Meeting Summary: Russia and Eurasia Programme

Ukraine and the European Union: Integration Processes and Prospects

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Ukraine’s current leadership has reiterated its commitment to European integration on multiple occasions. Yet Ukraine is facing a crisis in its bilateral relations with the European Union. The Association Agreement initialled by the Government of Ukraine and European Commission in April 2012 is on hold for full signing and ratification. The EU perceives a political persecution of the opposition, particularly the Tymoshenko case, and this paralyzed the integration process.

The agreement initialled in Brussels shows that Ukraine has chosen the path of integration with EU. The Deep and Comprehensive Free Trade Association is a key component of the agreement. At present, it is not possible for Ukraine to join the Russia-dominated Customs Union. However, Russia is Ukraine’s main trade partner and the two markets are closely linked. Therefore, economic cooperation with Russia is desirable as long as it is no in conflict with the principles of the DCFTA.

The government of Ukraine is aware of the corruption in the judiciary system and the need for institutional reform. Within a short period of time, Ukraine will have to introduce a large number of European norms and rules into national legislation—norms that took years to evolve in the EU. 2012 is an election year in Ukraine, which does not create an environment conducive to reforms. Nevertheless, the reform process will continue after the elections. A participant asked what constitutes a conflict of interest in Ukraine’s political environment. The speaker replied that the notion is not built into the country’s system and denied any conflict of interest on his part.

Today, Ukraine pays a higher price for Russian gas than other European countries. Russia is keen on gaining access to Ukraine’s energy market, while Ukraine is trying to get a discount for the Russian gas. However, it is not productive to focus solely on price; the Ukrainian government needs to work together with all the parties involved—Russia as the supplier and the EU as the consumer. Ukraine also needs to end the monopoly of Naftogaz. Reform of the energy market should drive Ukraine’s economy in the near future. In terms of Ukraine-Russia relations after the elections, no favours are expected from Moscow, but the Ukrainian government expects pragmatic and constructive cooperation on a multitude of issues.

Ukraine’s government is strongly committed to the rule of law. The law applies equally to all citizens, whether they are supporters of the government or members of the opposition, as demonstrated by several recent court cases involving government officials. The EU considers Tymoshenko case an example of selective justice. The Ukrainian government has tried to
understand EU’s position, but the EU has not reciprocated. Tymoshenko was sentenced according to the Ukrainian law; the law cannot be changed to accommodate her needs. The speaker suggested that the EU-Ukraine agenda should be broadened to include issues such as privatisation and the investment climate, otherwise the integration process may become stuck on the issue of Tymoshenko’s trial.

Asked whether the government understood the importance of the forthcoming parliamentary elections (October 2012), the speaker replied that the government will do its best to allow candidates to compete fairly. However, it is difficult to give all of them equal access to the media, for example, as there are over 3,000 candidates. In order to show its commitment to European standards, the government is keen that European observers monitor both the campaign and the elections. It is expected that the losing side will challenge result, so the government does not want to be judged based only on the results.