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Economic integration in the Commonwealth of  
Independent States. Perspectives, Problems, Solutions.

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## **Abstract**

It has been 17 years since the Soviet Union broke up and its constituent countries gained their independence. In the beginning years the sovereignty was considered an indisputable priority, resulting in economic matters being put off. However, in the light of slow economic development in the area, it seemed to be imperative for these countries to pursue economic integration.

Backed up by political will, several attempts had been made to establish various integration groupings, one of them being the Commonwealth of Independent States. The established organisation's main aim was to assist countries in preserving the connecting links inherited from the former Soviet Union. Some of the countries in the region managed to achieve relatively high growth rates mainly due to their individual efforts. Unfortunately, so far, none out of a number of proposed integration projects has proven to be an effective and binding tool in the political and economic development of the region.

This thesis aims to identify problems standing in the way of economic integration of the Commonwealth of Independent States. As of now, a free trade area – the initial form of economic integration – has not been established. Although trade ties between the member states function, the main export destination of these states is outside the Commonwealth. It is recommended that the initial steps in setting up a free trade area in this territory should begin with developing integration within regional associations, due to smaller numbers of participants and their common interests.

Without trying to fathom the mysteries of the universe,  
visible and invisible, without seeking an explanation for everything,  
one can never be what one should be – a human being.

**Abay Qunanbayuli – Book of Words**

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## **Glossary**

APEC:	Asia-Pacific Economic Cooperation
CES:	Common Economic Space
CIS :	Commonwealth of Independent States
EU:	European Union
EurAsEC:	Eurasian Economic Community
GATT:	General Agreement on Tariffs and Trade
GDP:	Gross Domestic Product
GUAM:	Georgia Ukraine Azerbaijan Moldova
NAFTA:	North American Free Trade Agreement
NATO:	North Atlantic Treaty Organisation
UN:	United Nations
USA:	United States of America
USSR :	Union of Soviet Socialist Republics
WTO:	World Trade Organisation