

Liberalization of trade between the European Union and Eastern Partnership member states

Summary

In the doctoral thesis, the effects of trade liberalization between the EU and each Eastern Partnership (EaP) member state have been analyzed. The criteria for the selection of the countries for the research sample were the affiliation of countries to the EaP program and taking real steps towards trade liberalization with the EU, understood as the accession to the WTO and afterwards the creation of free trade area with EU (DCFTA). Due to the above, the analysis of the effects of liberalization was carried out in the long and short periods. The time range of the research covers the period from the accession of each of these countries to the WTO till 2016.

The analysis of the effects of trade liberalization is based on the theory presented in the first two chapters of the thesis. In particular, the first chapter explains the definition of trade liberalization and shows barriers which occur in the contemporary international exchange. Second chapter explains the idea of a free trade area a basic integration unit. In the third chapter, individual elements of trade policy of the EU towards EaP countries are shown, in particular the liberalization of trade with these countries.

In the next chapter the evolution of statistical data on trade between individual EaP countries and EU is presented. This allows to analyze the impact of liberalization on trade. The short-term analysis concerned the effects of establishing DCFTA between the EU and Georgia, Ukraine and Moldova. In this approach, Georgia achieved the biggest positive effects, because the net effect of trade creation and trade diversion was positive. Compared to countries that chose to integrate with the Eurasian Economic Union, the states that set up the DCFTA have shown better economic results.

Long-term effects were measured through indexes of openness of the economy, intra-industry trade, regional orientation, comparative advantage, similarity of export and complementarity of trade. Thesis presents the impact of liberalization stages on each of indexes. None of the EaP countries achieved such results where all the above-mentioned indexes have been improved. In case of Moldova, the best results have been noticed.

In the final part of the dissertation there have been made some attempts to assess the impact of particular non-economic factors, such as military activities, the shadow economy, corruption and adaptation of legislation on the effects of trade liberalization. The author has managed to prove that trade preferences received from the EU allowed to partly compensate the losses in trade incurred by Ukraine due to the loss of control over part of the Eastern territories, Crimea and Russia's trade policy. However, further liberalization of trade is

possible only as a result of changes in the legislation and adaptation of the economies of the EaP countries to EU standards, i.e. the elimination of non-tariff barriers.

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