

# **UE-UKRAINE RELATIONS**

## **Current State and Future Outlook**

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## Summary

The analysis that follows illustrates Ukraine's position in the European Union policy. It endeavours to summarise and evaluate Ukraine-EU relations hitherto and suggest some concrete actions which could have a positive impact on the economic, social and political transformation process in Ukraine. Special attention is given to the new EU initiative, The Eastern Partnership, which is considered the EU's most ambitious offer addressed to its East European neighbours to date. At the same time, many commentators find it insufficient.

The study which follows has been drafted on the basis of the following hypotheses:

- The EU has shown interest in the Ukrainian affairs mostly when it noticed problems in Ukraine which could potentially threaten interests of the EU as a whole or its individual member states. It has not been the priority of the EU to include Ukraine in its sphere of influence.
- The most convenient time for development of EU-Ukraine cooperation immediately followed the Orange Revolution. But the political elites in Ukraine failed to seize the opportunity, while the EU quickly returned to its earlier "Russia first" policy.
- The attitude of the incumbent government in Kiev to the opposition makes the strategic political dialogue with the EU difficult.
- Having chosen not to advance its cooperation with Kiev, Brussels leaves Ukraine as a sphere of influence for other international actors active in the region – primarily Russia.
- Observation of current trends in Ukraine does not allow for ruling out of negative scenarios, which may lead to a serious political crisis, potentially destabilising the whole region.
- Despite its drawbacks, the Eastern Partnership programme stands a chance of improving EU-Ukraine relations, and working out mechanisms which could be conducive to greater involvement than before of Ukraine in the EU sphere of influence, as well as in EU regulations.

## **Introduction**

The aim of policy is to change reality from what is defined as unfavourable to what a given decision making centre claims to be beneficial, if not ideal. This assumption, taken from political decision-making textbooks, could make a good basis for an attempt to analyse EU-Ukraine relations. Now seems to be an optimum time for such reflection. Having implemented the Lisbon Treaty, whose goal was the reform and ordering of the internal political and decision-making frameworks in the EU, its individual organs and member states can and should attempt a more active external policy. It would, of course, be difficult to talk about fully ordered internal affairs with the economic crisis and threat of bankruptcy of several euro zone countries. All this continues to occupy the attention of EU decision makers. Yet, the dynamics of the events in the vicinity of the EU do not leave any more time for delaying action. Examples of the new social movements (and conflicts that they caused in North Africa) have clearly demonstrated one thing: the EU is not an island, which can afford merely to observe processes that are taking place in its neighbourhood. The scope of the Eastern Partnership cannot currently be described as equally dynamic. But it does not, therefore, mean passivity and unwillingness to foresee the events in the East will protect us against crises.

One can assume, with high probability, that it is precisely in Ukraine where particularly dynamic social and political processes will take place. From the point of view of the EU, these processes may have either extremely negative—and dangerous—effects, which could lead to a crisis within the EU; or positive effects, whose final (though distant) manifestation could be Ukraine's membership in the EU as a strengthening and stabilising element.

Either way: realisation of the positive scenarios or evasion of threats that Ukraine poses to the EU, will require an active EU policy towards one of its biggest neighbours.

### **1. Historical background of European Union-Ukraine relations**

For the first few years of Ukraine's independence, in accordance with EU member states' interests, the main priority was to react to the potential threats caused by the destabilisation of the internal situation in Ukraine. The foreground of the security domain was long occupied by the problem of former Soviet nuclear weapons in Ukraine (solved only in 1994 under Kiev's agreements with Moscow and Washington). The conflict around the status of Crimea and the attitudes of its Russian minority was also causing anxiety. In the West, special attention was given to: the question of foreseeability of the supply of energy resources transported through Ukraine; and the possibility of partial modelling of the transformation processes, especially in the financial and heavy industry sectors. For many years these priorities were also satisfactory for Kiev which, under Leonid Kuchma's government, adopted the strategy of keeping itself equidistant from both Brussels and Moscow. By maintaining its dialogue and cooperation with the EU, Ukraine was able to use a part of the Technical Assistance for the Commonwealth of Independent States (TACIS) funds assigned to support the former USSR area. Unlike its neighbour, Belarus, it was a fully recognised actor on the international stage.

In those circumstances, establishing stable relations (surrounded by basic implementation documents and procedures), took the EU and Ukraine eight years. The Agreement on Partnership and Cooperation between Ukraine and the EU, which opened the way to establishing much closer cooperation, was implemented only on March 1<sup>st</sup>, 1998.

However, it was still too early to talk about a particularly keen relationship, which could bond Ukraine to the pro-Western political vector.

The turning point came only with the Orange Revolution, a rebellion of Ukrainian society against the fraudulent second round of the 2004 presidential election. It was a moment of unique acceleration in the history of Ukraine and in its position in the international arena. The new government—assembled around President Viktor Yushchenko—received substantive support from the EU (which in the early stages of the crisis was reluctant to take any clear position). The mutual relations gained more dynamics and were intensified. New forms of cooperation were suggested, e.g. expert support in the legislation and democratisation processes, and increase of funds from the European Investment Bank for projects in Ukraine to €250 million. That was almost half of the amount assigned to the financial support of the whole Commonwealth of the Independent States (CIS henceforth).

Still, Ukraine was missing one important signal in all these actions: EU membership prospects. EU officials did not issue any statement which could be read as opening even the most distant perspective for Ukraine's membership in the European Community. Only the European Parliament, in its resolution of January 13<sup>th</sup>, 2005, called the member states and the Commission to “consider other forms of Ukraine's association with the EU, apart from the possibilities given by the Action Plan and the European Neighbourhood Policy, which would give this country clear European prospects”.<sup>1</sup>

On the other hand, despite the domestic euphoria caused by the Orange Revolution, it did not bring about a qualitative transformation of Ukrainian political elites or advanced economic, political and social reforms. The latter were, for many EU politicians, a condition for granting Ukraine even stronger support. Since they were not effected, the EU had a convenient reason at hand to explain why Ukraine returned to its previous marginal role in EU policy.

Such an attitude and policy resulted in the disappointment of both parties. More sceptical EU officials and European politicians then had another proof that Ukraine is not ready to assume the role of a more serious and strategic partner. In Ukraine, the attitude of Brussels to its attempts at membership prospects was interpreted as one more proof that the West was unwilling to make courageous decisions. What was missing was a more serious reflection on the mistakes of European policy in Kiev. In effect the Ukrainian government returned to the earlier strategy of President Kuchma: multi-polar relations and the search for Ukraine's own unique road to development. This idea became even more popular after Viktor Yanukovich took power, and it still serves as the basis for EU-Ukraine relations.

## **2. Internal conditions of Ukraine's cooperation with the EU**

Ukraine is the key geopolitical element in Central and Eastern Europe. It borders: EU member states (Poland, Slovakia, Hungary, and Romania); Moldova, which is increasingly active in its aspirations for membership; Russia, which pretends to play the role of a hegemon, not least in the region; and unpredictable Belarus, which is ruled by Europe's last dictator. Ukrainian democratic standards, though not free from ailments and not always fully respected (more below), are of an incomparably higher level, not only in comparison with Belarus but also with the “sovereign democracy” in Russia. It is worth noting that, unlike in Russia, during election time in Ukraine it is unclear who the winner will be before the results are

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<sup>1</sup> K. Pełczyńska-Nałęcz, „The ENP in Practice - the European Union's Policy towards Russia, Ukraine, Belarus and Moldova One Year after the Publication of the Strategy Paper”, Warsaw 2005, p. 35.

announced. In case of election in Moscow the only uncertain variable is the scale of support for the candidate of the ruling camp. Fighting for every single vote and uncertainty of victory has been a *stable* characteristic of the Ukrainian political system. This is worth highlighting because, in this region, it is a litmus test of the advancement of the democratisation process and an indicator of position between the European and post-Soviet political cultures. At the same time, however, there are a number of factors working against Ukraine, which to a large extent make its cooperation with the EU institutions difficult. Ukraine's internal political situation and its economic condition are the most important among them.

#### **a) The political situation in Ukraine, and EU reaction to it**

Pro-European aspirations of Ukraine are not helped by its internal situation. Permanent political crises, lack of deep structural reforms in the economy, and disappointment of the Ukrainian society with its political class all account for the reluctance of many European politicians to the accession plans of Kiev.

General social disappointment with the political elite is strongly linked with the pro-European attitude of the society. Many Ukrainians think that membership in the EU would enforce political changes, thus limiting the wilfulness of the ruling class. This could argue for a more courageous EU policy towards Ukraine. However, a downward trend in the pro-European attitudes of Ukrainian society should be noted. Whereas in 2002 support for integration into the EU was at 65%, with 12.9% against), the research published in 2010 showed that 53% were for integration and 25% were against.<sup>2</sup> This trend will not stop without a more positive programme from the EU side. The currently negotiated association treaty may be one of the last few chances to reverse it. Membership prospects, even if contingent on the most fastidious conditions, and with a long term horizon, would have even greater symbolic meaning. It would undoubtedly account for a mobilising factor, activating the young generation of Ukrainians. It is the transformation of the young generation into autonomous political and social subjects, and their attempts to exert a greater influence on the political, social and economic changes, that will be of fundamental importance for the future fate of the eastern neighbour.

Ten years had to pass from Ukraine becoming an independent country in order for its citizens to start appreciating its value. The Orange Revolution, which crowned the transformation of the Ukrainian society into an autonomous political actor was a turning point in this process. It is true that Ukrainians were divided into supporters and opponents of the new president. Nevertheless, in that situation, having their own country was a desirable value for both groups. According to research conducted by a group of Polish experts at the end of 2005, 80% of Ukrainians were proud of living in their country. In the regions least integrated with Ukrainian culture (in the east of the country) this percentage was 69%.<sup>3</sup>

The 2004 presidential election and all those following, however, revealed a deep divide within Ukraine. The split was largely upheld by the most important political powers as a way to mobilise their electorate. This political play on social moods at times acquired a dangerous degree, and comments about a possible breakdown of the country became a daily routine. Permanent political crisis, constant fights between Viktor Yanukovich's Party of Regions and Julia Tymoschenko's party were causing Ukraine's prestige in the international

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<sup>2</sup> K. Pełczyńska-Nałęcz, "Integration or imitation? EU Policy towards its Eastern Neighbours", OSW Studies No. 36, Warsaw April 2011, p. 24,

[http://www.osw.waw.pl/sites/default/files/PRACE\\_36\\_en.pdf](http://www.osw.waw.pl/sites/default/files/PRACE_36_en.pdf) [22.05.2011].

<sup>3</sup> J. Konieczna, "Ukraine after the 'Orange Revolution': Changes in Social Attitudes and Values", Warsaw 2006, p. 22.

arena to decrease and led to using foreign policy (including Ukraine-EU relations) in internal conflicts. This did not in any way help Ukrainian negotiators in their talks with EU representatives. Moreover, the crisis and continuous fights on the highest levels of political power were lowering the prestige of politicians in the Ukrainian society. In mid-2008, at the peak of the political conflict and, threshold of destabilisation of the internal situation, separatist slogans were expressed in Crimea and Sub-Carpathian Ruthenia. The latter case can be considered as an example of regional political folklore. Voices coming from Crimea, however, were taken very seriously. The ethnic Russians, who account for 67% of Crimea's population, collected one million signatures demanding the extension of the treaty to station the Black Sea Fleet in Crimea. Moscow's 'inspiration' of these actions cannot be ruled out. When the future fate of the Russian bases in Crimea was uncertain, Moscow managed to mobilise a great part of the people.<sup>4</sup>

What is even more worrisome are the steps taken by President Yanukovich and the Mykola Azarov government that he supports. They routinely try to limit the rights of the opposition and monopolise the public realm. Particularly controversial are the charges raised against the former Prime Minister Julia Tymoschenko and the former president, Leonid Kuchma, as well as the arresting of the former minister of the interior, Jurij Lyncenko. Last year, EU institutions officially responded to Yanukovich's actions. On 24 November 2010 the European Parliament adopted a resolution calling for respect for democratic freedoms in Ukraine. It should be noted, however, that the adopted format of the resolution was much milder than that which had been proposed by the European People's Party. This should be considered a success of the ruling party in Ukraine, the Party of Regions, which established cooperation with the European socialists (in October 2010 the Socialist and Democratic Group in the European Parliament and the Party of Regions signed a cooperation memorandum<sup>5</sup>). It could thus be concluded that for some European politicians political stability in Ukraine is a fundamental value, worth paying the price of lowering democratic standards. What is also clear is that the European Left seeks cooperation among the ruling parties of non-member states. That is why it was ready to grant its diplomatic support to its new partners, which Yanukovich benefited from. Thus, it can be expected that the European socialists will continue its attempts to appease the EU organs when critical voices against the political system in Ukraine are raised. A more lawful attitude was demonstrated by the Commissioner for Enlargement and European Neighbourhood Policy, Štefan Füle. During his January 2011 visit to Kiev he met with the former PM Julia Tymoschenko and, during talks with the Ukrainian government, he kept stressing that the EU was watching and evaluating the government's actions and their compliance with democratic standards.<sup>6</sup>

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<sup>4</sup> A. Górka, P. Wołowski, W. Konończuk, "Russia takes measures to block Ukraine's integration with NATO", *East Week*, No. 20/2008, <http://www.osw.waw.pl/en/publikacje/eastweek/2008-06-11/russia-takes-measures-to-block-ukraines-integration-nato> [21.05.2011].

<sup>5</sup> Press release downloaded from:

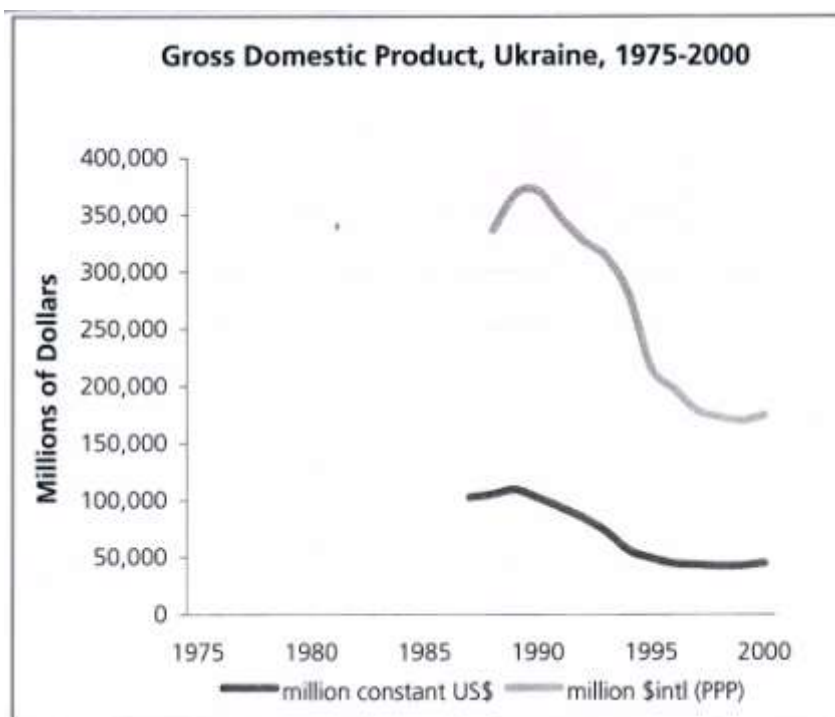
[http://www.socialistsanddemocrats.eu/gpes/public/detail.htm?id=134806&section=NER&category=N EWS&startpos=1&topicid=-1&request\\_locale=PL&mobi=1](http://www.socialistsanddemocrats.eu/gpes/public/detail.htm?id=134806&section=NER&category=N EWS&startpos=1&topicid=-1&request_locale=PL&mobi=1) [16.06.2011].

<sup>6</sup> <smat>, "Komisarz UE broni ukraińskiej opozycji" ["EU commissioner defends Ukrainian opposition"], *Tydzień na Wschodzie*, No. 1/2011, <http://www.osw.waw.pl/pl/publikacje/tydzien-na-wschodzie/2011-01-12/komisarz-ue-broni-ukrainskiej-opozycji> [21.05.2011].

## b) The condition of the Ukrainian economy and its relations with the EU economy

In the early 1990s Ukraine's economic indicators were similar to those of Poland. However, unwillingness to introduce reforms left Ukraine a backward country in a permanent state of transition. The breakdown of the economic activity and trade in the post-Soviet region in the early 90s caused a huge economic crisis, which Ukraine has not yet managed to recover from. The following graph demonstrates the scope of the economic collapse following the breakdown of the USSR:

**Table 1.**



Source: earthtrends.wri.org

Ukraine recorded its first GDP growth of 6%<sup>7</sup> only in 2000, which was maintained at a similar or higher level for a few more years.

**Table 2.**

GDP dynamics in Ukraine in 2000-2010

| Year | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|------|------|------|------|------|------|------|------|------|------|------|------|
| GDP  | 6    | 9    | 5    | 9    | 12   | 3    | 7    | 7    | 2    | -15  | 4    |

Source: Ukraine 2007. Report of Transformation and „Central and Eastern Europe”, Institute of Public Affairs and Polish Academy of Science Yearbook.

<sup>7</sup> A. Sushko, O. Prystayko, O. Schulyar, Ukraine 2007. Report of Transformation, Warsaw 2008, p. 30, [http://www.forum-ekonomiczne.pl/public/upload/ibrowser/raporty/U2007/04roz\\_chapter2.pdf](http://www.forum-ekonomiczne.pl/public/upload/ibrowser/raporty/U2007/04roz_chapter2.pdf) [30.06.2011].



The economic crisis, which reached this part of Europe at the end of 2008, was particularly acute in 2009. Its negative impact was so great because of the Ukrainian economy's reliance on metallurgical industry, whose output accounts for 40% of export and 25% of the state revenues.<sup>8</sup> Reliance of foreign trade on the products of heavy industry was bound to cause a radical fall of GDP (-15% in 2009), as these were among the most fragile products during the crisis.

Sensitivity of the Ukrainian economy to the crisis was also so great because one of its two main export recipients is the Russian Federation (EU is the other), which itself was no less affected by the collapse of the world markets. It should be noted, however, that the Russian Federation's share in Ukraine's overall trade balance has been slowly, but systematically, decreasing. Russia is Ukraine's main trade partner within CIS. In 1998 Russia shared in 45% of the total foreign trade (EU was 33%). In 2007 CIS member states were still Ukraine's main trade partner, with a 39% share in the balance of trade, 27% of which was Russia's share. EU's share was 36%.<sup>9</sup>

EU member states are, however, a leader in the FDI in Ukraine (although one should note a disproportionately big share of Cyprus's capital in this balance). Still, experts do not find this surprising, since Cyprus has long been used by capital owners from the CIS countries as a kind of tax haven (the capital itself is mainly Russian and what was taken away from Ukraine). There companies were registered to invest their capital in Ukraine. This explains the low share of the Russian capital in FDI. It should also be noted that the Americans have given up expansion of their investment in the Ukrainian markets, and even reduced their activity on the Dnieper in the last few years. Germany, in turn, has significantly intensified its expansion in Ukraine, following a series of initiatives preparing a favourable investment climate. For this Germany has used governmental and nongovernmental institutions (more below in the chapter on Germany's policy towards Ukraine).

**Table 3.**  
The largest foreign investors in Ukraine

| FDI in mil. USD and their share in % | 2002       | 2003        | 2004        | 2005        | 2006        | 2007        | 2008        | 2009        | 2010        |
|--------------------------------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| USA                                  | 898 (16,8) | 1074 (16,1) | 1153 (13,8) | 1374 (8,4)  | 1418 (6,7)  | 1436 (4,9)  | 1471 (4,1)  | 1387 (3,5)  | 1192 (2,7)  |
| Russia                               | 322 (6,0)  | 377 (5,7)   | 457 (5,5)   | 799 (4,9)   | 980 (4,6)   | 1462 (5,0)  | 1851 (5,2)  | 2674 (6,7)  | 3402 (7,6)  |
| Cyprus                               | 602 (11,3) | 779 (11,7)  | 1035 (12,4) | 1562 (9,5)  | 3011 (14,2) | 5941 (20,1) | 7682 (21,5) | 8593 (21,5) | 9914 (22,2) |
| Germany                              | 312 (5,8)  | 441 (6,6)   | 631 (7,6)   | 5505 (33,6) | 5620 (26,5) | 5917 (20,1) | 6393 (17,9) | 6613 (16,5) | 776 (15,8)  |
| UK                                   | 510 (9,6)  | 686 (10,3)  | 895 (1,7)   | 1155 (7,1)  | 1557 (7,4)  | 1968 (6,7)  | 2273 (6,4)  | 2375 (5,9)  | 2367 (5,3)  |
| Holland                              | 398 (7,5)  | 463 (7,0)   | 584 (6,6)   | 721 (4,4)   | 1493 (7,)   | 2511 (8,5)  | 3180 (8,9)  | 4002 (10,0) | 4707 (10,5) |
| Austria                              | 210 (3,9)  | 252 (3,8)   | 345 (4,1)   | 1423 (8,7)  | 1600 (7,6)  | 2075 (7,)   | 2445 (6,8)  | 2604 (6,5)  | 2658 (5,9)  |
| France                               | -          | -           | -           | -           | -           | -           | 1226 (3,4)  | 1640 (4,1)  | 2298 (5,1)  |
| Total                                | 5339       | 6657        | 8353        | 16375       | 21186       | 29489       | 35723       | 40026       | 44708       |

Data source: ukrstat.gov.ua (author's research).

<sup>8</sup> Various authors, Ukraine 2008: Report of Transformation, Warsaw 2009, p. 46, [http://www.forum-ekonomiczne.pl/public/upload/ibrowser/forum\\_europa-ukraina\\_2008/Raport\\_Ukraina\\_2008.pdf](http://www.forum-ekonomiczne.pl/public/upload/ibrowser/forum_europa-ukraina_2008/Raport_Ukraina_2008.pdf) [30.06.2011].

<sup>9</sup> Raport OSW: "Konsekwencje dla Polski utworzenia strefy wolnego handlu między Unią Europejską a Ukrainą" [OSW Report: "Implications for Poland of establishing a free trade between the EU and Ukraine"], April 2009, p. 6, [http://www.osw.waw.pl/sites/default/files/Raport\\_SWH.pdf](http://www.osw.waw.pl/sites/default/files/Raport_SWH.pdf) [30.06.2011].

Although the conditions for business activity are not very encouraging, over 65% of Ukrainian GDP is produced in the private sector. Due to numerous administrative barriers and high level of corruption, foreign investors find it difficult to take investment risk without diplomatic and political support of their own countries. Ranked 145<sup>th</sup> on the list of 183 countries on the World Bank's "Doing Business" ranking illustrates how serious this problem is. The research shows that one can find much more favourable business environment in Georgia (12<sup>th</sup> in the ranking), Kyrgyzstan (44), Armenia (48), Azerbaijan (54), Kazakhstan (59), Belarus (68), and even Russia (123).<sup>10</sup> In the Transparency International rankings, "The World Coalition Against Corruption", Ukraine's position is also low – 134th among 178 monitored countries. This ranking showed that, among the CSI countries, Ukraine turned out to be less corrupted than Russia and Tajikistan (both 154), Kyrgyzstan (164), Turkmenistan and Uzbekistan (172). But Belarus, at 127, was considered less corrupt.<sup>11</sup>

Ukraine's position in the rankings is, in part, a derivative of privatisation processes, which began in the early 1990s and were similar to those in Russia and Belarus. Those processes resulted in the emergence of influential groups of 'oligarchs'. Many of the oligarchs originated from the USSR communist youth (Konsomol). They took over a great part of the public wealth and were very influential in shaping the political life in Ukraine. The alliance of the oligarchic business and politics will continue to influence governments in Ukraine. One of its symptoms is the selective attitude towards the EU requirements for necessary economic reforms. Delaying the implementation of the Partnership and Cooperation Agreement, which was signed in 1994 (and was to help harmonise some elements of the Ukrainian law with the European *acquis communautaire*), can serve as an example here. Experts claim that Ukrainian politicians are particularly reluctant to lift the technical trade barriers. They also do not use the help they are offered by modernisation programmes and computerisation of trade procedures. This is not only because they themselves need to invest in these initiatives, but also because certain groups benefit financially—using corrupt mechanisms—from the unclear and complicated procedures. Examples of such groups are customs agencies, without which processing of goods through customs control is daunting and time-consuming. Another area where the EU-Ukraine cooperation faces difficulties on the part of Kiev, is the mutual recognisability of certification processes provisioned in the PCA, which is another serious barrier in the development of trade.<sup>12</sup>

In these circumstances development of the Ukrainian economy and possibilities for its closer integration with the Western markets are limited, as they decrease the potential for future tightening of the political cooperation between the EU and Ukraine. This is discussed in more details in the next part of this study.

### **3. Main areas of EU-Ukraine relations**

Aside from the lack of political and economic reforms, the EU finds the very size of the Ukrainian problematic. On the hypothetical assumption of Ukraine's membership in the EU, it would have the sixth biggest population and second biggest land area (France being the first). These considerations did not favour the EU's long-term plans to include Ukraine in its area of fixed interests, and later—even in the longest prospect—its adoption into the EU.

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<sup>10</sup> The World Bank Economy Rankings, <http://www.doingbusiness.org/rankings> [30.06.2011].

<sup>11</sup> [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2010/results](http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results) [30.06.2011].

<sup>12</sup> For more see the OSW Report: "Implications for Poland of establishing a free trade between the EU and Ukraine", April 2009, pp. 20-21, [http://www.osw.waw.pl/sites/default/files/Raport\\_SWH.pdf](http://www.osw.waw.pl/sites/default/files/Raport_SWH.pdf) [30.06.2011].

Based on historical stereotypes, there is a tendency of western European politicians to treat the states formed after the breakdown of the USSR (excluding the Baltic states) as the Russian sphere of influence, which should not be infringed upon in the name of good relations with Moscow. That aside, economic considerations were not without significance here—far reaching and effective investment in Ukraine is an incomparably greater expense than, for example, supporting Moldova's pro-European aspirations.

In this context it should be conceded that the EU's cooperation instruments, which were worked out with its relations with Ukraine, hitherto have been adequate for the assumed, limited goals. Most of the EU's actions were aimed at temporary support of pro-reform and stabilising activities. This was precisely the objective of the first TACIS programme (Technical Assistance for the Commonwealth of Independent States). It was launched by the European Communities soon after transition processes began in the East, with the goal to support democratic and pro-market reforms in the former USSR. Similarly, The Agreement on Partnership and Cooperation between the EU and Ukraine, signed in June 1994 allowed Ukraine to benefit regularly from assistance funds offered by Brussels. There were no actions, however, that would serve as a factor solving the geopolitical puzzle, in which unfailingly pro-Western Ukraine could be one of the most effective elements stopping neo-imperial ambitions in Russia. The European Union as a whole and its individual member states (with few exceptions, e.g. Poland before 2007), were not at all interested in joining the game.

Increased interest in the Ukrainian affairs was enforced by admission of Ukraine's neighbours to the EU - hence Ukraine's membership in the European Neighbourhood Policy (ENP) programme. Up until recently, however, despite its size and significance, Ukraine has not been a priority. In its relations with its eastern neighbours, the EU has clearly adopted a strategy of first building foundations for future treaties, starting with partnership and cooperation agreements, and then offering the association treaty. In a number of specific sectors this was accompanied by cooperation offer(s)—from support of the state building process to economic counselling to actions for lifting visa obligations. Cooperation within those sectors was to be the main area of building relations between the EU and Ukraine, as well as a realistic chance for approaching the EU standards by the latter.

### **a) Ukraine in the EU cooperation programmes**

The two flagship regional initiatives of the EU, to which Ukraine was invited (Black Sea Synergy and the Eastern Partnership) are currently the most concrete propositions and forms of cooperation between the EU and Ukraine. In both cases reactions in Kiev were very reluctant and cautious, and many experts found the outcomes unconvincing.

#### **- The Black Sea Synergy**

As far as "Black Sea Synergy: a New Regional Cooperation Initiative" is concerned, it was pointed out that solving frozen conflicts is not the most important priority for the region. Admittedly, among the EU foreign activities, Black Sea Synergy was not the most ambitious project. Neither was it among the European Commission's main interests nor was it a priority for the main European capitals. The Black Sea problems lost against cooperation programmes in the Mediterranean Sea Basin, which were more interesting for the majority of the European decision makers. A number of reasons explain lack of EU interest in Black Sea Synergy. It was only the 2007 adoption of Romania and Bulgaria to the EU that opened direct access of the EU to the Black Sea. Moreover, the region is a place of fierce competition between Russia and Turkey. Brussels was clearly not interested in taking serious actions to become one of the key players in the region and, simultaneously, a party in the conflicts. The only positive

outcome of Black Sea Synergy is the very fact that the EU decided to treat the Black Sea basin as an autonomous area of foreign policy.<sup>13</sup>

### **- The Eastern Partnership**

Compared to Black Sea Synergy, the Eastern Partnership project is a much more serious and ambitious proposition. However, also in this case, it was clear that the EU priority was still the Mediterranean. A very simple comparison of the respective inauguration ceremonies of the Eastern Partnership (2009) and the Union for the Mediterranean (2008) shows which of the two initiatives was more important for the European capitals. The Union for the Mediterranean was initiated by Nicolas Sarkozy, and used by him as an election slogan during the 2007 presidential campaign. Following the EU internal consultations—*inter alia* breaking through Germany's resistance against the French project—the programme in its final version included 16 non-member countries. The Union for the Mediterranean was officially inaugurated at the EU summit in Paris in July 2008, where leaders of 43 states—27 from the EU and 16 non-members were present. Against this background, the inauguration of the Eastern Partnership looked much more modest. At the May 2009 EU summit in Prague, leaders of the UK, France and Spain were not present. Some commentators regarded this fact as an affront to the hosts (the leaders of the Czech Republic) and a sign of neglecting the Polish-Swedish initiative.<sup>14</sup> The Eastern Partnership is also a programme which includes a smaller group of six non-member states (Ukraine, Belarus, Moldova, Georgia, Armenia, and Azerbaijan). Despite these (dis)proportions being favourable to North Africa, the Eastern Partnership has been considered the boldest attempt so far to tighten cooperation with countries located between the EU and Russia.

Against the expectations of some EU politicians, the Eastern Partnership has not brought about a wave of enthusiasm in the capitals that had been invited to the project. The Ukrainian leaders officially welcomed the new programme, but simultaneously stressed that it could not replace future membership of their country in the EU. These voices were particularly audible before the inauguration of the programme. Following initial news of the new initiative, one of the closest co-operators of President Yushchenko, the former foreign affairs minister, Boris Tarasiuk, pointed out that, if it did not include an agreement lifting the visa obligation, Kiev would not be interested in joining it.<sup>15</sup> After its official inauguration in Prague, he expressed his disappointment with the programme, stating that the main weakness of the Eastern Partnership was its silence on Ukraine's EU membership prospect.<sup>16</sup>

The project did not meet much enthusiasm in other East European capitals. It could be explained by lack of an effective consultation and information campaign(s) before its proclamation in the capitals of countries invited to the Eastern Partnership. The official reaction of Ukraine, for example, shows that the first signals about the new actions that Brussels planned in the East were received as a clear message that the Eastern Partnership was to be an alternative for membership in the EU. This can be thought of as a mistake on the part of its initiators and executers.

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<sup>13</sup> Y. Tsantoulis, "Black Sea Synergy and Eastern Partnership: Different Centers of Gravity, Complementarity of Confusing Signal?", *Policy Brief # 12*, International Centre for Black Sea Studies, [http://icbss.org/images/papers/policy\\_brief\\_12\\_yt.pdf](http://icbss.org/images/papers/policy_brief_12_yt.pdf) [21.05.2011].

<sup>14</sup> pmaj, "A Summit on Poland's Initiative", *Rzeczpospolita*, 07.05.2009, Internet archive.

<sup>15</sup> A. Dubas, A. Kozłowska, K. Kłyński, J. Gotkowska, W. Rodkiewicz, P. Wołowski, "First Reactions to the Eastern Partnership Project", *Tydzień na Wschodzie*, 18/2008, p. 8.

<sup>16</sup> <agaw, smat, TAO, bart, mf, WojK, pwol>, "Reactions to the Eastern Partnership Inauguration Summit", *Tydzień na Wschodzie*, 18/2009, p. 6.

The period between the first public proclamation of the project and the Eastern Partnership summit in Prague on May 7<sup>th</sup>, 2009 was used more efficiently. The inauguration ceremony itself—despite the aforementioned diplomatic rift over the absence of some EU leaders—went forward in a good atmosphere. Then president, Viktor Yushchenko, stressed that Ukraine shared the aims of the Eastern Partnership, that is, the association agreement, opening of visa-free movement and economic cooperation.

Commentaries on the inauguration of the Eastern Partnership pointed out one more important aspect: the new EU programme opened a chance for Ukraine to become a real regional leader in cooperation with the EU.<sup>17</sup> As the biggest participant of the programme, Ukraine is also—despite all the perturbation—most advanced in building strategic relations with the EU. This is because of the association treaty talks that have been held since 2007 (which are analysed in later part of this study). In the cases of other countries included in the Eastern Partnership (excluding Belarus), association negotiations have been held only since 2010. Similarly, Kiev started its Free Trade Zone negotiations in 2008, i.e. two years before other members of the eastern neighbourhood started theirs. Ukraine's experience in these matters has been watched and shown to the rest as an example to follow.

The main goal of the Eastern Partnership, apart from the association with the EU, trade and visa-free movement, is creation of forms of structural cooperation, without which any discussion on the future (even distant) membership of Ukraine in the EU would be difficult to imagine. Another important asset of the Partnership was to be the support offered by the EU within its individual programmes (subject platforms and flagship initiatives), aiming to even out the disproportions of the regional development.<sup>18</sup> The scope of this support, however, is very controversial.

According to the supporters of the policy of the European Commission the Eastern Partnership budget allows for realistic influence on transition and adaptation processes. Critics argue that funds declared for realisation of the programmes under the Eastern Partnership are insufficient for the scope of challenges and needs and, most of all, too low as compared with those appropriated for cooperation with the Mediterranean states. The European Union gave 600 million euros to fund the Eastern Partnership programme in the years 2010-2013. Supporters of the programme stress that 350 million of this amount are the new funds assigned especially to this project. The remaining 250 million euros are the funds moved from the general budget of the European Neighbourhood and Partnership Instrument (ENPI).<sup>19</sup> Sceptics, however, point at the disproportion between the budget that is to fund the projects of the Eastern Partnership and the funds spent on, and reserved for, aid to the North African countries. Only between 2000 and 2006, under the special EU project MEDA (*Mésures d'accompagnement financières et techniques*) for the Mediterranean countries 5.3 billion euros were spent.<sup>20</sup> In the new budget perspective, MEDA was included in the European Neighbourhood and Partnership Instrument (ENPI). In the budget perspective for

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<sup>17</sup> <agaw, smat, TAO, bart, mf, WojK, pwol>, "Reactions to the Eastern Partnership Inauguration Summit", *Tydzień na Wschodzie*, 13.05.2009, <http://www.osw.waw.pl/pl/publikacje/tydzien-na-wschodzie/2009-05-13/reakcje-na-szczyt-inauguracyjny-partnerstwa-wschodniego> [21.05.2011].

<sup>18</sup> I. Lyubashenko, "Ukraine in the Eastern Partnership: the new challenges", <http://www.liberte.pl/component/content/article/513.html> [11.07.2011].

<sup>19</sup> Budget data found on the official website of the Eastern Partnership [www.easternpartnership.org](http://www.easternpartnership.org) [13.07.2011].

<sup>20</sup> B. Abdalla, "Polityka UE wobec Bliskiego Wschodu i Afryki Północnej" ["EU Policy Towards the Middle East and North Africa], *Biuletyn Analiz UKIE*, no. 21/December 2008, p. 7, [http://www.biuletyn.polskawue.gov.pl/HLP/banal.nsf/0/908C0CF79A266950C125753800421493/\\$file/09\\_B.Abdalla-Polityka%20UE%20wobec%20Bliskiego%20Wschodu.pdf?Open](http://www.biuletyn.polskawue.gov.pl/HLP/banal.nsf/0/908C0CF79A266950C125753800421493/$file/09_B.Abdalla-Polityka%20UE%20wobec%20Bliskiego%20Wschodu.pdf?Open) [13.07.2011].



2007-2013, 8 billion euros has been reserved for the countries of the southern neighbourhood. The Eastern Partnership (inclusive of Russia) can count on 4 billion euros under the ENPI.

Another EU financial instrument is the credit policy of the European Investment Bank, which cooperates closely with the European Commission. In this case, too, it is hard to believe that East European countries are a serious recipient of this form of assistance. Between 2004 and 2010, EBI granted over 372 billion euros worth of credits, 333 billion inside the EU. East European countries received close to 2 billion euros (most of which went to Ukraine: 465 million; and Russia; 442 million). But it was still nine times less than funds invested at that time in the Mediterranean countries included in the ENPI.<sup>21</sup> The official data shows that these disproportions have decreased in the current budget perspective, but there is a clear advantage of the EBI investment and credit activity in the South, compared to its activity in the East. The EBI has planned a credit investment engagement of 3.7 billion euros for the years 2007-2013 for the Eastern Neighbourhood and 8.7 billion euros for the Southern Neighbourhood.<sup>22</sup>

Announcing the Eastern Partnership Programme, the EU stressed that it would be interested in four themes of cooperation: 1) democracy and good governance; 2) economic integration and convergence with the EU; 3) energy safety; and 4) interpersonal contacts. It was also suggested that initially the main financial stream should go into so called "flagship initiatives". These were: integrated border management (44.5 million euros of budget); support for small and medium-size companies (57 million euros); promotion of building regional electricity markets and renewable energy sources (41 million euros); environment management (12 million euros); natural and man-made catastrophes prevention (12 million euros); and promotion of energy supplies through the southern corridor (which has not yet been initiated). Aside from this, smaller amounts have been assigned for cooperation in science and culture.

The Warsaw Center for East Studies (Ośrodek Studiów Wschodnich, OSW) has launched an information platform that presents the Eastern Partnership programme, its projects, and the engagement of individual countries included in a variety of initiatives. The OSW data includes not only projects carried out following the proclamation and inauguration of the Eastern Partnership but also earlier ones that, since 2006, had been undertaken under the ENPI. Analyses of the information about the realised projects (that can be found in the data) permit the conclusion that launching of the Eastern Partnership programme has not led to an increase in the dynamics of the cooperation with Ukraine. Most of the new projects are not of an assistance character, but rather of an investment and credit one and are financed from EBI sources. The biggest projects launched since 2010 have been the modernisation of the 200 million euros worth of water power plants on the Dnieper (financed by the EBI), and modernisation and purchase of trams for Odessa for 450 million euros (44% of all costs).<sup>23</sup> Moreover, interesting data can be found on the European Commission assistance programmes website, which includes 19 Ukrainian projects in its 2010 report. In addition to the seven applications submitted by Ukrainian entities (NGOs and research institutes), the other winners

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<sup>21</sup> S. Górka, „Drugorzędna polityka o dużych perspektywach rozwoju. Rzecz o polityce wschodniej” [“Second-rate policy with great development prospects. On the EU Eastern Policy”], in: J. Kłockowski (ed.), *Polska w grze międzynarodowej [Poland in the International Game]*, Kraków 2010, p. 87.

<sup>22</sup> S. Ananicz, „Przeciąganie liny o unijną politykę wobec sąsiadów” [“The Tug-of War on the EU Policy Towards Its Neighbours”], *Komentarze OSW*, no. 49, 09.03.2011, p. 8.

<sup>23</sup> Data downloaded from: <http://www.easternpartnership.org/programmes/eastern-partnership> [15.07.2011].

of funding were international organisations: the European Council and UNDP, as well as Austrian, French, German, British and Dutch organisations<sup>24</sup>.

The above data clearly shows that, from Brussels' perspective, Ukraine—with its population of over 40 million, neighbouring with four EU members, and aspiring to the EU membership, is not an important partner. A sufficient proof of this thesis should be the fact that in 2010 more assistance programmes (34) were conducted in the Gaza Strip and on the West Bank. A much bigger gap yet exists between projects carried out in Ukraine and in the Balkans. In 2010, under the European Commission assistance programmes, 156 projects were conducted in Serbia, 88 in Bosnia and Herzegovina, 45 in Montenegro and 30 in Macedonia.<sup>25</sup> It means that the EU has got involved in 319 projects addressed at countries whose sum total of inhabitants is 14.7 million. This comparison shows the actual position of Ukraine in the European Neighbourhood Policy.

On the plus side, however, one should mention formation of the EuroNest. It is the assembly of the European Parliament representatives and representatives of national parliaments of the Eastern Partnership countries. EuroNest's first session was held on May 3<sup>rd</sup>, 2011 (without the presence of the Belarusian delegation, which is one of the sanctions against Lukashenka's regime). EuroNest seems an interesting and beneficial form of cooperation, as it creates a framework of continuous contacts between the EU political elites and the elites representing its eastern neighbours. For many European politicians it will doubtlessly be an opportunity for direct personal meetings and more careful observation of their partners from the former USSR.

### **- The Energy Community**

Among the positive elements of the process of building mutual relations, Ukraine's accession to the Energy Community in February 2011 should be considered. The Energy Community is a 2006 EU initiative to invite the non-EU European countries to participate in activities for the increase of the energy safety. The Energy Community Treaty was signed by the contemporaneous EU countries and Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Montenegro, Macedonia, Romania and Serbia. From the European Commission's perspective the Energy Community is an instrument for coordination of actions in this vulnerable sector, whose goal is to create "an integrated market for natural gas and electric energy, based on common interest and solidarity".<sup>26</sup> Ukrainian politicians agreed that accession to the Energy Community would be another step towards membership in the EU, since the only countries that had been invited to it earlier were the Balkan countries, which are now the official candidates or aspirants to the EU membership. In a longer perspective, it was expected to enable a better integration of Ukrainian energy system with the European systems, which Kiev considers an important tool for defending this strategic sector against takeovers by Russian capital.

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<http://ec.europa.eu/europeaid/work/funding/beneficiaries/index.cfm?lang=EN&mode=SM&type=grant&order=false&direc=false&paging.offset=1&paging.len=20> [15.07.2011].

<sup>25</sup> <http://ec.europa.eu/europeaid/work/funding/beneficiaries/index.cfm> [15.07.2011].

<sup>26</sup> From the Preamble to the Energy Community Treaty, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:198:0018:0018:PL:PDF> [10.07.2011].

## **b) The assumed goals of EU-Ukraine cooperation, in the context of the association agreement under negotiation**

As was already stressed above, Ukraine's integration with the EU has not been a strategic goal of the EU. Most of the EU decision makers were satisfied with prevention of potential crisis situations on the Dnieper which could pose a direct threat to the stability and security of EU countries. They would engage Ukraine as long as they did not involve excessive financial outlays and political costs in their relations with Russia. They also cared for the incidental economic interests of European companies investing in Ukraine. Ukraine has been treated merely as an element in the construction of a new policy, and working out of new instruments, in relations with the EU's closest neighbours. The idea to give the relations with Ukraine a special status, which as far as the CIS countries are concerned had been reserved for Russia, did not gain much support on the European forum.

The association agreement, which is currently under negotiation, should be considered a significant turning point in this respect, for it is the first time that Ukraine is treated exclusively. When the association agreement is signed, Ukraine's participation in the two most important initiatives carried out under the Neighbourhood Policy in the region (Black Sea Synergy and the Eastern Partnership) will no longer be the only stable form of cooperation with the EU. The character of this participation will also change, as these programmes will become merely auxiliary for the realisation of the association agreement.

A well negotiated association agreement and a consistent policy in EU-Ukraine relations (executed at a later stage), can have fundamental and ground-breaking importance for EU-Ukraine relations—and on many levels. Starting the harmonisation process of Ukrainian legislation with EU law will be fundamental here. Compatibility of Ukrainian law will be crucial for Kiev's EU membership prospect, when favourable conditions for EU enlargement occur. Moreover, adoption of the European standards in areas of product certification, name tags, and trade regulations will allow more Ukrainian products to access the European markets. And advertisement campaign accompanying these changes will bring Ukraine itself closer to the EU citizens. Obliging Kiev to introduce changes directed at strengthening the rule of law and respecting human rights will be equally important. The association agreement—and especially its implementation—might be an element limiting the impulses of the Ukrainian government to violate democratic standards. Realisation of the association agreement creates an opportunity to distance Ukraine from the post-Soviet legal and political system, and bring it closer to the European standards.

A condition for implementation of these positive changes will be Ukraine's serious treatment of its association process with the EU. Constant pressure on realisation of the agreement's provisions is indispensable. If Brussels allows Kiev a selective approach to its obligations (as was the case with the PCA provisions), it will become another disappointment for the pro-Western Ukrainians. It will be treated as one more proof of a charade, which stands in the place of serious treatment of the EU's large neighbour. For, many Ukrainians hope that cooperation with the EU will force its political elites to take decisive reformatory steps.

Some experts point out that the association plan is, in a way, a compromise for both parties. Signing the association agreement does not bind the EU and its member states to pledge Ukraine's membership in the future, Although, they can highlight their willingness to cooperate and express it by granting Ukraine a special status in the mutual relations. For Ukraine, the status of an associated country may confirm the belief that it was a right decision to move toward closer political cooperation with the West. It may also instil hope for taking further steps that would bring it closer to EU membership. Thus, Ukraine's association with



the EU does not promise anything, but neither does it rule anything out. Such form of agreement results at least in a feeling of potential satisfaction for both parties, which has not been common in their bilateral relations.

Ukraine will not become a part of the EU as a result of the association agreement, but it will be made a participant in the economic project designed by the EU institutions. This creates opportunities for a continued influence of the EU regulations in Ukraine. In particular, adoption of the EU certification standards and market rules will, with the passage of time, increasingly harmonise the Ukrainian economic system with the European system. And adoption of the European postulates in the areas of legislation and human rights would permanently change the legal system and positively affect the political system.

### **c) Free trade zone talks**

The association negotiations are accompanied by talks on a free trade zone. While reaching agreement on the former is Kiev's priority, agreement about forming the Free Trade Zone between Ukraine and the EU are more pressed by Brussels. For, as was already mentioned above, although for years EU-Ukraine trade has been smaller than Ukraine's trade with CIS, trade with Ukraine is beneficial for the EU, which undoubtedly favours tightening bonds in this area.

In 2010 Ukraine sold 11.4 billion euros and bought 17.3 billion euros worth of products in the EU. In the record year of 2008, EU countries exported 25.1 billion euros worth of products, while their import from Ukraine was 14.5 billion euros. Ukraine's share in total EU trade is a rather modest 0.8% of import and 1.3% of export.<sup>27</sup> Its major trade partners in the EU are Germany (ca. 19% of Ukraine's total trade), Poland and Italy (11% each). A characteristic structural feature of Ukraine's trade is a noticeable difference in the nature of trade with old versus new EU members. Ukraine imports most goods and services from the old EU member states, while the new members—especially its closest neighbours—are major recipients of Ukraine's exports.<sup>28</sup> The volumes of Ukraine's exports to Poland and Germany are of similar value (In 2009: Poland, 1.213 billion USD; Germany, 1.248 billion USD. In 2010: Poland, 1.787 billion USD; Germany, 1.499 billion USD). But import from these countries is not that well balanced. In 2010 Germany exported 4.603 billion USD worth of goods to Ukraine; whereas Poland exported only 2.788 billion USD. Similarly, in 2009, Germany exported 3.852 billion USD, while Poland exported 2.170 billion USD.<sup>29</sup>

A closer look at the structure of the commodities trade is no less important for understanding Kiev's policy and the goals of Ukrainian diplomacy in the free trade zone negotiations. The most recent Eurostat data for 2010 shows that trade in agricultural goods is balanced (Ukraine sold the EU countries 1.867 billion euros worth of products and imported 1.737 billion euros worth of goods). Moreover, Ukraine has a positive trade balance in energy resources and minerals (3.123 billion – 1.202 billion euros), but a decisively negative balance

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<sup>27</sup> From the European Commission data:

[http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113459.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113459.pdf) [3.7.2011].

<sup>28</sup> For more see: Raport OSW: „Konsekwencje dla Polski utworzenia strefy wolnego handlu między Unią Europejską a Ukrainą” [“OSW Report: Implications for Poland of establishing a free trade zone between the EU and Ukraine”], April 2009, pp. 11-12,

[http://www.osw.waw.pl/sites/default/files/Raport\\_SWH.pdf](http://www.osw.waw.pl/sites/default/files/Raport_SWH.pdf) [3.07.2011].

<sup>29</sup> Ministry of the Economy of Ukraine data,

<http://www.ukrexport.gov.ua/eng/economy/trade/?country=ukr> [3.07.2011].

is noticeable in chemicals (0.470 billion – 3.457 billion euros), as well as machines and transport equipment (1.246 – 5.880 billion euros).<sup>30</sup>

Liberalisation of mutual trade and adoption of the European standards in Ukraine is of great importance for EU countries. But at the same time they want to strictly limit access of some Ukrainian products (mainly food, chemicals and metallurgical goods) to the EU markets, in an attempt to maintain a positive trade balance in the above listed areas. For President Yanukovich, and the economic circles that support him and his administration (who are the political backbone of the incumbent Party of Regions), however, the main goal is the broadest access possible to the EU markets for Ukrainian products of the chemical and metallurgical industries. Thus, it is no wonder that Kiev tries to obtain concessions from Brussels in precisely these areas, even at the cost of slowing down the negotiation process of the association agreement. And so, there is no certainty whether the association agreement (whose negotiation process began in 2007) will be signed before the end of this year, under the Polish presidency. Only at the February 2011 round of the negotiations of the trade agreement was a statement on the progress of the talks released. It signifies that the positions came closer.<sup>31</sup> Another positive statement was the information that, according to the Ukrainian Prime Minister, Mykola Azarov, only three points of contest remained after the May round of negotiations: export quotas on Ukrainian corn, discrimination of Ukrainian services (especially limited access of Ukrainian carriers to provide services in the EU), and names of Ukrainian products.<sup>32</sup> Unless these signals are merely a diplomatic game around the negotiations, it means that an agreement that is satisfactory for both parties has been reached on the most important questions for Kiev. Conclusion of the negotiations will surely depend on whether Kiev manages to negotiate all the details that are important for the eastern Ukrainian business world, which supports the incumbent government.

The following explains the reasons for Kiev's engagement in the promotion and building of a strong economic position for its eastern regions. The five eastern regions of Donetsk, Dnipropetrovsk, Lugansk, Zaporozhia and Kharkiv, as well as Kiev together produce 60% of Ukraine's industrial output. Also, the eastern regions decisively supported Viktor Yanukovich in the 2010 presidential elections (only in the region of Lugansk were the results even, and only in the region of Kiev did Julia Tymoschenko win).<sup>33</sup> Similarly, in the 2007, parliamentary elections in the five eastern, i.e., wealthiest and most industrialised regions, Yanukovich's Party of Regions was an undisputed winner (with support of 73% versus 49% for the opposition).<sup>34</sup> It is hardly a wonder then that this internal context conditions the actions of Yanukovich's team in the area of trade cooperation with the EU. Although it does not seem to be a reason why the current talks should end in a fiasco.

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<sup>30</sup> [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113459.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113459.pdf) [3.7.2011].

<sup>31</sup> <smat>, „Ukraina aktywizuje negocjacje o strefie wolnego handlu?” [“Is Ukraine activating the free trade zone negotiations?”], *Tydzień na Wschodzie*, <http://www.osw.waw.pl/pl/publikacje/tydzien-na-wschodzie/2011-02-16/ukraina-aktywizuje-negocjacje-o-strefie-wolnego-handlu> [20.05.2011].

<sup>32</sup> PN, „Ukraina bliska podpisania umowy o wolnym handlu z UE” [“Ukraine close to signing the free trade zone treaty with the EU”], <http://wiadomosci.onet.pl/swiat/ukraina-bliska-podpisania-umowy-o-wolnym-handlu-z-1,4401850,wiadomosc.html> [3.07.2011].

<sup>33</sup> Presidential Elections Results from the Central Election Committee in Ukraine data <http://www.cvk.gov.ua/pls/vp2010/WP0011> [15.06.2011].

<sup>34</sup> Ibid., <http://www.cvk.gov.ua/pls/vnd2007/w6p001> [15.06.2011].

#### d) Visa and migration questions

Negotiations on facilitating EU border crossing are less complicated, which does not mean easier. Ukraine's goal is an agreement on visa-free movement, which is why Kiev has made significant steps in this area in the last few years. These steps were noticed and appreciated at the last EU-Ukraine summit in November 2010. On January 1<sup>st</sup>, 2010 an agreement on readmission with the EU came into force. The government in Ukraine adopted a document on integrated border management strategy that institutes an adjusted EU four-pillar border protection system. Brussels has recognised the operative efficiency of one of the most modern Ukrainian organisations, the National Border Service, which for the past few years was effectively using the EU funds for the modernisation of the border guard (e.g. between 1998-2002 the EU gave Ukraine 22.5 million euros for border protection under the TACIS programme). Appointment by president Yanukovich of the National Migration Force at the Internal Affairs Ministry was also welcome.

Thanks to these actions on Ukraine's part, *The Action Plan towards Visa Liberalisation for Ukraine* was adopted. It was modelled after similar documents signed earlier by the Baltic states, and it put more hard demands on Ukraine. But, in return, it gives opportunities for visa-free movement to be implemented in the long run. The most difficult of the new tasks is the reconstruction of the legal system to make it more compatible with the European courts. On the top of the list is the reform of the public prosecutor's office. In addition the EU expects more effective corruption prevention. Introduction of biometric documents poses a technical problem: in this matter Ukraine remains far behind Russia, Moldova and even Belarus.

Moreover, unlike previous documents of this kind, from the EU perspective, one legacy has an evidently safeguarding character. It contains a paragraph which says that the European Commission, while assessing the progress in Ukraine's meeting its obligations, will also analyse potential impact of further liberalisation on the increase of illegal immigration from behind the eastern border.

Given its geographical position, many migrants treat Ukraine as a transit country on the way to the West. Before the East and Central European countries entered the EU the major destination of illegal migrations was the shortest Ukrainian-Slovak border. Between 1999 and 2003 the Ukrainian border guard detained 10,806 illegal migrant in this area and 4,094 on the Polish-Ukrainian border; additionally 5,352 on the Ukrainian-Hungarian border and 1,014 on the Ukrainian-Romanian border.<sup>35</sup> After the EU enlargement and the new EU members' access to the Schengen Group, the visa obligation and more severe protection of the EU external borders considerably limited the cases of illegal migrations. In 2009, 2,100 people were expelled to Ukraine from Poland, 790 of whom were Ukrainians. In 2010 the number expelled was only 1,400 (545 were Ukrainians).<sup>36</sup> In addition, cases of persons illegally crossing the EU border, who were detained by the border guard, should be included here. Here likewise it would be difficult to consider it a massive scale phenomenon. According to the records of the Polish border guard, in 2009 895 people were detained on the Polish-

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<sup>35</sup> Raport OSW: „Polityka migracyjna Ukrainy” [OSW Report: *Migration Policy in Ukraine*], Warsaw, July 2004, p. 11.

<sup>36</sup> „Polska-Ukraina: Nielegalna imigracja zanikła” [“Poland-Ukraine: Illegal immigration has vanished”], PAP wire from the 27.09.2010: <http://wiadomosci.onet.pl/kraj/polska-ukraina-nielegalna-imigracja-zanikla,1,3703829,wiadomosc.html> [8.07.2011].

Ukrainian border (726 were Ukrainian citizens). And in 2010 924 people were detained (813 were Ukrainians).<sup>37</sup>

Ukrainians are a relatively mobile nation. According to the International Organization for Migration data, 6.5 million Ukrainians (of the total 42 million citizens) emigrated in the past few years. Based on this classification, Ukrainians are in the 5<sup>th</sup> positions among migrants. Major destinations of the migrations are Russia, Poland, USA, Kazakhstan and Israel. In the case of migrations to Poland, it can be suspected that, for some Ukrainians, it is only the first stage of their trip to the EU countries. Among labour migrations, the majority of Ukrainians take jobs in the construction sector (54%); significantly fewer migrants work as housekeepers (17%) or in agriculture (9%). They are relatively well educated migrants: 59% have secondary education, 14% have higher education, 17% have incomplete higher education. A mere 10% have only primary education. Only in very few cases do job of these emigrants require formal qualifications that they often have. The geography of migrations corresponds with the geography of remuneration: western Ukraine significantly outweighs the wealthier—though bordering with the Russian Federation—eastern regions.<sup>38</sup>

**Table 4.**



Source: International Organization for Migration

Ukraine's image in Europe has deteriorated after the publication of the Europol report at the beginning of May 2011. The report named Ukraine one of the major smuggling trails to Europe, where organised crime develops most dynamically. The report's conclusions warned that the possible introduction of visa-free movement from Ukraine would lead to increased activity of Ukrainian criminal groups in Europe as well as increase of smuggling.<sup>39</sup> Europol found Ukraine to be the major part of a drugs transit track from Asia through the Suez Canal, then the Black Sea to the harbour in Odessa, from where the drugs are to travel through Romania and Bulgaria to other EU countries. Furthermore, it was stressed that Ukraine is the

<sup>37</sup> Central Headquarters of Border Guard data, [http://www.strazgraniczna.pl/wps/portal/tresc?WCM\\_GLOBAL\\_CONTEXT=pl/serwis-sg/polskie\\_formacje\\_graniczne/zestawienie\\_statystyczne/](http://www.strazgraniczna.pl/wps/portal/tresc?WCM_GLOBAL_CONTEXT=pl/serwis-sg/polskie_formacje_graniczne/zestawienie_statystyczne/) [8.07.2011].

<sup>38</sup> All data found at: <http://www.iom.int/jahia/webdav/shared/shared/mainsite/activities/countries/docs/Ukraine/Migration-in-Ukraine-Facts-and-Figures.pdf> [8.07.2011].

<sup>39</sup> T. Vogel, „Europol przeciwny zniesieniu reżimu wizowego dla Ukrainy” [“Ukraine slams Europol visa comments”], <http://www.europeanvoice.com/article/2011/may/ukraine-slams-europol-visa-comments/71006.aspx> [21.05.2011]

major illegal cigarettes production and smuggling centre. Recommending caution in activities for further visa facilitation for Ukrainians, Europol stated that liberalisation of the visa regime could result in increased smuggling and human trafficking by organised criminal groups<sup>40</sup>. Publication of the report met with severe reactions of the Ukrainian diplomats. The Ukrainian ambassador to the EU, Konstantin Jelisejev, called the report unacceptable, and its conclusions illogical, which, as such, could affect future negotiations on the liberalisation of the visa regime.<sup>41</sup>

#### 4. Russia-Ukraine relations vs. the EU policy

One of the factors most significantly weakening the instruments of EU policy towards the whole eastern neighbourhood—including Ukraine—is the exceptionally subservient attitude of the EU towards the Russian Federation. Tacit approval of the assumption that the territory of the former Soviet republics is the exclusive sphere of Russia's strategic influence and control, weakens EU possibilities for action. Moscow uses the special status, which it managed to guarantee for itself in its relations with the EU, not only in its bilateral relations with the EU but also in order to influence the EU's relations with other post-Soviet countries. The best example of this was the reactions of the Russian politicians to the initiative of the Eastern Partnership. The very announcement of the idea in May 2008 met with a severe criticism. Alexander Babakov, vice-president of the Duma and delegate of the Just Russia fraction, stated directly that it was an indication of fulfilment of the Polish imperialistic ambitions and ignorance of the "legitimate, fully justified and traditional Russian interest in the territory of the Commonwealth of Independent States".<sup>42</sup> Just before the inauguration of the Eastern Partnership, Sierghiei Lavrov, Russian minister of foreign affairs, raised his reservations against the new initiative. On March 21st, at the annual conference of the Brussels Forum, he said that the Eastern Partnership was an attempt to build a European control zone. Numerous voices of this kind were to be treated as attempts to influence the project and limit it to areas that did not stay in competition with Russian politics. One should, however, note another aspect in this criticism. An attempt to stop the extending of the European standards to the former USSR countries is a defensive act of the Russian Federation in two areas. The first area is the reluctance to share its control of the region, which was largely constructed in line with the interests of Russian politics, economics and safety (with the exception of Georgia). The second is the internal situation in Russia. Ukraine's occidentalisation process and related modernisation would indirectly enforce similar changes in Russia. Rapidly changing, pro-Western Ukraine, and dynamically developing China together pose a serious challenge to the government in the Kremlin. Russian leaders, who

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<sup>40</sup> For the complete report see:

[https://www.europol.europa.eu/sites/default/files/publications/octa\\_2011.pdf](https://www.europol.europa.eu/sites/default/files/publications/octa_2011.pdf) [15.07.2001].

<sup>41</sup> K. Niecypor, „Europol przeciwny zniesieniu reżimu wizowego dla Ukrainy” [“Europol against lifting the visa regime for Ukraine”], <http://eastbook.eu/2011/05/country/ukraine/ukraina-12-05-2011-europol-przeciwny-zniesieniu-rezimu-wizowego-dla-ukrainy/> [15.07.2011].

<sup>42</sup> A. Dubas, J. Gotkowska, K. Kłysiński, P. Wołowski, W. Rodkiewicz, “First reactions to the Eastern Partnership project”, *Tydzień na Wschodzie*, No. 18/2008, <http://www.osw.waw.pl/pl/publikacje/tydzien-na-wschodzie/2008-05-28/pierwsze-reakcje-na-inicjatywe-wschodniego-partnerstwa> [22.05.2011].



used the modernisation slogans to improve their image in the election campaigns (e.g. Putin in 2000 and Medvedev in 2008), could now be forced to fulfil their promises.

The frequent voices of top Russian politicians, trying to paint the Eastern Partnership project into the anti-Russian canvas, are thus (sometimes successful) attempts to position the problems of the relations between the EU and its eastern neighbours in line with Moscow's intentions. The voices are consistent with the standard line of the Russian politics. It is also recognisable in the area in which the Russian Federation tries to maintain its monopolistic position: the question of regional safety. Keeping Ukraine in Russia's control zone does not provide a possibility of Kiev's joining the North Atlantic Treaty (NATO). The best example of Russian politics in this area was the effective actions taken to prevent the adoption of MAP for Ukraine at the 2008 NATO summit in Bucharest. These actions were supported by the German and French leaders.

It should be stressed that the actions taken by all Ukrainian presidents hitherto (including even the incumbent one) have been directed towards preventing Ukraine from being fully dependent on Russia. The influence of the first Russian declarations following the breakdown of the USSR, which regarded Ukraine "a seasonal country", has been clear here. Kiev's full dependence on Moscow would constitute the beginning of implementing this scenario. Tightening of EU cooperation with Ukraine makes it less likely. What can particularly diminish Kiev's future dependence on Moscow are the economic cooperation provisions suggested, particularly, including Ukraine in the area with operative European rules of the market. Opening of the European markets to Ukrainian goods and services will make Russia a less attractive destination for goods than it is today. If this were accompanied by at least a partial decrease in Ukraine's reliance on Russian energy supplies (e.g. through cooperation within the Energy Community), we would be dealing with a completely different situation, also regarding Kiev's position in the region. Currently, the Kremlin's main instrument of influence is its skill in building a strong position for the Russian capital in the strategic sectors. This is often accomplished by following vague, post-Soviet principles prevalent in the economy, and also through the ability to exert political pressure on its partners. The Russian Federation has mastered how to make its assistance in times of crises dependent on receiving licences or shares in the sectors and economic institutions that are important to this end. The European counteroffer may weaken this pressure.

## 5. Germany's policy towards Ukraine

One key aspect in the analysis of the EU policy towards Ukraine is the evaluation the extent to which the EU's policy as a whole coincides with the policy of its individual members. In this regard, Germany's attempts at a policy towards Ukraine that is in line with Berlin's interests is worth noting. In the short term, building its own network of economic relations and political contacts with Ukraine is more beneficial for Germany than allowing for Kiev's integration with the EU, which would unavoidably involve costs for the net payees (to the EU budget). According to the September 2008 issue of the report, *Germany's relations with East and Central Europe*, Germany was then Ukraine's second trade, and first investment, partner. It was not only a result of the activity of German companies but also of cooperation between business and government institutions, which were able to successfully for German business in Ukrainian political circles.<sup>43</sup> This strategy is exemplified by steps taken to strengthen the position of German companies in the Ukrainian agricultural sector. First, an

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<sup>43</sup> Raport OSW: „Relacje gospodarcze Niemiec z krajami Europy Środkowo-Wschodniej” [OSW Report: Germany's economic relations with Central and Eastern European countries], September 2008, [http://www.osw.waw.pl/sites/default/files/raport\\_niemiecki.pdf](http://www.osw.waw.pl/sites/default/files/raport_niemiecki.pdf) [22.05.2011].

intergovernmental Germany-Ukraine commission was appointed to: work out a strategy to reform Ukrainian agriculture; draft legislation; and determine norms on processing, fertilisation, and machines used in agriculture. This initial phase was followed by cycles of trainings and apprenticeship on the new legislation. There were also pilot projects prepared and implemented by organisations of German entrepreneurs and individual companies. Thus, German companies became main suppliers of agricultural machines, fertilisers and chemicals, as well as partners in *joint-ventures*. In addition, they obtained rights to long-term leases on the land.<sup>44</sup>

The theses of the 2008 report were confirmed in a 2010 analysis, which also showed the role of various political foundations (Adenauer, Ebert, Naumann and others) in creating a positive image of Germany on the Dnieper, as well as programmes carried out through development funds. When we add a whole package of activities addressed at the political elites, social activists, and scientists, we will see the complexity of German activities in Ukraine.

The activities of German foundations can be regarded as a kind of political lobby. Their programmes are addressed not only at representatives of the political elite but also at youth organisations, NGOs, local leaders, journalists and members of trade unions. All those included in the programmes can learn about the German perspective on international and European affairs, problems of security and economic cooperation. It is also a way to build networks of contacts, which are often helpful in establishing future political and economic cooperation. For example, in 2009 the Konrad Adenauer Foundation supported projects addressed at leaders of Ukrainian political youth, who met with German and European experts. The foundation also helped organise seminars on European politics, integration and neighbourhood policy for journalists. At the same time the Friedrich Ebert Foundation organised study trips to Germany for representatives of various groups. These included *inter alia* Ukrainian experts on energy, who were encouraged to cooperate with German partners in the promotion of renewable energy sources. There were summer schools organised for journalists, and cycles of seminars for young politicians. The Hans Seidel Foundation organised a series of workshops for lecturers and students of the public administration academy, local governments and police officers.<sup>45</sup>

From the perspective of an individually considered German interest, creation of such *soft power* networks is a most desirable scenario. As a result of these activities Ukraine became an important subject of Germany's sphere of influence (particularly noticeable in economic cooperation), but left somewhat on the periphery of the EU.<sup>46</sup> Such significant dependence could end with Ukraine's integration into the EU, for then Ukraine would acquire the ability to influence the EU decision making process, and thus become more a subject, rather than object, of foreign policy, which is suggested by the experience of the 2004 enlargement. After entering the EU, countries such as Poland, Czech Republic, Hungary, and later Romania, could take independent initiatives which were not always in line with Berlin's interests. Accession of the first few Central-European countries to the EU made this part of Europe less prone to foreign control. The same mechanism could take place if Ukraine enters the EU.

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<sup>44</sup> *Ibid.*

<sup>45</sup> J. Gotkowska, "German Networks in the East. German soft power in Eastern Europe, Central Asia and the South Caucasus", Warsaw 2010, <http://www.osw.waw.pl/en/publikacje/osw-report/2010-10-12/german-networks-east-german-soft-power-eastern-europe-central-asia-> [22.05.2011].

<sup>46</sup> *Ibid.*

## 6. Threats & crisis scenarios

The most serious short-term threat could be Ukraine's sliding down towards soft authoritarianism. We can see such tendencies in political actions of President Yanukovich and Prime Minister Azarov. Both political leaders can count on understanding and political support in Moscow, and partly among the European socialists (particularly helpful with the accusations of violating human rights issued at the European forum). At the same time, it is clear that the political goal of Yanukovich is preventing Ukraine from falling under exclusive Russian control. The attempt to remain equidistant from the two major political centres (Russia and the EU) could thus guarantee that the government will not exceed certain limits of authoritarianism. One could, however, expect further actions directed at weakening the opposition and increasing control over mass media, which would be practiced in order to minimise the danger of losing the next election. If, however, the judicial power is used to battle the opposition, peaceful handover of power may be made difficult. It could mean repetition of similar scenarios to those of the Orange Revolution: mass social protests, unification of the pro-democratic opposition, support for the democratic camp from the EU—as a whole, as well as its individual members - this time perhaps decisively from the very beginning. Although it would be hard to predict if the end also could be similar: the recognition of the will of the majority of the society. Thus, it is important that there are signals—as frequent and widespread as possible—coming from the EU, that democratic standards are one of the basic criterion of evaluation of the pro-democratic attitude of Kiev.

Another negative factor is the constant threat of a deep economic crisis in Ukraine. Lack of determination to conduct necessary reforms and initiate modernisation projects on the governmental level, may soon lower economic indices. Moreover, it seems that the largest private Ukrainian businesses are not interested in deeper reforms because they are mostly satisfied with the current rules of the game. They merely expect the government's help in gaining access for their chemical and metallurgical goods to European markets. What might also lead to a crisis is the dramatically deteriorating economic situation in Belarus, which affects the Ukrainian economy. It cannot be ruled out that a deepening economic crisis in Ukraine would be welcome in Moscow. The major goal of the Russian politics: taking over the controls of the strategic economic sectors (with energy and chemical industry on top of the list), will be easier to accomplish when Ukraine becomes dependent on Russian assistance.

In the case of an economic collapse or a political breakdown a massive emigration of Ukrainians could take place, including illegal migration to the EU. Internal distortions and social conflicts deepening the regional divisions may also enhance the separatist tendencies, especially in Crimea. Aspirations of Crimea's population to become independent from Kiev will most likely meet with not only silent but also official support from Moscow. In the most pessimistic scenario—although it does not seem likely at present—one cannot exclude such a situation of deep crisis, which would finally lead to a division of the country and access of its eastern part, Crimea and Odessa to the Russian Federation. It should be recalled that this part of Ukraine is better developed economically and much wealthier than the rest of the country. According to the data from the State Statistics Committee of Ukraine, average wage in Ukraine in April 2011 was 2522 UAH; it is possible to earn more than the country's average in the regions of Kiev (3922 UAH), Dnipropetrovsk (2739 UAH), Doneck (3036 UAH) and Lugan (2612 UAH). The western Ukraine territories are the poorest, with the Tarnopol region on top of the list (1758 UAH).<sup>47</sup> Political division has a strong cultural, but also economic,

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<sup>47</sup> State Statistics Committee of Ukraine, Average wages and salaries by region (monthly data), 27.05.2011, [http://www.ukrstat.gov.ua/operativ/operativ2011/gdn/reg\\_zp\\_m/reg\\_zpm11\\_e.htm](http://www.ukrstat.gov.ua/operativ/operativ2011/gdn/reg_zp_m/reg_zpm11_e.htm) [16.06.2011].



basis. Economic breakdown could deepen it even further. Even if the vision of a collapse were very unlikely, internal destabilisation from increased antagonism between the regions, could help Russia realise its interests in Ukraine's territory. This, in turn, would seriously limit the possibility of EU influence (and that of its individual members). It would certainly increase the costs of EU engagement in ending the crisis, if it proved to be at all effective.

## 7. Conclusions and recommendations

The biggest problem of EU policy towards Ukraine is lack of will for future integration. This is true both of the EU institutions and the individual member states. This reluctance is understandable, but it should also be noted that rejection of the Ukrainian membership aspirations at any stage weakens the possibilities for EU influence on Kiev. In this case, if we cannot promise membership, we should discuss whether it would not be better at least to give clear signals that we do not regard the integration process as completed.

- **Thus, it is advisable to invoke the Copenhagen criteria as often as possible**, which determine the requirements that need to be met by future EU member states. Currently, when the main message from the EU implies that Ukraine stands no chance of prospective membership, the government in Kiev and Ukrainian business interests are unwilling to give up protectionist practices in the name of promises of possible future cooperation. Connecting declarations about the importance of the Copenhagen criteria with trade liberalisation and broader access of Ukrainian products to the European markets (and vice versa) could be a very effective tool deepening the EU-Ukraine cooperation.

- **An effective EU policy towards Ukraine has to include greater diversification of the addressees of the cooperation.** Maintaining and creating pro-European attitudes in society is no less important than contacts with the government representatives. The Eastern Partnership programme, in its current form, does not sufficiently support civil society. Not only does it not direct serious funds to support NGOs but it also limits itself and imitates present protectionist practices. Nowadays, supporting the third sector often makes NGOs dependent on their sponsors instead of making them independent agents. Only those NGOs that are wholly independent will be able to truly affect the course of political and social events, in the spirit of greater respect for democratic values, individual freedom and personal responsibility.

- **Greater attention and larger funds should be given to support small and young enterprises, through intensification of the microcredit programmes, organising offer exchanges, and supporting and promoting free market cooperation with entrepreneurs from the EU.** Establishing numerous, multi-sector trade contacts and broadly understood intensification of economic cooperation will contribute to strengthening of the frail Ukrainian middle class and help it become independent from politicians. It should then be able to influence the political class. Development of economic cooperation on the level of contacts with micro-companies will also be an effective factor facilitating pro-European attitudes. From the European perspective, a broad range of diverse economic contacts might lead to a change of opinion on Ukraine's membership in the EU within business and government circles. Demonstrating the attractiveness of the free market will be an effective tool to limit Russia's influence, as it prefers other *statist* standards in its economic contacts.

- **Another worthwhile tool is expansion of academic programmes that grant scholarships for students from Ukraine and animate cooperation of European and Ukrainian universities and colleges.** The number of Ukrainian students benefiting from Erasmus Mundus or Youth in Action programmes is disproportionally smaller than other countries included in those initiatives. In this area

Ukraine even comes off worse than other countries of the Eastern Partnership.<sup>48</sup> In absolute numbers many more students from China, Bangladesh, Russia and Serbia enjoy the scholarship programmes than from Ukraine. It would be difficult not to conclude that, in the case of Ukraine, this important and effective way to promote pro-European attitudes is used insufficiently.<sup>49</sup>

**- Annulment of the Black Sea Synergy programme should be discussed on the European forum, as it has not fulfilled most of what had been expected of it. In addition, proportional balancing of the funds assigned to cooperation with eastern neighbours with those spent on the Mediterranean Sea projects should signal the recognition of the special status of the eastern partnership in EU policy.** Funds given to the bilateral cooperation with eastern neighbours currently do not exceed 45% of the amount reserved for cooperation with the south. These proportions need to change. The Eastern Partnership programme naturally is an important initiative for the new EU members. Extending or evening of the funds the EU appropriates for east and south partnership would be an important signal that the strategic interests of the new members of the Community are treated on the same level as those of the old members, and that the countries of the EP are no less important than those from the Mediterranean Sea region. This is justified by their role in the stability of all of Europe and possibilities for its future growth.

<sup>48</sup> See: K. Pełczyńska-Nałęcz, “Integration or Imitation? EU policy towards its Eastern Neighbours”, op. cit., p. 44.

<sup>49</sup> Erasmus Mundus scholarships granted to students and scientists according to the European Commission data:

| Country                   | Students in 2004 - 2011 | Scientists in 2005 – 2010 |
|---------------------------|-------------------------|---------------------------|
| Armenia                   | 42                      | 4                         |
| Azerbaijan                | 12                      | 1                         |
| Belarus                   | 39                      | 4                         |
| Georgia                   | 42                      | 5                         |
| Moldova                   | 50                      | 1                         |
| Ukraine                   | 190                     | 27                        |
| Other selected countries: | -                       | -                         |
| Russia                    | 409                     | 80                        |
| Albania                   | 109                     | 3                         |
| Serbia                    | 257                     | 12                        |
| Macedonia                 | 42                      | 3                         |
| Bosnia and Herzegovina    | 43                      | 2                         |
| Bangladesh                | 331                     | 7                         |
| China                     | 1142                    | 159                       |

[http://eacea.ec.europa.eu/erasmus\\_mundus/results\\_compendia/statistics\\_en.php](http://eacea.ec.europa.eu/erasmus_mundus/results_compendia/statistics_en.php) [17.07.2011].

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