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UKRAINE AFTER RATIFICATION OF THE ASSOCIATION AGREEMENT

У статті розглянуто Угоду про асоціацію між ЄС та Україною як всеосяжний договір, який охоплює політичні та економічні відносини обох сторін. Акцентовано, що Угода перетворилась із символу на засіб руху вперед. Обґрунтовано, що максимально ефективно скористатись модернізаційним потенціалом Угоди Україна зможе лише за умови чіткого, своєчасного та повного виконання своїх зобов'язань. Зазначене вимагатиме розуміння сучасних соціально-економічних проблем та процесів, відповідних політичних зусиль, інституційних спроможностей та фінансових витрат. Наголошено на позитивних ефектах від запровадження Угоди, на впливі, який асоціація має на майбутнє України.

Проаналізовано істотні суспільно-політичні і економічні трансформації, які відбулись в Україні за цей час. Відзначено, що змінився рівень політичних свобод, підвищились роль громадянського суспільства, рівень свідомості, запиту на реформи в суспільстві та усвідомлення своєї конкурентоспроможності в бізнесі. Акцентовано, що Угода про асоціацію є гнучким інструментом, який дозволяє Україні рухатись вперед та адаптуватись до нових форм діяльності.

Ключові слова: *Угода про асоціацію, Європейський Союз, Україна, європейська інтеграція, міжнародні відносини.*

The Association Agreement between the EU and Ukraine is a comprehensive treaty covering Ukraine's political and economic relationship with the EU. From now on, the Agreement must transform from a symbol to a forward movement. But this will not happen by itself, as maybe someone would like it. We must be aware that Ukraine will only be able to use the modernization potential of the Agreement as efficiently as possible, provided that its obligations are clear, timely and complete. And this will require an adequate intellectual understanding of contemporary socioeconomic problems and processes, relevant political efforts, institutional capacity and financial expenditures.

After all, the meaning of the Agreement is not at all in tariff commitments. And the effect of the entry into force of the Agreement may not be as clear to citizens as the introduction of a visa-free regime with the EU. And when the positive momentous effects of the implementation of the agreement have already been made, let's understand what influence this association has on the future of Ukraine.

During this time, significant socio-political and economic transformations took place in our country. The level of political freedoms has changed, the role of civil society, the level of consciousness, the demand for reforms in society and the recognition of their competitiveness in business have become new.

The EU rules and regulations to be implemented in accordance with the Agreement are based on the idea of a social market economy, which in turn is a cornerstone of the social order of the Member States.

Similarly, the Association Agreement: its implementation is impossible without the cooperation of authorities with business, social partners, public activists. At the same time, the implementation of the legislative and technocratic norms envisaged by the Agreement radically changes the very social fabric of its society and in practice transforms Ukraine into a state with a social market economy, as enshrined in the Constitution of Ukraine.

Keywords: Association Agreement, European Union, Ukraine, European integration, international relations.

The Association Agreement between the European Union (EU) and Ukraine is without exaggeration the most extensive package of agreements in the history of independent Ukraine. But if for the European Union the Association Agreement means the success of the Eastern Partnership policy, then for Ukraine this Agreement is in fact a choice of a strategic direction for reforming the country and further integration into the system of modern world economic relations [1]. The Association Agreement between the EU and Ukraine is a comprehensive treaty covering Ukraine's political and economic relationship with the EU. The trade-related content establishes a Deep and Comprehensive Free Trade Area

(DCFTA), which is an important part of the overall Agreement [5, 6].

On July 11, 2017 the Association Agreement between the EU and Ukraine was ratified. Every conscious citizen of our country raises the question, and what's next?

What can we have from the Agreement, which became a peculiar symbol for Ukrainians. The symbol of belonging to Europe, European ideas and European way of life.

From now on, the Agreement



Fig.1. EU-Ukraine Association Agreement

Source: European Union in Ukraine (https://www.facebook.com/EU-DelegationUkraine/?ref=page_internal)

must transform from a symbol to a forward movement. But this will not happen by itself, as maybe someone would like it. We must be aware that Ukraine will only be able to use the modernization potential of the Agreement as efficiently as possible, provided that its obligations are clear, timely and complete. And this will require an adequate intellectual understanding of contemporary socioeconomic problems and processes, relevant political efforts, institutional capacity and financial expenditures [1].

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Similarly, the Association Agreement: its implementation is impossible without the cooperation of authorities with business, social partners, public activists. At the same time, the implementation of the legislative and technocratic norms envisaged by the Agreement radically changes the very social fabric of its society and in practice transforms Ukraine into a state with a social market economy, as enshrined in the Constitution of Ukraine [3].

As an example, the introduction of EU standards in the gas market, membership in the Energy Community made it possible, physically, through the construction of an interconnector, to integrate the Ukrainian gas market with the EU, to diversify supplies and to ensure gas independence from the Russian Federation.

The Ukrainian gas market becomes clear to European companies that really make it players. Mutual legal obligations between Ukraine and the EU are a solid basis for protecting interests both in litigation with Gazprom and in the attempts of the Russian Federation to disbalance the gas market in the EU by constructing the "North Stream 2" [2].

The association agreement is not something that is fixed in time and space, but is a flexible tool that allows you to move forward and adapt to new forms of activity as we want it.

There is nothing in the Agreement that can be neglected. It covers all spheres of life where there is a real chance to get closer to the EU level. Moreover, fulfillment of the formal provisions of the Agreement is impossible without structural reforms, not expressly mentioned in the Agreement. Let's take an example of financial services and the capital market. The agreement enables Ukraine to fully integrate into the relevant EU market, which gives the economy access to cheap and long-term financing. But to realize this opportunity

without a radical purge of the financial market and without modern monetary policy is impossible.

On the contrary, the actual technical requirements for the implementation of the statistical compendium of the EU or the system of public accounts of the ECA 95 (no matter how complicated these terms appear at first glance) make it possible to make informed decisions about the overwhelming structural reforms of the budget, tax system and pension system.

In the end, the Association Agreement is not only a matter of national level. The EU's basic principle is subsidiarity when matters concerning the region are solved at the lowest - local level, and not at the national or EU level. Therefore, it is necessary to develop an active stratum of those who can initiate and solve issues at the local level, and this decision then becomes the basis for the national, and not vice versa.

The ability to combine global and local is one of the peculiarities of the EU. We must learn how to use it actively in the process of decentralization. But this process is becoming full due to the economic development of communities and regions, including through economic integration with the EU.

Such an interweaving of the Agreement with all transformational processes in the society requires from state institutions somewhat more than simple bureaucratic planning and reporting.

First of all, the parliament and the government must learn to be consistent. It is paradoxical, according to the logic of European partners, that the parliament first votes for ratification of the Association Agreement, and then adopts bills that violate and contradict the provisions of the Agreement and our country's commitment to the WTO.

This discussion can go for a long time, but we must understand that EU trust is a key in the implementation of any agreement at the national level [2].

For today, the main problem in the development of our state in the direction of European standards remains the existing system. It does not allow us to develop effectively. And we must be aware of this. The post-Soviet system did not include mechanisms for development and self-improvement.

In contrast, it is precisely the idea of an Association Agreement. After all, the entry into force of the Agreement changes the logic of relations between Ukraine and the EU. It requires us to properly implement its provisions, and from the EU - a proper attitude to Ukraine in making its decisions.

Ukraine, having passed the Maidan, left the post-Soviet space, but has not yet entered the European dimension. And so at this stage there should be a huge system work, which in the first place requires us to reformat our thinking. In our lexicon, new terms should appear: good governance and best practices.

Recognition of Ukrainian products in line with EU requirements facilitates access to markets of third countries. The abolition of the visa regime with the EU greatly facilitates the work, in particular, the Ukrainian producer with other countries in this direction.

This Association Agreement was sufficient advertising for Ukrainian products (grain, vegetable oil and metal are still sold through traders and do not need no advertising). But further promotion can only be ensured by thorough

implementation of it [2]. The same is true with the main symbol in relations with the EU - the prospect of EU membership.



Fig.2. How the Association Agreement between Ukraine and the EU is implemented (2014-2024)

Source: Слово і діло. Аналітичний портал (<https://www.slovoidilo.ua/2020/05/18/in-fografika/polityka/yak-vykonuyetsya-uhoda-pro-asociazciyu-mizh-ukrayinoyu-ta-yes>)

According to reports on the implementation of the Association Agreement between Ukraine and the EU for 2017-2019, a total of 43% of the planned for 2014-2024 was implemented [4]. At the same time, the Verkhovna Rada fulfilled 34% of the total tasks, the Cabinet of Ministers – 46%, other authorities – 25%.

The greatest progress in the implementation of the Association Agreement has been made in the areas of “Political Dialogue, National Security and Defense” – 86%, “Justice, Freedom, Security, Human Rights” – 82%, “Public Procurement” – 80%, “Technical barriers to trade” – 79%,” Entrepreneurship “ – 76%.

Areas in which Ukraine lags behind the schedule of its obligations under the Association Agreement: “Transport, transport infrastructure, postal and courier services” – 19%, “Financial Sector” – 22%, “Energy” – 29%.

In the field of intellectual property – the legal protection of geographical indications has been improved, the conditions for obtaining and protecting the right of ownership for the layout of microcircuits have been simplified [4].

Thanks to the new level of protection of intellectual property that crosses the borders of Ukraine, counterfeit goods that harm producers and the economy will be stopped at the border.

There have also been changes in the energy sector. The government has introduced competitive conditions for the production of electricity from alternative sources and a mechanism for allocating support quotas [4]. One of the key reforms in the energy sector has taken place – now Ukraine is fully synchronized with Europe in the mode of operation of the gas market. Reforming (unbundling) of NJS Naftogaz of Ukraine and creation of an independent gas transmission system operator have been completed.

The total amount of financial and credit support from the EU in 2019 amounted to 1.5 billion euros. The total amount of international technical assistance at the end of 2019 amounted to 385.7 million euros.

After the introduction of the free trade area, the EU is Ukraine's largest trading partner, accounting for 41.3% of total foreign trade in goods. Ukraine enters the EU market with new products, among which an increasing share is beginning to cover goods with a high degree of processing.

Within the framework of tariff quotas, the volumes of duty-free exports are growing. In 2019, Ukrainian exporters used 32 of the 40 tariff quotas. In 2019, 14,545 companies supplied their products to the single European market. The number of European-oriented exporters who have received the status of authorized exporter is increasing. Currently, 251 companies can export their products to the EU without a EUR.1 certificate [4].

It is possible to wait for signals and promises of EU membership for a long time. And it is possible to implement the Agreement in order to show the consistency of our intentions. And turn the issue of further integration with the EU into a completely practical and pragmatic one. Then a mutually beneficial formula for integration is found almost by itself. We already feel that all process participants are actively looking for it. However, it is not formulated in phrases and slogans, but should become a natural result of our integration into all European spaces.

It should also be noted that the EU and Ukraine are constantly evolving, and therefore the emergence of new socioeconomic realities and regulatory requirements will objectively require the parties to seek answers to new challenges and develop mutual cooperation, going beyond the mere implementation of the provisions of the Association Agreement [1]. In other words, it is about how Ukraine and the EU will be able to use the potential of the Agreement to really enrich the forms and content of cooperation and provide an adequate coordinated response to current and future regional and global issues.

There is one more point on which should be emphasizing separately. Implementation of the Agreement is a long process. And the main responsibility for its success lies with the politicians and the Government, because they form and implement the relevant economic policy. Ultimately, it is up to them whether the Association Agreement will be an effective tool for reforms and modernization of Ukraine or the Agreement will remain a formal document, and the idea of European integration and its changes will be simply discredited [1].

We must realize that the ratification of the Association Agreement and visa-free regime has come to an end of a certain stage and that without our concentrated and strategically planned work, further political shifts may simply not happen.

And vice versa, such work will lead to results faster than anyone can imagine. We only have to take a step forward.

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