reality is that Azerbaijan's economic relations with the Western countries dominate. If only 15% of imported products fall to CIS countries, the remaining 85% belong to Western and Asian countries. The situation in the exported products is the same. Our exports are mainly oil, where their share is more than 90 percent. Of course, this is not the CIS market. The share of CIS countries in the structure of our exports is only 6-7%.

The analysis shows that in terms of value, the Customs Union will not lead to an increase in the export capacities of member countries. From this point of view, this alliance will, at best, be more political, not economic, as a regional organization. I want to note the statement of the President of Azerbaijan regarding the Customs Union on the Russian television: "We do not see any favor in joining

the Customs Union and the Common Economic Space. We have enough currency and rich natural resources. If we see the real prospects of that, then we will certainly be included in any association. There are no bans or taboos for us in this plan. "[33]

Azerbaijan has, in principle, declared that the Nagorno-Karabakh conflict will not be in an organization with Armenia until a fair settlement. We are not members of the Collective Security Treaty Organization, but it is based on this principled position. In spite of all this, it would be sad to think that even if Azerbaijan became a member of these organizations, the Karabakh problem would be fair. Until the benefit of one of the regional centers for the region is in conflict, such conflicts as the Nagorno-Karabakh, Abkhazia and Ossetia in the South Caucasus will continue to be the pressure mechanisms on Russia, Azerbaijan, Georgia and Armenia.

Another issue is the membership of the organizations. It is a fact that any member country of the union has to give up part of its independence. But when the conversation goes from Russia, the situation is completely different. Unlike European values, Russian values do not accept any union that does not constitute its core. Alliances under his patronage also have a kind of colonial character, orbiting around it. Azerbaijan's independence gained by the blood is the greatest value of our state and we can not lose it. [35]

Overview of the EU Association Agreement in the Context of the Customs Union Under the Association Agreement, the EU will abolish a number of import duties, which it has imposed on many goods so far. The signatory country will also take the same step for European goods. This is a great prospect for exports to the country's producers, and great competition in the domestic market. Most will be the country's consumer. So consumers can expect the best quality products at low prices. The European Union imports seven times more goods than the Customs Union countries. Wages in the EU are 3,5 times higher than in the

Customs Union. Therefore, potentially, there is a greater benefit from the free trade with the EU. Naturally, Azerbaijani producers will need to work hard to conquer the European market. On the other hand, nothing hampers Azerbaijan's trade policy within the framework of bilateral relations with the Customs Union countries. The biggest blessing in the European Union can be the country's commitment to fighting corruption. Additionally, an additional document regulating public administration reform is part of the agreement with the EU. There is also a difference in the decision-making mechanism. The Customs Council envisages the activities of two supranational bodies within the Eurasian Economic Community: the Customs Council (CTS) and the Eurasian Economic Commission (EEC). Both commissions have broad powers to settle internal and external economic policies of the countries. Customs policy is defined by CTS and can not be made without Russia. However, decisions can be taken without the participation of other member states. In contrast to the agreements within the framework of the Customs Union, the association agreement with the European Union does not imply the establishment of any supranational body. The association agreement with the European Union, as opposed to the agreement with the Customs Union, provides for the same rights and no party has the opportunity to demonstrate its will. [36]

Unlike the European Union, conflicts in the CIS region do not allow integration of member states within the Customs Union. This alliance will, at best, be more economic, not political as a regional organization. Relations in the European Union are not horizontal, but horizons. There is no dictatorship in this organization, there is a consensus. Finally, one more important point to be overlooked is the debate on the Transatlantic Trade and Investment partnership agreement, which will liberalize trade between the European countries at the initiative of the United States. Turkey is expected to join the agreement after 5 years. The United States wants to unite 75 percent of the world's economy from

Latin America to Europe in a single market and in one standard. And it takes all the sources of investment to a point. Those who are left outside this region will be lost. Because they will change the standard of world production. The US reshapes globalization. That is, the globalization is replaced by this time. There is one way to enter this market. We must speed up our relations with the European Union and we must soon conclude an associative agreement. Otherwise, those who are not in the economic and political space with the European Union will remain outside this market.

In our time, our country prefers more bilateral relations with its EU priorities in its relations with the European Union. Along with participating in European Union regional projects, Azerbaijan, as a leader in its overall economic growth in the South Caucasus, tries to hold a certain position in the foreign relations of the Union. Thus, the Azerbaijani state creates new formats of bilateral relations with the European Union, develops all the institutions necessary for approaching it, and demonstrates the desire of the Union to integrate into the European economic, political and security space.

2.2. Institutional bases of mutual economic cooperation between the Republic of Azerbaijan and the European Union

The European Union (the European Union by 1993) was established on April 18, 1951 by the signing of an agreement that set up the European Coal and Steel Community. The agreement was signed by six European states - France, Germany, Italy, Belgium, the Netherlands and Luxembourg. The proposal to establish such an organization was proposed by French Foreign Minister Robert Schuman on May 9, 1950, and formerly by Jean Monne, the head of the French

National Planning Institute. Under the Treaty signed on March 25, 1957, the European Atomic Energy Community and the European Economic Community were established. In 1965, the united bodies of the above-mentioned bodies were created in Brussels, and these three organizations were united under the name of the European Economic Community.

On 13 March 1979, the European Currency System was set up to summarize currency exchange mechanisms. The signing of the European Union Act of 1985 after the summit of the Heads of State and Government accelerated integration processes and by 1993 it was aimed to create a single internal market, as well as to move towards political cooperation. [37]

On February 7, 1992, 12 European heads of state signed an agreement on establishing the European Union in Maastricht, the Netherlands. The treaty has amended the provisions of the Roman Treaty, which came into effect on 1 November 1993. The treaty included a number of items on the establishment of the European Economic and Monetary Union, as well as the process of transition to a single currency within the framework of this organization. Since that time, the European Union has been called the European Union.

On 1 May 2004, Cyprus, Malta, Poland, the Czech Republic, Slovakia, Slovenia, Hungary, Latvia, Lithuania and Estonia were admitted to Bulgaria and Romania on January 1, 2007. Thus, as the result of the expansion of the EU, the number of members of the organization has reached 27. After gaining independence, the Azerbaijani state has established multilateral relations with a number of international and regional organizations in a short period of time in order to carry out reforms in the country and to engage more closely with world integration processes.

Azerbaijan-EU relations were established within the framework of special programs and in different spheres: assistance to economic and social reforms, creation of corridor East-West transport-communication (TRACECA),

infrastructure development, etc. routes. Following the collapse of the USSR in 1991, the European Union has developed a special TESIS program to help new independent states through democratic assistance and expert assistance, to create market-based infrastructure, and to develop trade, transport and customs. [38]

The TESIS program focuses on three main areas of cooperation: infrastructure, the private sector and human resources development. In addition, TESIS has major multilateral network projects in Azerbaijan. These are the TEMPUS program, which has been providing support to higher education institutions and their staff since 1995, and the TRACECA program, which is designed to provide regional integration of the oil and gas pipelines system. At the same time, this cooperation has been developed within the framework of "humanitarian aid" (ECHO) and other programs.

In May 1993, Brussels hosted the European Caucasian Asia Transcaucasian Transport Corridor (TRACECA) project initiated by the European Union and was set up at the Conference of Trade and Transport Ministers of eight constituent states (Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan, Tajikistan and Armenia). has been made. In the two official documents, the Brussels Declaration, it was decided to rehabilitate the ancient East-West Silk Road Corridor under new conditions, to reconstruct and develop transport communications infrastructure. [39]

On September 8, 1998, Baku hosted an international conference entitled "Historic Silk Road Rehabilitation" initiated by the Presidents of Azerbaijan and Georgia and with the support of the TRACECA program. At the end of the conference with the participation of representatives from 32 countries and 13 international organizations, along with an important document called "Multilateral Agreement on the development of the Europe-Caucasus Asia transport and communication corridor", "Baku Declaration" reflecting the basic principles of comprehensive cooperation and regional integration on behalf of the

participants, also signed. The TRACECA project supports the implementation of 25 technical and 11 investment projects with a total investment of more than 100 million euros in 26 of these projects. Intergovernmental Oil and Gas Export to Europe (INOGATE) operates under the Framework Agreement, signed in July 1999 with the participation of 15 states, including Azerbaijan, as one of the key regional programs implemented within the financial support of the EU. [40]

In addition to the technical cooperation within the INOGATE framework, the European Union is committed to the energy efficiency and transit resources of Eastern Europe, the Caucasus and Central Asia, which have rich natural resources and strategic geographical areas, with the support of all interested partners in the European Neighborhood Policy process is expanding. This cooperation has been expanded at the initiative of the "Baku Process". "Baku Process" started in the form of a political dialogue aimed at strengthening energy cooperation between the European Union, the Black Sea and Caspian Sea basin at the Energy Ministerial Conference in Baku on November 13, 2004.

On April 22, 1996, the Partnership and Cooperation Agreement (TAS) was signed in Luxembourg between the European Union and the Republic of Azerbaijan on cooperation in the field of trade, investment, economy, legislation, culture, immigration and the prevention of illicit trade. Signing of this agreement is considered as one of the most successful pages of Azerbaijan's foreign policy. This agreement, which is of great historical significance for our state and people, plays a key role in expanding ties with Azerbaijan's European structures and institutions, in particular in terms of integration. After ratification by all the signatories to the treaty, this agreement, which came into force on 22 June 1999 and signed by national leader Heydar Aliyev, confirms the establishment of high-level cooperation between the parties. [41]

In the framework of the relevant political dialogue, the parties discussed issues related to the development of political relations between the parties,

strengthening of democracy in Azerbaijan, economic development, conducting some structural reforms in the market economy, trade and investment development, economic, social, financial, scientific and technical cooperation. is designed. In order to ensure these issues, broad principles of coherence of Azerbaijan legislation with European Union legislation have been defined. The "Agreement" also stipulates that the Cooperation Council determines the main directions of cooperation between the European Union and Azerbaijan and takes necessary measures to achieve the goals set. In addition, the Co-operation Committee oversees the implementation of the recommendations of the Council.

A Sub-Committee for the purpose of discussing trade and investment under the Committee has been established. A separate subcommittee on energy and transport between the European Union and Azerbaijan has also been established. At the same time, the State Commission for Cooperation and Cooperation between the Republic of Azerbaijan and the European Union was established to coordinate the activities of state bodies. An Additional Protocol to the Partnership and Cooperation Agreement was signed on May 17-19, 2004 during the official visit of President of the Republic of Azerbaijan Ilham Aliyev to Brussels in connection with the ten members joining the European Union. [42]

In accordance with Article 43 of the Partnership and Cooperation Agreement, a "Action Plan for Compliance of Azerbaijani Legislation with EU Legislation for 2010-2012" has been prepared with the support of European Union legal experts to implement the commitment in the field of legislation of the Republic of Azerbaijan, approved at the 3rd meeting of the State Commission on Integration held on 23 October 2009. The relations of the European Union with Azerbaijan are realized not only within the framework of the TRACECA project and the "Partnership and Cooperation Agreement", but also within the framework of the common regional cooperation project in the South Caucasus, as well as other programs of peace and stability in the region.

The European Union sent its representative to Azerbaijan in 1998, and in 2000 the Permanent Mission of Azerbaijan to the European Union was opened in Brussels. In addition, on February 4, 2008, the European Commission Delegation to the Republic of Azerbaijan operates in Baku. The elimination of the existing conflicts in the South Caucasus, including the settlement of the conflict between Armenia and Azerbaijan, the establishment of a unified cooperation between the regional states and the integration of the security system, is also one of the main conditions of the European Union. [43]

On May 12, 2004, the European Commission adopted the European Neighborhood Policy Strategy Paper. In the mentioned document, the European Commission has recommended the European Union Council to include Azerbaijan, Georgia and Armenia in this policy. On 14 June 2004, the European Commission's recommendation was reviewed by the Council for General Affairs and Foreign Relations of the Organization and the Council decided to include the South Caucasian states in the said policy. Based on the strategy paper of the Neighborhood Policy, the main document regulating EU relations with partner countries will be Action Plans, which defines the priorities of bilateral relations with the Alliance.

The Republic of Azerbaijan has expressed its position by taking consistent steps in the direction of solving the tasks in this area. For this purpose, the President of the Republic of Azerbaijan Ilham Aliyev signed a decree on the establishment of the State Commission for the Integration of the Republic of Azerbaijan into Europe on June 1, 2005, in order to further strengthen relations between Azerbaijan and the European Union and to develop an effective, coordinated work. The document also envisages the establishment of a working group on political, economic, legal, transport and energy, security, human rights and democratization, humanitarian science and education.

The main objective of the EU's new Neighborhood Policy project is to accelerate the approach of the South Caucasian states to political, economically European values. Of course, the South Caucasus countries are also interested in this issue and are trying to expand bilateral relations with the European Union.

In addition, on May 26, 2008, an Eastern Partnership initiative was initiated by Poland and Sweden during the EU Foreign Ministers' meeting in Brussels. This initiative, which provides for a single format for Eastern European Neighborhood Policy countries, covers Azerbaijan, Georgia, Armenia, Ukraine, Moldova and the Eastern Partnership countries. On December 3, 2008, the Eastern Partnership Initiative Document and its accompanying working paper were submitted to the European Parliament and the Council of Heads of State and Government of the European Union by the European Commission. These two documents reflected the position and proposals of the European Commission for Eastern Partnership and defined future cooperation areas of the European Union with the Eastern Partnership countries within the European Neighborhood Policy. On May 7, 2009, the Eastern Partnership Summit was held in Prague. At the Summit, the Joint Declaration was adopted to identify the main objectives and principles of this initiative, as well as the overall outline of the future cooperation process, and thus the Eastern Partnership was officially launched. [45]

2.3.Socio-economic reforms carried out in Azerbaijan within the European Neighborhood Policy

The EU's foreign economic strategy towards neighboring countries has gone through a series of stages, from 2003 to the formation of the European Neighborhood Policy (ENP) instrument. The idea of the EU's Near Neighbors was put forward in 1991. [4] In 1999, the European Commission united the EU's neighbors in the broader context into three groups. Considering the recent additions, these countries can be grouped as follows: [46]

- Countries that pay EU membership but are not interested in it (Switzerland, Norway);
- Potential Candidate Countries (Western Balkan Countries);
- Near Neighboring Countries (East New Independent States, South-West Basin Countries)

Beginning in 2000, the content of the "closest neighbors of the AI" has been further clarified and countries unable to join the EU have been united under that name. The European Commission's Memorandum of Understanding on AQS, dated March 11, 2003, basically covers key factors such as stability, progress, boundaries of the Union, and common values. All these ideas are reflected in the strategy document of the ENP adopted by the European Commission in May 2004:

The purpose of the AQS is to divide the benefits of the EU with neighboring countries to contribute to the stability, security, and prosperity of the EU and its neighbors. The development of the EU's relationships, deepening of economic integration and political co-operation, and a new dividing line between the EU and neighboring countries offers new perspectives to prevent the emergence of lines [5]. The United States encompasses countries with land degradation or land degradation with the EU. These include Makhachk (Morocco, Algeria, Tunisia), Mashriq, Middle East (Israel, Jordan, Palestine Autonomy, Lebanon, Syria), South Caucasus (Azerbaijan, Georgia, Armenia) and Eastern Europe (Moldova, Ukraine, Belarus).

Taking into consideration the above, we can group the key elements of the proposed economic cooperation within the ENP as follows: Ensuring market access for partner countries, liberalization of trade and preferential trade regime for partner countries (depending on the country , which provides for autonomous trade concessions or involvement in the Generalized System of Discounts and Free Trade Agreements, the establishment of a regional Free Trade Zone and

support for the Common Trade Organization membership process, etc.), the ability to gain access to the Union's Internal Market, ensuring traffic, developing cooperation in transport, energy and telecommunications, and so on.

7.3 billion euros were allocated to these countries within the framework of the TACIS program, which is the main instrument of the EU's support to the CIS countries and Mongolia. From January 1, 2007, financial instruments were standardized, and the United States and Russia The European Neighborhood and Partnership Instrument (ENPI) was presented. [48]

Thus, it can be concluded that the ENP acts as one of the key elements of the EU's foreign economic strategy, and within the framework of this policy, the EU's principal objective is to promote a sound economic environment and a favorable political, legal and economic infrastructure for cooperation and effective trade relations with partner countries preparation.

The ENP envisages regular assessment of FP preparation and monitoring progress reports for each country. AI The Commission considers that although there are differences between partners, in terms of proximity, prosperity and poverty elimination factors, all neighboring countries has many common interests. At the same time, the United States does not rule out membership, even though it does not promise membership in neighboring countries.

Naturally, FPs are the ultimate instrument of the AQS. They are agreed on bilateral basis with each partner country and are established on the basis of PAP and Association Agreements of existing agreements. FPs covering the five-year period are based on general principles and on all Partner countries In general, the FPs are composed of the following sections: political dialogue and reform, socio-economic reform and development; trade, market and regulatory reform; cooperation on justice, freedom and security issues; cooperation in transportation, energy, information society, environment, science and research; societies, education, health, and cultural co-operation. The ENP is established both at the

national level and at the EU level, as well as the relevant institutional performance and monitoring mechanisms. These mechanisms incorporate a network of sub-committee meetings at least once a year, at experts level (partner countries and Commission officials). [49]

In addition to the monitoring conducted jointly by the EU and partner countries, the European Commission is preparing a report on the ENP implementation every year and submitting it to the Council of Europe. A number of financial and technical support mechanisms have been set up by the EU for the purpose of implementing the ENP. In the period 2007-2013, 12 billion euros of financial aid to the ENP countries are planned to be financed. Based on our general estimates, they receive financial support of 0.3% of GDP. The TACIS program, the main financial instrument of the PES, as well as the MEDA program in the Middle East and the Mediterranean, and other thematic plans have been operational in connection with the launch of the ENP and since 2007, the ENP has begun to apply. The main goals of the ENP are: Increase the efforts made for the sustainable development of the common economic system; improving the business environment and modernizing the public sector, reforming tax and customs legislation; ensuring transparency in oil revenue and privatization, Accelerating the accession process to the World Trade Organization.

The SC has created excellent conditions for the closure of the Association Agreements with the EU and the Eastern Partnership with neighboring neighbors in the field of Mutual Trade Agreements, and has contributed to the mutual and comprehensive ATZ activity in this area. Thus, the Association Agreement to be concluded in the future will either create a large and comprehensive ATZ, or a minimum, it will set the goal of establishing such an ATZ during its preparation. However, it is necessary to complete the process of WTO accession for the start of negotiations on the Free Trade Agreement between Azerbaijan and the EU. Within the framework of the Eastern Partnership initiative, it is planned to provide

financial support to the Republic of Azerbaijan from 400 million euros to 600 million euros.

Within the framework of the Eastern Partnership initiative, the following processes are planned to be implemented: signing of a separate cooperation agreement with each country included in the program, establishment of ATZ, easing visa regime between partner countries and the European Union, the comprehensive economic and political development in partner countries provision. [12]

The following initiatives, which are a part of the Eastern Partnership Initiative's multilateral cooperation agenda, provide additional incentives and benefits to the Eastern Partnership: 1) Integrated Border Management; 2) Small and Medium Business; 4) Multifarious development of energy resources 5) Prevention of disasters and natural phenomena created by natural or man-made phenomena, development of preparatory measures for them 6) Management in the field of environmental protection.

The 12th meeting of the EU-Azerbaijan Cooperation Council was held on November 25, 2011. The Azerbaijani Foreign Minister Elmar Mammadyarov and Foreign Minister Elmar Mammadyarov, EU Secretary General Nikolay Dovgilevich, Foreign Minister of the European Union European Commissioner for Neighborhood Policy, Stefan Fule.

European Union representatives met on February 29, 2016, the vice-president of the European Commission for External Processes and Security Policy, Federica Mogherini, and the President of the Republic of Azerbaijan, Mr. Ilham Aliyev. [13]

The head of our country said that the arrival of the Vice President of the European Commission to Azerbaijan gave us the most favorable opportunity to

expand the most important relations and cooperation between the European Union and the Republic of Azerbaijan.

At the moment, the country's president has announced the cooperation with the Republic of Azerbaijan and the European Union at a crucial stage and stressed the importance of planning future stages of the relations. Speaking about the importance of the European Union President Donald Tusk's visit to Azerbaijan last year, the president spoke about the importance of discussing the future development of our relations with the ENP enlargement commissioner Johannes Hanla.

Despite the similarities of the European Union's Enlargement Policy (EAPC) and the European Neighborhood Policy (ENP), there are different features. The results of these studies have been studied by individual researchers and have been adopted by the European Commission. From these studies, it is concluded that the AIGS is a collaborative effort between countries that have EU priorities. The ENP is currently considered a policy with countries with no priorities for membership in the European Union, but with some countries in which certain partnerships are economically and politically. Along with the distinctive features of these two policies, there are also similarities. Both policies play a crucial role in maintaining peace and stability in Europe, together with the struggle against security, natural and supernatural events, and the establishment of stability among European countries and mark the similarity of coexistence. The European region has the most important place in the world where peace and stability are established [1].

Also, these two policies, ie the AIGS and the ENP, have been prepared in such areas as transport, energy, environmental protection, internal market, climate change, foreign markets, security measures needed to achieve economic and political development among European countries helping the European Union to implement its activities and thus promoting the reform of the EU Treaties

concluded up to 2020. In the context of globalization, in the development of measures to overcome the economic crisis among the countries of the world, the creation of new jobs and the improvement of healthy competitiveness, The integration of the ENP and the member-states of the AIGS is crucial. With the signing of the Lisbon Treaty between the EU Member States, It is enough to say that by signing the Lisbon Treaty, the establishment of the EU High Representative for Foreign Affairs is not only for the members of the ENP and the AIG, but also of the 27 countries of the EU, is of great importance for the management of foreign policy. [15]

The EU is constantly improving the ENP. The most important achievements achieved so far are the harmonization of national legislation with EU standards in many partner countries and the regular development of trade relations between the EU and those listed below. However, the EU is convinced that democracy, rule of law, and human rights achievements are not adequate. Unresolved conflicts (Israel, Palestine, Transnistria, Nagorno-Karabakh, Abkhazia, South Ossetia and Western Saxara) are the most pressing problems for EU neighbors and these countries need EU assistance to resolve these conflicts. The implementation of the ENP is a key to determining the mechanisms to be implemented in the future. It should be noted that both EU member states and partner countries want the establishment of high-level political cooperation and deep-rooted economic integration.

CHAPTER III.

3. PROSPECTS AND WAYS OF ECONOMIC COOPERATION OF AZERBAIJAN WITH THE COUNTRIES OF THE EUROPEAN UNION

3.1. Analyzing and evaluating the current state of Azerbaijan's economic cooperation with the European Union

Minister of Economy, Chairman of the State Commission for Cooperation with the European Union Shahin Mustafayev met with European Commissioner for Economic Affairs and Human Resources Gunther Oettinger.

Minister Shahin Mustafayev underlined that the cooperation between Azerbaijan and the European Union is successfully continued, the President of the Republic of Azerbaijan has visited 7 EU countries in the last 10 years and heads of some EU structures visit the country. The Partnership and Cooperation, Visa and Readmission Agreements, the Action Plan on the European Neighborhood Policy and the Eastern Partnership Initiative have been signed between Azerbaijan and the European Union. Mutual visits, meetings and signed documents are important for the development of relations.

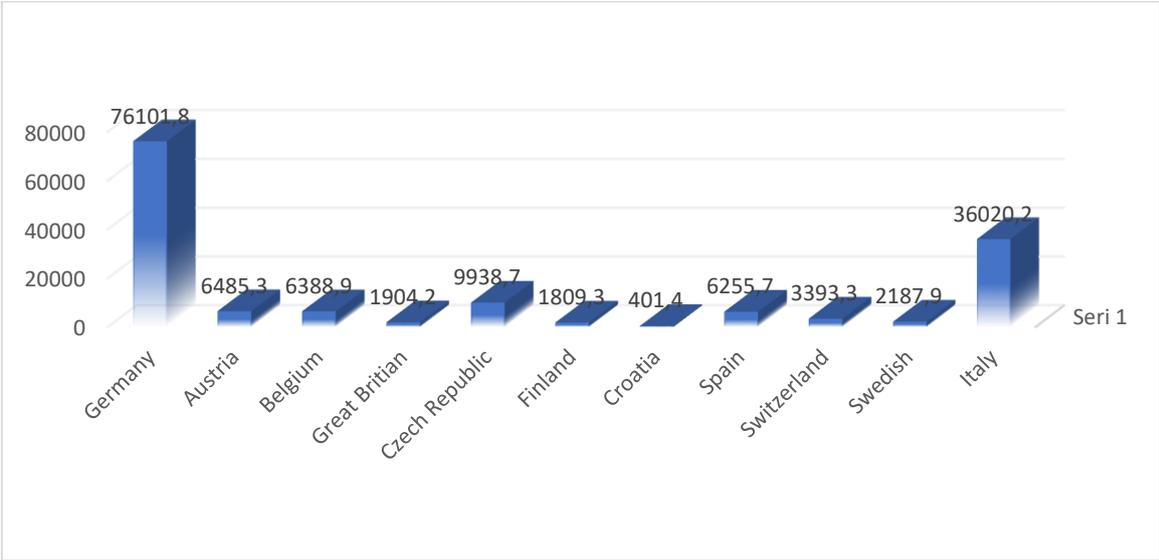
Table 1. Foreign Trade Indicators of the Republic of Azerbaijan in 2018 (million US dollars)

	Foreign trade turnover	Import	Export	Trade balance
Total				
Statistics information	31755,9	11465,0	20290,9	8825,9
Customs information	30923,6	11465,0	19458,6	7993,6
January	1728,5	689,8	1038,7	348,9
February	1935,2	762,8	1172,4	409,6
March	1883,7	739,1	1144,6	405,5
April	3131,3	834,6	2296,7	1462,1
May	2547,3	829,1	1718,2	889,1
June	2096,7	805,0	1291,7	486,7
July	3202,9	1117,0	2085,9	968,9
August	3217,8	1086,4	2131,4	1045,0
September	2436,4	1041,6	1394,8	353,2
October	3043,7	1347,5	1696,2	348,7
November	2990,6	1042,7	1947,9	905,2
December	2709,5	1169,4	1540,1	370,7

Source: <https://www.stat.gov.az/source/myxs/>

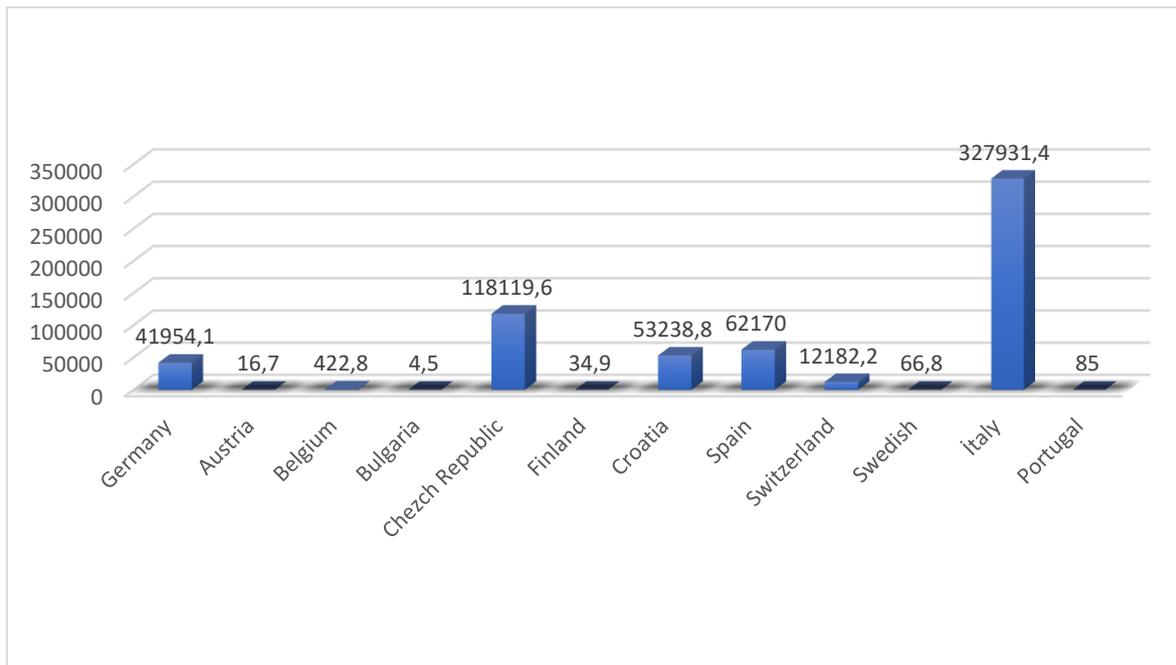
The Minister of Economy underlined that the European Union is the main foreign trade partner of Azerbaijan. In 2017, the European Union's share in Azerbaijan's foreign trade amounted to 42%, and 42% in the fourth quarter of 2018. In 2012-2017, the European Union sent \$ 15.3 billion to Azerbaijan. This is 38.2% of investments in the economy of Azerbaijan. There are more than 1,500 European Union companies in Azerbaijan. Strategic Partnership Declaration with 9 EU member states, Elimination of Double Taxation with 24 Member States, Agreement on Investment Promotion and Mutual Protection with 17 Member States. Three business forums were held between Azerbaijan and the European Union, and in a few days, the 4th business forum will be held. [48]

Graphic 1. Monthly indices on import with EU, thousand US dollars, December, 2018



Source: <https://www.stat.gov.az/source/myxs/>

Graphic 2. Monthly indices on export with EU, thousand US dollars, December, 2018



Source: <https://www.stat.gov.az/source/myxs/>

Azerbaijan plays an important role in ensuring Europe's energy security, and our country cooperates with the European Union on the Baku-Tbilisi-Ceyhan project. Noting the opening of the Southern Gas Corridor, Shahin Mustafayev noted that the project is a good example of energy cooperation. The TANAP project will be put into operation soon. Work on the TAP project is continuing.

Azerbaijan also cooperates with the European Union within the framework of Twinning, TAIEX, Budget Support Instruments and, within these instruments, Azerbaijan has already invested \$ 595 million. euro. Twinning project has successfully completed, 10 projects are underway, and one project is being prepared.

Minister Shahin Mustafayev noted that the development of the non-oil sector is one of the priorities of the Azerbaijani economy and some reforms have been made in this area and positive results have been achieved. Numerous measures have been taken to further improve the business environment, support entrepreneurship, export and investment, and simplify the licensing system, and the Small and Medium Entrepreneurship Development Agency has been

established. Significant work has been done in the field of transport and transit, the Baku-Tbilisi-Kars railway and the Baku International Sea Trade Port have been put into operation. The visa regime was simplified and the number of tourists coming to the country increased. Noting the importance of the European Union's support program, Minister Shahin Mustafayev expressed his views on expanding relations with the EU. [50]

European Commissioner for Economic Affairs and Human Resources Gunther Ottinger noted that the EU-Azerbaijan relations were based on mutual trust, the results achieved by Azerbaijan were praiseworthy and assured that the reforms would be successful and lasting. Noting that the energy sector is one of the key directions of the EU-Azerbaijan cooperation, Günter Ottinger underlined the importance of TANAP and TAP projects in this regard. Azerbaijan has good potential for wind, solar and bioenergy production. Gunter Oettinger said that Azerbaijan-EU business forum to be held in Baku a few days later would be important for the development of cooperation between business circles and the EU's efforts to develop relations.

Azerbaijan attaches great importance to multilateral cooperation and partnership with the European Union. In 2004, the Council of Europe also included Azerbaijan in the European Neighborhood Policy Concept, which forms political, economic and security relations between 16 neighboring countries in eastern and southern Europe. In 2009, the European Union Eastern Partnership Initiative was launched to strengthen bilateral cooperation with Azerbaijan, Georgia, Armenia, Ukraine, Belarus and Moldova and to continue multilateral cooperation within the European Neighborhood Policy.

As the European Union is an important trade partner of Azerbaijan, official Baku attaches great importance to the further development of economic relations with it.

As oil and gas are the most exported products in Azerbaijan, the country's trade with the EU is also dependent on world oil prices. For example, the sharp decline in global oil prices since mid-2014 has dropped by 6.17 billion in 2016, when trade between the two sides was \$ 13.89 billion in 2014. The low level of oil prices kept him in constant trade volume between Azerbaijan and the European Union.

On the other hand, for more than a decade since its inception, the European Neighborhood Policy has similar problems to Azerbaijan as it has with other neighbors. Azerbaijan can not afford the prospective membership fee for the European Union, and can not achieve democratic reform goals. The European Union must play an active role in resolving conflicts in its relations with the country at least in its own energy security. Azerbaijan wants and expects the EU to play a neutral role in the Nagorno-Karabakh conflict within the Neighborhood Policy rather than to develop bilateral relations. Today, 20 percent of Azerbaijani lands are occupied by Armenia. This fact creates a major obstacle to the Alliance's economic cooperation and investment.

In addition, Azerbaijan-EU relations are very important for Turkey. Turkey and Azerbaijan call each other "one nation, two states". Therefore, Azerbaijan's relations with the European Union will directly affect Turkey-EU relations.

3.2.Azerbaijan - European Union: Evaluation of prospects of development of mutual economic integration interests

Azerbaijan's bilateral foreign economic relations with the EU as a whole and with its member countries began after the independence of our republic and developed dynamically during this period. Since then, Azerbaijan's trade relations with European countries have begun to develop more intensively, its sustainable development tendencies and trends formed.

Azerbaijan has embarked on a balanced development course in its trade-economic relations with the EU, such as the EU, and it is continuing today. The particular place of economic cooperation with the EU countries is that it has become the most important trading partner of the republic in a short period of time, and all these have created a real basis for further intensification and deepening of bilateral trade-economic cooperation in all spheres in the near future.

At the same time, the analysis provided grounds to note the following as the main EU interests in expanding cooperation with Azerbaijan:

- The geo-economic and geopolitical interests of the European Union countries on the Caucasus and Caspian coastal regions;
- The role of Azerbaijan's energy resources in the energy needs of Europe;
- The need for European Union countries to have highly specialized modern technology and technology for the development of Azerbaijan's economy and export of high quality products to the world markets and the availability of favorable conditions for bringing them to our country.
- Enhancing economic and political relations with neighboring countries, further enhancement of trade and modernization necessitates cooperation in solving regional and international problems.

The main interests of the European Union countries are to establish a developed, modernized economy with neighboring countries, expand healthy trade relations, maintain democratic reputation of the countries, and establish joint contacts in eliminating international and regional problems.

By developing closer co-operation with the EU, Azerbaijan can achieve the following specific objectives [17].

- To significantly expand the foreign trade turnover, especially the volume of exports, to achieve its high growth rate and to optimize the structure of export and import operations and diversify;

- Expansion of foreign capital investment in the economy of the Republic, especially direct foreign investment flows;
- To achieve maximum support and assistance from the EU in reforming the country's economy and to ensure the real participation of European companies in this process;
- Ensure international standards in production and labor using the advanced European technology and achieve competitiveness of national commodity producers;
- Competitive, modern economic, technological, ecological, etc. to achieve the creation of export-production complexes meeting the requirements;
- In addition to oil, gas and other raw materials and materials, to ensure uninterrupted production of finished products to European markets;

The role of the EU in the implementation of the major international projects implemented in Azerbaijan TRASECA, the rehabilitation of the BTC, the BTC oil pipeline, the BTC gas pipeline projects, etc. are quite high. [11] European companies are showing a high level of investment in the Azerbaijani economy. At the beginning of 2003, more than \$ 7 billion of foreign direct investment was invested in the economy of the republic, with about 40% falling from the EU countries.

The main reasons for the economic integration of Azerbaijan with the EU and the deepening of this process are the following: the policy of purposeful elimination of barriers to trade flows; stimulation of economic growth on the basis of development of export-oriented production areas; attracting investments from EU countries in order to finance the development of priority sectors of the economy, as they are interested in expanding EU exports to Azerbaijan, interested in investing in manufacturing, manufacturing, processing industries and infrastructure development in the country. [21]

It is also important to emphasize the role of purposeful foreign policy aimed at strengthening economic relations with these countries in expanding cooperation with the EU. The expansion and deepening of cooperation with the EU countries has been defined as a priority direction of foreign economic relations since 1994 and the EU accession was proposed as a strategic task of Azerbaijan. After the Agreement on Cooperation, Partnership and Partnership, Azerbaijan was granted more favorable conditions from the EU, thereby significantly simplifying the mechanism of entering EU markets. In our view, the situation can be assessed in two ways:

1. To reach the strategic alliance of Azerbaijan-European Union relations and to achieve its further expansion;
2. Formation of integration status with real content.

Investigations for the discovery of economic grounds and their systematic assessment of reciprocal relationships have revealed that the real situation is not particularly advantageous. At the same time, it is important to note that, for a country that has a systemic change, it interacts with the EU Integration Unit it would be expedient to consider the current state of economic relations as a more correct approach to evaluating the future.

At the same time, the EU's interest in Azerbaijan is of crucial importance. In other words, the more important the EU is for Azerbaijan, Azerbaijan is so important for that integration bloc. So, Azerbaijan has great hydrocarbon resources and uses these resources to approach the European Union. It can significantly reduce the dependence on the East and Russia. In the context of the national interests of Azerbaijan, it is possible to define the prospects for EU integration, as follows:

- To have the Republic of Azerbaijan accessible to the European Union market and to cooperate closely with these countries and to further develop integration through participating in many EU projects and cooperation;

- Expanding economic, political and commercial ties, improving legislation on economic fields, meeting trade-off interests and expanding ties, regularly increasing non-tariff restrictions for investments and development;

- Increasing the financial assistance for the development of the economy of the Republic of Azerbaijan on the basis agreed upon by the European Union countries to achieve the objectives of the processes in the Action Plan and other co-operation documents identified by the documents signed by the neighboring countries for the implementation of the European Neighborhood Policy;

- developing and expanding cooperation among countries in the development of many mechanisms for the implementation of security measures among EU countries, including neighboring countries;

- to achieve the support of the Union, taking into account consultation with the OSCE in resolving the Nagorno-Karabakh conflict, using the country's importance for the European Union and using its EU-wide rights at a high level;

- To achieve further development of our country by raising the methods and means of EU programs in education, science, culture, environment, engineering and other fields in the Republic of Azerbaijan.

3.3.The importance of relations with Europe in the diversification of Azerbaijan's foreign economic relations

As it is known, democracy and civil society development are one of the main conditions for EU integration into Europe. Accordingly, one of the AQS's priorities is the development of civil society organizations, increasing the role of these organizations in accelerating and accelerating the integration process into Europe. As a result, in February 2006, the National Committee on Azerbaijan's Euro-Integration (AACC) was set up at the initiative of civil society organizations operating in Azerbaijan.

Table 2. Contract, agreement, memorandum and other agreements between Azerbaijan and EU member states

COUNTRY	The number of all agreements	Social-economic field number of agreements
Germany	48	34
Austria	29	21
Czech Republic	6	5
Italy	27	13
Belgium	7	5
Bulgaria	33	23
Great Britian	21	12
Denmark	1	1
Estonia	6	3
Finland	3	2
France	32	17
Croatia	21	14
Luxembourg	3	2
Lithuania	22	12
Hungary	12	9
Netherlands	7	5
Poland	23	12
Romania	42	25
Slovenian	4	1
Slovenia	2	1
Greece	10	8

Thus, the analysis shows that a comprehensive legal and institutional framework for Azerbaijan's cooperation with the EU has been formed.

Continuously developing this base creates favorable conditions for the expansion and deepening of cooperation in different areas. At the same time, the analysis shows that this base is not sufficient for full integration into the European economic space. At the same time, there is a need to further accelerate the harmonization of national legislation with the EU requirements, improve the monitoring of the implementation of the adopted decisions, and further strengthen coordination among institutional bodies.

Under the ENP, appropriate work is being carried out to bring standards, technical regulations and conformity assessment procedures into compliance with EU requirements. The Twin's technical assistance project, which has been implemented with the relevant government agency, has been successfully completed in accordance with the FP agreed upon within the ENP. Draft laws "On technical regulation and conformity assessment", "On accreditation", "On unity of measurements" were prepared.

According to the Decree of the President of the Republic of Azerbaijan No. 218 of April 1, 2005 "On the regulation of the export of food products from the Republic of Azerbaijan to EU countries", the Cabinet of Ministers of the Republic of Azerbaijan "An example of the rules and certificates of issuance of quality certificates in the export of foodstuffs to EU countries" Rules for the Supervision of the Quality of Wine and Wine Products, Fruits and Vegetables Juice Exported from the Republic to the European Union Countries "have been approved. Following the Memorandum of Understanding on the Strategic Partnership Agreement between the EU and Azerbaijan, Azerbaijan has coordinated its work on exporting hydrocarbon resources to Europe and ensuring adequate security, energy sector reform and development of alternative energy.

Thus, the analysis shows that Azerbaijan is committed to its commitments within the ENP, and in general to the objectives of economic integration into Europe. This is not a coincidence. President Ilham Aliyev, the President of the

country, clearly states: "Azerbaijan did not accept advanced world standards and high development goals, as international organizations recommend it. It is simply the way of development chosen by the Azerbaijani state".

Another indicator of the positive image of our country in the international arena is the recent increase in the number of invitations of foreign countries to Azerbaijan's participation in the privatization and investment projects, as well as the number of visits by foreign countries to our country for this purpose.

According to President Ilham Aliyev's instruction at the conference dedicated to the results of the second year of implementation of "State Program on Socio-Economic Development of the regions of the Republic of Azerbaijan in 2009-2013", our main task in trade and investment activity is to ensure access to new markets, investment activities. For this purpose, regular visits to foreign countries, national exhibitions, business forums and meetings are organized.

It should be noted that the Azerbaijan Export and Investment Promotion Foundation (AZPROMO) is implementing a number of measures to promote Azerbaijan's investment climate abroad and promote export promotion abroad. Only in 2014, 196 business forums, exhibitions, conferences and other business events were held in our country with 119 international partners and 77 abroad. Among these events, the V Azerbaijan-Russia Interregional Forum held in Gabala on June 23-24, 2014 should be especially emphasized. About 700 people participated in the event, which was attended by a delegation of 300 people, as well as Azerbaijani officials and business circles led by the Minister of Regional Development of the Russian Federation, 8 round tables covering various topics, 11 documents were signed. In addition to bilateral events, multilateral business forums were held in cooperation with Turkey and Georgia, with the participation of representatives of the Tripartite, Cooperation Council of the Turkic-Speaking States and the representatives of the Black Sea Economic Cooperation Bank member states and business circles.

Representation of AZPROMO in Georgia, US, Germany, Austria, United Arab Emirates, Great Britain and Romania. AZPROMO has already signed a Memorandum of Understanding with 67 foreign partners from 36 countries. Azerbaijan cooperates closely with international organizations, including the United Nations, the European Union, the Organization of Islamic Cooperation, the Commonwealth of Independent States, the Cooperation Council of Turkic-Speaking States and others. One of the main directions of the foreign policy of the Republic of Azerbaijan, defined by the Head of State, is the development of effective and sustainable cooperation with the European Union.

Describing our relations with the European Union in June 2014, President Ilham Aliyev stated that "Azerbaijan wants to be as close to the European Union as possible. It is a strategic issue for us, and these ties have great potential in the future.

The State Commission for Integration into Europe has been established with the aim of further strengthening of relations with the European Union and provision of effective and coordinated work under the President's decree. 6 working groups were set up under the Commission, and an action plan was developed to bring the legislation of Azerbaijan into compliance with the EU legislation. In the past year, our relations with the European Union have been further developed and 4 new cooperation documents have been signed.

I would like to emphasize the Visa Facilitation Agreement, which will provide broad opportunities for mutual visits of citizens during these documents. At present, the European Union and the Republic of Azerbaijan are discussing the Strategy for Strategic Partnership, and Twinning, Tecex, Sigma budget support projects are being implemented in the country.

One of the organizations actively cooperating with Azerbaijan is the Commonwealth of Independent States. Speaking at a meeting of the CIS Council of Heads of State in October last year, President Ilham Aliyev said: "Today, we

are combining economic and political interests and cooperation within the CIS is one of the main priorities of foreign policy for Azerbaijan. Our position in the CIS integration processes is to strengthen cooperation, to develop bilateral and multilateral relations and good neighborly relations. " CIS countries are our main partners in non-oil export. 42% of the country's non-food exports fall to these countries. Free trade agreements with all CIS member states were signed except Armenia.

Necessary work is currently under way to create an appropriate infrastructure, logistics centers, expand export to these markets, implement the CIS Economic Development Strategy until 2020, and create permanent exhibition of Azerbaijan at the All-Russian Exhibition Center.

One of the most important institutions for multilateral formats of international relations is the Cooperation Council of Turkic Speaking States. As noted by the President of the Republic of Azerbaijan at the Bodrum Summit in June 2014: "The basis of the unity of the Turkic-speaking states, of course, common roots, common culture, history stands, and today we are creating good cooperation on this solid foundation."

Up to 2600 enterprises have been created in Azerbaijan thanks to the investments of member states of the Cooperation Council of Turkic Speaking States. This is 37% of foreign investment companies operating in the country. At the same time, these states are the second largest foreign investor in Azerbaijan's non-oil sector.

Within the framework of the Organization, a number of cooperation documents and the Bodrum Summit are being debated in the direction of the establishment of the Joint Investment Fund in accordance with the proposal proposed by the President of the Republic of Azerbaijan.

At the same time, bilateral and multilateral negotiations are under way within the framework of our country's accession to the World Trade Organization. Our main goal in the negotiation process is to be a member of the organization in the long term with the protection of the domestic market, the maximum level of national producers 'and consumers' interests. At the same time, our cooperation with the Middle East, Asia and America is expanding, and the development of economic relations with these regions is always in the spotlight.

Broad popularization of our country's economic successes is one of the important directions of Azerbaijan's foreign policy. For this purpose, the achievements gained in the socio-economic development, the favorable business environment created, and the investment opportunities will be widespread. At the same time, efforts are being made to promote Azerbaijan's transit and tourism opportunities.

Promotion of TAP, TANAP, Baku-Tbilisi-Kars railway projects, North-South, East-West highways, new airports, and a vast tourism infrastructure will make a positive contribution to the benefit of foreign partners from the growing transit and tourism opportunities of Azerbaijan.

The development of foreign trade relations of Azerbaijan is one of the most important issues. Thus, necessary measures are being taken to expand the export of domestic products to foreign markets, including non-traditional markets. In accordance with the instructions of the Head of State in this direction, work is under way to establish logistic centers in the countries with potential export potential. The logistics center has already begun in Aktau, Kazakhstan.

Establishment of Azerbaijani businessmen associations in relevant countries is a key issue in the expansion of our economic ties to gather and coordinate the activities of Azerbaijani businessmen working in foreign countries. Such associations are already operating in a number of countries and the work in this area is underway. Maintaining macroeconomic stability, continuation of

diversification of economy, further improvement of business and investment environment, acceleration of integration into the world economic system, expansion of cooperation with foreign economic relations and international organizations, development of bilateral relations with foreign countries will serve to further strengthen Azerbaijan's sovereignty. will increase.

CONCLUSION

The analysis shows that the Republic of Azerbaijan and the EU have quite a number of common interests in terms of economic integration, and these interests require the development and deepening of economic cooperation between the parties.

These factors can be grouped as follows:

- The need to develop regional and international co-operation in ensuring sustainable socio-economic development in the country;
- Azerbaijan is located on the same continents as the EU, and in this connection its geopolitical and geo-economic position is directly related to the European political and economic space;
- Intensive expansion of the EU's scope and influence, the EU's focus on one of the major centers of economic and political power in the world;
- Azerbaijan has extensive export potential which is important for EU countries;
- Necessity of Azerbaijan to acquire high tech and technology from EU countries for the development of the national economy;
- Necessity of mastering of progressive farming and management practice applied in EU countries by Azerbaijan;

- There is a high demand for large-scale foreign investment in the modernization and development of existing production and infrastructure areas in the country, as well as the creation of new areas;
- The EU's strategic geopolitical and geo-economic interests in the Caucasus and the Caspian region;
- Availability of favorable conditions in the country for the high quality products produced in EU countries, as well as increasing demand for the modern technological and technical equipment in the Azerbaijani market and their implementation.

As seen, Azerbaijan's economic integration interests with Europe are conditioned by factors such as the geopolitical and geo-economic position of the country, historical traditions and features of socioeconomic development. Through Azerbaijan's integration into AIM, on the one hand, to meet the needs of the population more efficiently, to form an efficient structure of the economy, to acquire modern techniques and technologies, to adopt advanced farming and management experience, etc. to solve such internal socio-economic problems more easily, and, on the other hand, to extend the borders of the economic space it has, to realize its advantages in its regional and international division of labor, to secure a more secure economic and national security.

The decision of the EU Council on 14 June 2004 on inclusion of the Republic of Azerbaijan into the European Neighborhood Policy (ENP) was an important step forward in bilateral cooperation. The United States, which promises a higher level of political and economic integration in its relations with the EU, has become a new milestone in terms of its future development for its member countries.

Naturally, as well as a country rich in oil and gas resources, Azerbaijan is also interested in developing energy cooperation with the EU. The deepening of

cooperation in this field also requires the EU's increasing demand for these resources, which implies the Union's special approach to Azerbaijan in the South Caucasus policy. This feature, in its turn, extends the opportunities for Azerbaijan to contribute to ensuring European energy security. Therefore, the Memorandum on energy signed in the EU's official position has raised the energy supply capabilities and the development of energy infrastructure as a factor in the common energy policy.

According to the analysis carried out in the deregulation case, the main factors that make the Azerbaijan's integration into the EU stronger and which are important for both parties can be summarized as follows:

- existence of interconnected and developing mutual interests;
- Creating and continuously improving the legal framework and institutional mechanisms of adolescence;
- Increasing the benefit from the continual economic cooperation for both sides;
- wide opportunities for import and export, which are of mutual importance in both directions;
- A favorable investment climate in Azerbaijan that stimulates capital flows from EU countries;
- The role of our country in this field through the implementation of the TRACECA program as a transit country in the trade-economic relations of the EU with Asia;
- Transformation of Azerbaijan into the EU's most important partner in the Caucasus and Central Asia;

We believe that the implementation of relevant measures in these areas will contribute to the comprehensive expansion and deepening of economic cooperation between Azerbaijan and the EU in the near future, as well as to enhance the effectiveness of our country's integration into the EU.

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