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THE ASSOCIATION AGREEMENT BETWEEN UKRAINE AND THE EU: ANALYSIS OF THE IMPLEMENTATION, CONSEQUENCES AND PROSPECT OF THE CARPATHIAN EUROREGION

У статті здійснено аналіз реалізації Угоди про асоціацію між Україною та ЄС, розглянуто наслідки та перспективи для Карпатського євро регіону. У світлі сьогоденних реалій тема є особливо актуальною. Окреслено значення та проблематику Угоди про асоціацію між Україною та Європейським Союзом, розглянуто методи її реалізації, подальші перспективи розвитку цього процесу.

***Ключові слова:** Європейський Союз, Україна, Угода про асоціацію, європейська інтеграція, економічна інтеграція, партнерство, співпраця.*

The article analyzes the implementation of the Association Agreement between Ukraine and the EU, considers the consequences and prospects for the Carpathian Euroregion. In the light of today's realities, the topic is particularly relevant. The significance and problems of the Association Agreement between Ukraine and the European Union are outlined, the methods of its implementation, the further prospects of development of this process are considered.

***Keywords:** European Union, Ukraine, Association Agreement, European integration, economic integration, euroassociation, partnership, cooperation.*

1. Introduction

The beginning of European-Ukrainian relations originates in 1993, when the Supreme Council adopted a resolution “On the main directions of Ukraine’s foreign policy”. The goal of Ukrainian foreign policy in it was called membership in the European Communities. It was noted that Ukraine intends to sign a partnership and cooperation agreement with the EU and regards this as the first stage of the country’s progress towards associated, and eventually full membership in this organization.

Since 2003, the goal of domestic and foreign policy has been to ensure Ukraine’s full participation in the pan-European and regional systems of collective security, the acquisition of EU membership while maintaining good-neighborly relations and strategic partnership with the CIS countries, as well as with other countries of the world.

After 2014, relations between Ukraine and the EU remain the main irritant of European politics and relations between Russia and the West. In relations between Ukraine, the EU and the Russian Federation, an “unequal triangle” has formed, within which the latest most acute and dangerous political crisis in the post-Soviet space has arisen and is developing.

2. Background of the crisis

Regarding the background of the crisis, a study by the Institute of Sociology of NASU in 2011 showed that the population of Ukraine hesitated in their choice of preferred directions of economic integration. Ukraine’s entrance to the EU was “supported” by 38%, “not supported” by 22%. Most of those who were “rather negative” about joining the EU lived in the south and east – 35% and 36%, respectively, the least – in the western region – 4%. By region: 64% of respondents in the west were “rather positive” about joining the EU (“rather negative” – 4%); in the center – 39%; in the east – 28.5% (“rather negative” – 36%); in the south – 24% (“rather negative” – 35%) [1].

Historically, European integration as a clearly defined vector of Ukraine’s foreign policy has been seen since 1994 – with the signing of the Partnership and Cooperation Agreement between Ukraine and the EU, which is regarded as the first stage of the country’s progress towards associated, and then fully recognized membership in this organization.

In 2004, Ukraine, although with some reluctance, because it hoped for more, became a participant in the EU neighborhood policy, and since 2009 – its continuation of the Eastern Partnership. On February 21, 2005, the Ukraine-EU Action Plan was signed, the main task of which was to determine the withdrawal of relations between Ukraine and the EU beyond the format of cooperation and the transition to gradual integration, primarily economic, but without certainty regarding membership in the Union. The reason for this was not so much the position of the Russian Federation as the fact that the EU was not ready to continue expanding to the East.

Structurally, the plan consisted of six parts: political dialogue, economic and social development, development of the internal market and trade with the EU, cooperation in the field of justice and internal affairs, infrastructure development, development of contacts between people. The document was of an open nature and assumed changes depending on the implementation of certain priorities [2].

The agenda, unlike many other political documents signed by the EU, was a practical, not a declarative step of Ukraine’s European integration, an effective tool for preparing the implementation of the provisions of the Ukraine-EU Association Agreement. The parties discussed topical political and economic issues, approved priorities for cooperation, monitored the implementation of decisions taken in their execution, and also jointly prepared reports on the work carried out. A General Committee was created for this purpose.

Ukraine's intention to sign in 2013 The Association Agreement and the expanded and deepened free trade area with the EU, which allegedly [3] led to a crisis in Russian-Ukrainian interstate relations, has been presented in the Russian political literature (and to an even greater extent in the Russian media) as a sharp change in the foreign policy orientation of the neighboring country.

It was assumed that with the successful implementation of the plan, Ukraine would become a country where the rule of law is guaranteed, the principles of good governance are in effect, human rights are respected, minority rights are respected and protected, and the principles of a market economy and stable development are adhered to. That is, a country which is ready and able to share with other European states the responsibilities and responsibilities of the EU member states. In the main directions of socio-economic development of Ukraine for 2013-2014 It was planned to formalize the sections and sign the Association Agreement and the Expanded Free Trade Zone [4].

The main difficulty, in our opinion, was that European integration includes not only a technical, but also a value component. And if Ukraine wants to be part of the European Community not only by virtue of geography, then it is necessary to adhere to certain rules that have already been developed and in force. They don't go to someone else's monastery with their own rules. If common values, from the point of view of the EU, are violated, then the reaction is not long in coming. This circumstance, due to the peculiarities of the worldview, turned out to be a surprise for the then Ukrainian leadership. Perhaps they hoped that Ukraine's importance to the EU would sideline other issues. In response, a number of direct and unpleasant statements for the Ukrainian administration followed.

"Let's be frank – the signing and ratification of the Association Agreement and the Free Trade Area will be impossible if Ukraine does not urgently pay attention to [...] the sharp deterioration of democracy and the rule of law," said the head of the European Commission J. M. Barroso and K. Ashton in July 2012 [5]. It was once again explicitly and unequivocally stated that the prospect of signing the aforementioned document depends on Ukraine's commitment to the values shared by the EU member states.

In December 2012, the EU Council formulated the requirements necessary for the signing of the Association Agreement, namely: the elimination of cases of politically motivated sentences [6], the reform of the judicial system, the implementation of recommendations for the results of parliamentary elections, the creation of a proper electoral system, the fulfillment of previously assumed obligations in foreign trade within the WTO [7].

In general, it turned out that a significant part of MEPs is determined to sign the Agreement in 2013. A. Severin (Romania) said: "Let's not fool ourselves! In this case, "postpone" means "reject". We have to move on to signing the agreement right now. We have to choose not between values and interests, but between the Euro-Atlantic and Asian vector. Our hypocrisy, short-sightedness and dishonesty are pushing Ukraine

towards a union that does not share our standards.”[8] The Vilnius Eastern Partnership Summit in November 2013 was named as the deadline for signing the Association Agreement.

Negotiations on the Association Agreement have been going on since the presidency of Viktor Yushchenko – since 2007. The parties agreed on the main provisions of the document during 21 rounds of negotiations. The official approval of the text of the document was announced at the Ukraine-EU summit in December 2011 in Kiev, and initialed on March 30, 2012 in Brussels.

In 2014, Petro Poroshenko signed the document. After that, the process of ratification of the agreement and approval by the EU member states began, the last of which in May was the Netherlands.

The refusal to sign this agreement at the Eastern Partnership Summit in Vilnius in November 2013 by Viktor Yanukovich caused mass protests in Ukraine, which turned into a “Euromaidan”.

3. Economic problems of integration

In the discussion that broke out in 2013 between supporters of different directions of economic integration of Ukraine, the leitmotif was the unwillingness of the Ukrainian economy to withstand the competitive pressure of the European one. In general, this is true, although with significant exceptions.

Analyzing the dynamics of foreign trade between the EU and Ukraine at the beginning of the XXI century, it should be noted that over the past ten years, with few exceptions, all this time there has been an increase in trade and economic ties between Ukraine and the EU. From 2003 to 2013, EU imports from Ukraine increased from 6.6 billion euros to 13.9 billion, and exports increased from 8.9 to 23.9 billion euros. In 2014, for obvious reasons, exports fell to 17.1 billion euros, while imports fell to 13.7 billion euros.

Russia and the EU decade from 2004 to 2014 remained the main trading partners of Ukraine. In 2014, Russia accounted for 20.8% of Ukraine’s trade turnover, the EU -35.2%. It is obvious that the Russian Federation and the EU are equivalent subjects in trade for Ukraine, but it is difficult not to agree with S. Glazyev that from the point of view of economic relations in general, the internal structure of foreign trade, relations with the Russian Federation, the Customs Union and the EEC, in any case, are more important for Ukraine today than relations with the EU [9]. This is also understood in Ukraine, but it is rightly noted that the political models of the Russian Federation, as well as two other participants in the Eurasian integration process – the Republic of Kazakhstan and the Republic of Belarus, on the one hand, and Ukraine, on the other, are poorly compatible, if at all.

In 2014, there were significant changes in the structure and volume of foreign trade operations in Ukraine. The most important trend in the external sector was the change

in the geographical structure of export-import operations. Ukraine's largest trading partner is now the EU, not the Commonwealth states (and, above all, Russia). If in 2013 36% of the volume of trade turnover accounted for the CIS, 31% and 23%, respectively, for the EU and Asian countries, then by the end of 2014 priorities were distributed as follows: 35.2% – the EU, 29% – the Commonwealth and 24% – the countries of the Asian continent, according to the State Customs Service of Ukraine [10].

The instability of the political situation in Ukraine led to a reduction in direct investments from EU countries, which decreased from 1.1 billion euros in 2011 to 0.1 billion euros in 2012. Accumulated EU investments in Ukraine at the beginning of 2013 amounted to 20.4 billion euros. EU investments in Ukraine are mainly concentrated in industrial enterprises (33.9%), in the financial sector (26.9%) [11].

If by the beginning of the second decade of this century a relative balance of political vectors, economic cooperation and public sentiment was established in Ukraine along the East–west line or, to be more precise, along the line of choosing a political orientation between the EU and the Russian Federation, then subsequent events, however, disturbed this balance.

There is no doubt that the current crisis in Russian-Ukrainian relations will further widen this gap and further consolidate Ukrainian society in its quest for integration with Europe, and not with Eurasia. And, oddly enough, this is what gives some hope that the obstacles that have appeared in the way of clearing the rubble that arose in Europe as a result of the two world wars, the revolution in Russia and the Cold War will eventually be eliminated and the European process will find its full breath.

4. Consequences

However, after the ratification of the Association Agreement in six months of 2017, as Poroshenko said, the trade turnover between Ukraine and the EU increased by 22%. In general, almost 40% of Ukraine's trade falls on the European Union.

The greatest progress during the implementation of the Agreement was achieved in the areas of entrepreneurship (81%), public procurement (83%), humanitarian policy (84%), technical barriers to trade (85%), justice, freedom, security and human rights (85%), political dialogue, national security and defense (89%).

The least progress was made in the areas of financial cooperation and combating fraud (24%), transport, transport infrastructure, postal and courier services (35%) and the financial sector (36%).

The prevailing opinion is that the agreement is beneficial only to the EU and its member states, but not to Ukraine. It is argued that the key interest of the EU in Ukraine is raw materials, such as unprocessed wood, and not Ukraine's export of high-value-added goods. An additional impetus to this discourse was given by Ukraine's calls to update the Association Agreement, in particular the section concerning Ukrainian export quotas.

The discourse is complemented by two broader narratives. The first one emphasizes that the EU-Ukraine Deep and Comprehensive Free Trade Area (DCFTA), which is part of the EU-Ukraine Association Agreement, has led to huge losses for Ukraine due to the need to reorient from Russia and the Commonwealth of Independent States (CIS) to the EU market. In some reports, these losses are called “economic collapse”. The second narrative is that Ukraine has no chance of joining either the EU or NATO. As a result, European integration seems to be something that does not bring Ukraine the benefits that Eurasian integration could bring.

However, an important point can be highlighted by the fact that the Association Agreement contributed to Ukraine’s ability to respond to the current security threat. The Association Agreement serves both as a tool to ensure stability against Russian aggression in Ukraine, and as an independent worthy crisis tool [12].

4.1. Solid achievements

The economic reorientation of Ukraine from Russia and the CIS to the EU was indeed accompanied by losses, especially with regard to exports of iron, steel and equipment. However, DCFTA allowed the EU to become the main trading partner of Ukraine with a share of 40.7% of Ukraine’s foreign trade as of 2020.

Much has also been achieved regarding the convergence of legislation with the EU, especially when it comes to removing technical barriers to trade and improving public procurement, statistics and information exchange. Taking into account Ukraine’s calls to update the Association Agreement, further steps are planned to strengthen EU-Ukraine sectoral ties and integrate Ukraine into the single digital market.

The Association Agreement also offered a framework for reforming Ukraine’s energy market. Ukraine has announced its intentions to join the European energy system and the EU electricity market by 2022-2023. This will reduce both economic and energy dependence on Russia. In other politically and economically sensitive areas, such as decentralization, anti-corruption, the judiciary and competition, the EU has successfully used the Association Agreement as a basis for promoting reforms.

Thus, considering the economic part, it turned out to be unprofitable for Ukraine, because Ukraine did not become more present in the EU market than it was before 2014. Moreover, there is also a very important factor in which format Ukraine is present, and it is mainly present in the format of raw materials, agricultural products or services. So, products with high added value are not represented by Ukraine in the EU.

Closer ties with the EU have been achieved in the field of education and culture, in particular, thanks to Ukraine’s participation in the Erasmus, Horizon and Creative Europe programs. All this means that Ukraine entered the crisis as a more stable state with multifaceted ties with the EU, and not only with Russia and the CIS. This strengthening of Ukraine’s resilience can be seen as a key factor in deterring Russian aggression [12].

Also, on the one hand, the liberalization of the visa regime can be attributed to a number of positive consequences. Thus, it turns out that the liberalization of the visa regime has led to the fact that labor migration has started to work. However, Ukraine is losing population. Moreover, this process continues [13].

5. Future prospects

Considering the Association Agreement between Ukraine and the EU from the point of view of Ukraine's entry into the European Union, then such a Euroassociation in its essence does not have any clearly measurable final point, even if Ukraine fully fulfills all the requirements of the agreement and, consequently, gets the opportunity to become a member of the European Union. It turns out that the Ukrainian agreement on Euroassociation does not imply completion in the context of obtaining at least the status of a candidate for membership in the European Union. Ukraine can make progress, or lag behind in development, but this does not lead to a certain finale.

For example, if we compare the Ukrainian agreement on Euroassociation with the agreements that are in force in the Balkan countries, then they had it spelled out. So, the next enlargement of the EU, which is planned until 2025, primarily includes these Balkan countries, where it was stated in principle that if the countries fulfill the points of the agreement, they understand that they will become members of the European Union.

Thus, in the context of Ukraine, there is no such clear definition and guarantee that Ukraine, fulfilling all these points, will eventually come to this stage. And this is one of the key demotivating moments. It can be said that all seven years before, the agreement on Euroassociation was presented to society as an agreement that Ukraine was almost in the EU. But at the end of seven years, it is noticeable that Ukraine in the process of integration really gives part of its state sovereignty to supranational structures, but there is no clear European perspective [13].

On the other hand, considering the possibility of further development prospects, when the association agreement is revised, there is a possibility of resuming activities within the framework of the creation of a joint aviation space. Negotiations on the agreement on a joint aviation space, or, as it is also called, on "open skies", ended back in 2013, and its signing was planned in 2015, but the process stalled due to an unresolved dispute between the UK and Spain over Gibraltar. Now this has technically become possible, since the UK has officially left the EU since 2021.

The agreement on "open skies" should liberalize the air transportation market of Ukraine and the EU, which, logically, will lead to an increase in the number of destinations, flights, and frequency of flights.

As for the upcoming agreement on assessment of conformity and acceptability of industrial products, this is the so-called "industrial visa-free", which should provide wider access to the European market of Ukrainian industrial products without addition-

al certification. To do this, it is necessary to adopt amendments to Ukrainian legislation to bring domestic industrial standards in line with European ones.

Earlier, Deputy Prime Minister for European and Euro-Atlantic Integration of Ukraine, Olga Stefanishina, said that the agreement may concern some types of domestic products with added value – low-voltage and electromagnetic equipment, machinery and mechanisms.

There may also be changes to the annexes, for example, regarding quotas for which Ukraine can supply food, duties on imported cars to the European Union, on the timing of the introduction of tax legislation in Ukraine similar to the existing one in the European Union.

Based on the words of the president of the Ukrainian Analytical Center, economist Alexander Okhrimenko, rewriting the agreement is not possible. Because if any changes are made to the agreement itself, it is necessary for all countries to sign and all parliaments of European countries to vote again. And this, in turn, may take at least ten years [14].

Also predicting the prospects, it is necessary to mention recent events that may become quite a turning point in relation to the development of the agreement under consideration. Thus, the military aggression on the part of the Russian Federation, which began on February 24, became a significant reason to once again raise the issue of Ukraine's membership in the EU.

It is known, that on February 28, President of Ukraine Volodymyr Zelensky signed an application for Ukraine's accession to the EU. And the very next day, on March 1, the European Parliament voted "for" a resolution in which it called on the institutions of the European Union to work to grant Ukraine the status of an EU candidate.

Prime Minister of Slovakia Eduard Heger was one of the first to speak about the urgent accession of Ukraine to the EU. On Sunday, February 27, he urged that Kiev's desire to join the European Union should be taken seriously. Heger stressed that a "new approach to European integration" should be adopted in relation to Ukraine, there should be a "completely new path" for a country that has gone through a war and "wants to become part of Europe." Heger's proposal was also supported by the Presidents of Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Poland and Slovenia.

Soon the President of the European Commission, Ursula von der Leyen, spoke out. The politician stressed that Ukraine and the EU closely cooperate in various fields, so the EU wants to see the country in the European Union. However, von der Leyen clarified that this would happen "over time" [15].

The Center for Countering Disinformation under the NSDC has collected the main advantages of EU membership: borders without barriers, strengthening consumer rights, increasing the number of goods at more affordable prices, improving education and an impetus for sectoral cooperation.

Experts agree – the candidacy itself can last up to several years. However, even the current statements and procedural decisions of European politicians are already a green

light for Ukraine. The speakers are unanimous in another — first of all, it is necessary to end the war.

6. Conclusion

Taking into account all of the above, it can be concluded that relations between Ukraine and the European Union have undergone many transformations along the way, starting from the 1990s and ending with present days. Throughout the entire cooperation, Ukraine has always demonstrated commitment to the European vector of development and tried in every way to contribute to the development of bilateral relations with the European Union. So, an important event in the development of their cooperation was the signing of the Association Agreement between Ukraine and the EU in 2014 and its ratification in 2017. Thus, despite the high expectations of the Ukrainian side, the implementation of this agreement did not bring any significant results, and in some areas of activity even worsened the situation. Moreover, many experts believe that the Association agreement has brought more benefits to the European side than to Ukraine.

As a result, the Ukrainian side proposed to revise the agreement and make some adjustments in order to improve its position within the framework of European integration. Even with the possibility of renegotiating the agreement, it will be impossible to highlight any visible improvements. However, in the light of recent events, the crisis situation in Ukraine has forced the European Union to reconsider its directives on further integration in the Eastern European region. So today, Ukraine's entry into the European Union seems to be the most possible, but after the expiration of time.

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