



International Economic Cooperation Between Russia and the Countries of the European Union

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ABSTRACT

The relationship between Russia and Germany, which is one of the economic leaders of the European Union, is considered in the context of historical and modern European cooperation.

Keywords:

German-Russian partnership, strategic alliance, pro-American orientation of the German and Russian elites, German investments.

Russian-European cooperation has a long and rich history. The European policy of pre-revolutionary Russia was to maintain an acceptable balance of power on the continent and to attract the intellectual, technological and financial resources of the advanced countries for the modernization of the country. Without pre-revolutionary Russia it is impossible to imagine the international economic relations of the 19th-beginning of the 20th centuries, as well as the rapid development of capitalism in Russia without European capital investments.

After the October Revolution of 1917, Soviet Russia dissociated itself from the rest of Europe politically, economically and ideologically. With the hope of a proletarian revolution in Germany fading, Russia's main goal in the European direction became military security and trade exchanges, along with maintaining channels of access to European technologies.

Created in 1941-1945 the anti-Hitler coalition and the Second World War won by joint efforts could not create a lasting alliance based on trust and partnership. Just like the refusal of the Soviet leadership in the late 1980s from hegemony in Eastern Europe and

the dismantling of the socialist camp did not lead (although many, including M.S. Gorbachev, hoped) to the formation of a common European home with the participation of the Soviet Union. Even the collapse of the USSR did not mean that the former Soviet republics (primarily Russia) would become full members of the new Europe. Europe's continuing interest in Russia is explained primarily by internal reasons - the changing face and new quality of Europe itself. A consolidating Europe naturally pays great attention to its immediate environment.[1]

The markets of the European Union are of great importance for Russia. The development of trade and economic cooperation with Russia is facilitated by geographic proximity, complementarity of economies and infrastructures, the existence of a legal framework for interaction, and long-standing business traditions. After the collapse of the Soviet Union, the first places in the foreign trade relations of sovereign Russia began to be occupied by far abroad countries, primarily the EU countries, with which trade is carried out at a faster pace.

Despite the goals, intentions and declarations proclaimed jointly by the EU and Russia, as well as the statements of the leaders of the EU and the leaders of the leading EU member states about their strategy to establish an equal economic partnership with our country, the actual practice of these relations testifies to the opposite.

1. The EU common market remains closed to a certain extent for Russian goods, and the strategy of non-preferential treatment of them, on the one hand, and preference for industrial goods for the countries of Eastern Europe, on the other, practically nullify any bilateral agreements between the EU and Russia, in including the EU-Russia Partnership and Cooperation Agreement and the Interim Agreement.

2. The long practice of Russia's economic cooperation with the EU countries in the field of trade in products of high-tech industries shows a high degree of restraint, limitation, and sometimes even outright pressure on the relevant organizations in Russia.

3. You can't call it anything other than a targeted policy of destabilization of the Russian economy by the EU in the field of Russia's foreign economic and trade activities with the countries of Eastern Europe. This is explained not only by the fact that the European Union categorically forbids the Eastern European countries that joined in May 2004 to maintain the customs and trade regime with Russia that has been developing for decades, but also issues an ultimatum to our country. If Russia tightens its terms of trade with the countries of Eastern Europe, the leadership of the European Union will take adequate economic measures against it. Of course, the markets of Eastern Europe in the recent past were of paramount importance for Russian industry as an export area.[2]

Russia seeks to maintain active business (primarily foreign trade) relations with all EU countries. A united Germany occupies a special place among them. Traditionally, Germany remains our largest (or one of the largest) economic partner. It plays a very active role in the processes of European integration. As a

result of the reunification of Germany, its place in Europe and in the world has changed radically, and consequently, its relations with other countries, including partners in the European Union. In connection with the development of European integration and market reforms.

The spectrum of German-Russian cooperation is wide. Germany continues to be Russia's largest trade and economic partner. The share of the FRG in our country's foreign trade is 14%, although Russia's share in Germany's foreign trade is only 1.8%. Russia mainly exports raw materials and energy resources. It remains Germany's largest gas supplier, providing 30% of German gas imports and 20% of oil imports.[3] Germany, on the other hand, exports cars and finished products to Russia.

As part of the trade dialogue, Germany and Russia are fruitfully cooperating in the following areas:

- modernization of Russia's fuel and energy sector, which in the future will strengthen the energy security of the whole of Europe;
- joint creation of aviation and space technology, means of transport, communications and telecommunications;
- cooperation in the field of high technologies, including nuclear physics, molecular biology, etc. Joint scientific research is carried out on 33 fundamental projects.

A feature of the current stage of Russian-German cooperation is that it is carried out in the conditions of the formation of a single European market and its liberalization carried out by the EU countries, with the growing need of member countries for additional volumes of energy resources, which Russia is rich in. There are new forms of contractual arrangements, new ways of implementing large gas production and gas supply projects, which contribute to cooperation and the creation of strategic alliances between companies. Despite the relatively favorable trade and political regime, there are also obstacles on the way of Russian goods to the German market in the form of anti-dumping procedures, quantitative restrictions on individual goods (rolled steel,

aluminum, agricultural products), restrictions on the exchange of high-tech products and services. On the other hand, trade and political realities in Russia have a negative impact on trade and economic relations with Germany. They manifest themselves in political and economic instability, a decrease in export potential, instability in foreign economic legislation, a high level of crime in business, and the raw material orientation of exports. The expansion of exports of many Russian goods to the German market is hampered by their low quality, limited assortment, lack of high-tech products and design flaws. On the other hand, Russian goods do not meet the strict norms and standards, especially in terms of safety and ecology, adopted in the EU.[4]

Although our countries are potentially strategic allies, the main problem in relations is the pro-American orientation of a significant part of the Russian and German elites, which is weakening, but slowly. As a result, both Russia and Germany are drawn into interaction formats that are unfavorable for them, within which they have to work for the realization of other people's interests.

Pushing the former socialist countries and Soviet republics into the EU has become a very successful geopolitical operation by Washington. Taking advantage of a certain dependence on the United States of a significant part of the European (including German) elite, the United States brought a Trojan horse to the EU. As a result of enlargement, the European Union has become much poorer, if we take the calculation of GDP per capita as a basis. Now he has to subsidize the less developed countries of Eastern Europe, while the pro-American political orientation of these countries not only does not weaken, but also strengthens.

There are questions where Germany takes an anti-Russian position. They concern the state of democracy and human rights in Russia (the Khodorkovsky case), freedom of the media, elections, Abkhazia, South Ossetia and Transnistria. These are traditionally painful background problems of Russian-Western (and not just Russian-German) relations.[5]

Meanwhile, Russia, with its unsaturated market, is undoubtedly of interest to Western companies, including German ones. However, the leaders of German companies consider traditionally problematic working conditions such as bureaucracy, corruption, underdevelopment of infrastructure, a shortage of skilled labor, a lack of start-up capital for small and medium-sized businesses (soft loans), rapid growth in rents and wages, rigid labor legislation, inflexible and visa regime, problems with connection to power grids and communications. At present, the German side expects further steps from the Russian government in the field of reform.

These include:

- debureaucratization of the economy and elimination of administrative barriers that complicate the activities of foreign investors and entrepreneurs;
- fight against corruption;
- strengthening the judiciary;
- simplification of customs clearance;
- stimulation of the financial and credit market;
- reducing the total tax burden on producers;
- improvement of corporate governance;
- financial transparency of Russian business;
- financing of infrastructure and other projects of national importance on the basis of public-private partnership;
- Administrative reform designed to clearly delineate functions, powers and funding between state administration structures and eliminate excessive government intervention in the economy;
- capitalization and reliability of domestic banks;
- protection of intellectual property and shareholders' rights.

One of the main weaknesses of the Russian economy is its focus on natural resources exports. The Russian economy needs diversification, since the mono-economic nature of production creates a lot of risks and limits stable development.[6]

It is obvious that Russia acts as a supplier of energy and raw material for Europe. And one should hardly expect that the current structure of Russian exports will change significantly in the near future. At the same

time, an increase in exports would increase the import of technologies and equipment that are essential for the modernization of our industry, as well as for the development of science-intensive industries, which in the future would increase the share of their products in the structure of Russian exports. For us, cooperation with the EU in the field of modern energy technologies and production of equipment with a promising entry into the markets of third countries is of great importance.

Nevertheless, Germany continues to be one of the most profitable foreign investors for Russia, and the intensification of investment cooperation with which is extremely important.

1. On the quantitative side, German investment can become an additional source of investment.

2. On the qualitative side, the development and strengthening of investment cooperation between countries will make it possible to make the most of their comparative advantages in the international division of labor, given Germany's interest in fuel and energy resources, and Russia's interest in modern engineering products.

3. Direct German investments will contribute to the internationalization of the Russian economy, its active involvement in the emerging European economic space.

In addition to the development of dialogue at the highest level, very favorable political conditions are emerging for deepening the regional level of Russian-German ties. It is important to take into account the increased influence

regional policy on the industry, as well as the specifics of the regions that are included in international and foreign economic relations.[7]

Developing cooperation with Germany, it is necessary first of all to encourage partnership between cities, enterprises, public and youth organizations. In addition, when developing a strategy for investment cooperation, Russia should bet on being oriented towards Europe, on its interest in the closest possible integration with European

structures. However, the desire to attract German investment should not create any preferences or special benefits. It is expedient to work actively in the areas that most affect the interests of European entrepreneurs.[8]

In the future, if the positive trends in our economy continue, the behavior of German investors may become more dynamic. They will be able to fully reveal their potential, which will contribute to the formation of a single European economic space and the full inclusion of Russia in world economic relations and integration processes

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