

Position Paper on Ukraine EU accession

1. Introduction

The Russian aggression against Ukraine on February 24, 2022, had a profound impact on global security and economics. This conflict has brought about significant political and social repercussions, not only affecting Ukraine's own economic landscape but also having widespread consequences for the international and European economy. Confronted with the tragic loss of lives, widespread destruction of essential infrastructure, interruptions in trade, and territorial occupation, Ukraine faces the dual challenge of addressing its immediate threats while simultaneously strategizing for a future that is more resilient and safe. As a result, Ukraine became the first country to apply for EU membership in the midst of a war.

The ongoing conflict between Russia and Ukraine has significantly altered the European Union's perspective on the implications of welcoming new countries into the bloc. For a considerable time, European decision-makers essentially regarded the notion of Ukraine joining the EU as overly ambitious and unfeasible. However, this stance has experienced a profound transformation in response to the geopolitical threat to the broader security of Europe posed by Russia's aggression on Ukraine. The question of Ukrainian enlargement shouldn't be "if" but rather "how" and "when".

The argument for Ukraine's swift accession is deeply rooted in the historical context of EU expansion. The Union has seen remarkable growth and evolution, with each accession wave bringing unique challenges and opportunities. Learning from past expansions, particularly Poland's transformative accession in 2004, provides invaluable insights. Poland's path to EU membership was marked by significant economic and political reforms, reshaping its institutional landscape and bolstering its economic strength. This experience serves as a testament to the transformative power of EU integration, offering a blueprint for Ukraine's potential path.

Therefore, as EU leaders consider Ukraine's accession, they are not just deciding on the Union's expansion, but also shaping a narrative of transformation and growth. By addressing Ukraine's current challenges, the EU has an opportunity to strengthen its community with a new member, while responding to a significant threat to European security posed by Russia.

2. Background: the roots of Ukrainian desire to integrate into the EU

The initiation of Ukraine-EU relations can be traced back to when the European Union invited Ukraine for discussions on December 2, 1991. This invitation came just a day after the Ukrainian populace voted in favor of independence in a referendum, reflecting the collapse of the Soviet Union and marking a significant moment in their history. More than 92 percent of Ukrainian voters approved the Verkhovna Rada's August Declaration of Independence. As a

result, on December 2, the foreign minister of the Netherlands, then presiding over the European Community, officially recognized Ukraine's independence and released a declaration acknowledging the democratic character of its referendum.

In April 1992, the Commission sought authorization from the Council to initiate negotiations for partnership and cooperation agreements with the nations of the former Soviet Union, and received approval to proceed in October of the same year. The first official meeting between President Jacques Delors of the Commission of the European Communities and Mr. Leonid Kravchuk, President of Ukraine, took place earlier in Brussels on September 14, 1992¹. Following the meeting, it was concluded that the European Community and Ukraine should enhance their relationship, particularly in light of their shared policy directions and their mutual commitment to fully adhere to the Helsinki Final Act from the Conference on Security and Cooperation in Europe. The President of Ukraine reiterated Ukraine's dedication to advancing its policy of economic reform, while the President of the Commission confirmed the Community's willingness to back this policy. As a result, The Delegation of the European Commission to Ukraine was opened in the centre of Kyiv in September 1993².

The first step to achieving those goals was the discussions for a Partnership and Cooperation Agreement (PCA) between the European Community and Ukraine, conducted in three phases from March to November 1993. The PCA between the European Communities and Ukraine, officially signed on 14 June 1994, was a pivotal event. Effective from March 1 1998, PCA established political and economic collaboration between the two entities, with objectives to strengthen democratic institutions in Ukraine and promote its integration into the global economy. This Agreement facilitated a political and economic dialogue, outlined trade obligations, and supported extensive economic cooperation³.

This also led to the formation of the Parliamentary Commission for EU-Ukraine Cooperation, comprising members from both the European and Ukrainian Parliaments. This Agreement laid the legal groundwork for enhancing political, economic, and trade relations between the EU and Ukraine, typical of the economic agreements the EC made with former Soviet bloc countries⁴. Set to last until 2008, the PCA, while not specifically anticipating Ukraine's entry into the EU, did open the possibility for a free trade zone.

Another major milestone was at the Helsinki European Council summit on December 11, 1999, where the EU implemented a four-year Common Strategy towards Ukraine, with the possibility of extension. This strategy was later replaced in 2003. The Council's strategy aimed to reinforce the strategic partnership between the EU and Ukraine, deemed vital for

¹ https://ec.europa.eu/commission/presscorner/detail/en/IP_92_713

² https://www.eeas.europa.eu/ukraine/who-we-are_en?s=232

³ https://ec.europa.eu/commission/presscorner/detail/en/IP_98_198

⁴ https://journalse.com/pliki/pw/Y_10_barburska_ukr.pdf

promoting peace, stability, and prosperity in Europe. It focused on three strategic goals with regard to Ukraine:

- to contribute to the emergence of a stable, open and pluralistic democracy in Ukraine, governed by the rule of law and underpinning a stable functioning market economy which will benefit all the people of Ukraine;
- to cooperate with Ukraine in the maintenance of stability and security in Europe and the wider world, and in finding effective responses to common challenges facing the continent;
- to increase economic, political and cultural cooperation with Ukraine as well as cooperation in the field of justice and home affairs⁵.

Despite these initiatives, Ukraine's relationship with the EU evolved gradually. Paradoxically, the importance of Russia as a partner to both Ukraine and the EU meant that neither wanted to jeopardize their relations with Russia. Issues like uninterrupted energy supplies were crucial for both Ukraine and the EU. Additionally, Ukraine's economy was deeply intertwined with Russia, evidenced by Russia's 38% share in Ukrainian trade in 1998.

The Orange Revolution in Ukraine in 2004-2005 was another turning point, signaling a strong public desire for closer ties with the EU and for democratic reforms. In response, the EU introduced the European Neighbourhood Policy (ENP), aiming to foster stability, security, and prosperity in its neighboring regions, including Ukraine. Under the ENP, an Action Plan specific to Ukraine was developed, focusing on political and economic reforms, justice and home affairs, and sectoral cooperation developed for a period of 3-5 years, outlining key areas of cooperation.

These plans were finalized in September 2004, then approved by the European Council in December of the same year, and accepted by the EU-Ukraine Cooperation Council in February 2005⁶. The Plan, set to last for three years, included a wide range of objectives, including aligning Ukrainian law with European standards, building the foundations of economic cooperation, and preparing Ukraine for WTO accession and the establishment of a free trade area with the EU. From 1 January 2002 to 30 September 2009, EC cooperation with Ukraine gave rise to 692 contracts with a total commitment of EUR 832.8 million. Payments over the same period amounted to EUR 556.4 million⁷.

In July 2008, the Office for European and Transatlantic Integration Coordination was established, which was transformed two years later into the Office for European Integration Coordination. Its main task was to monitor the integration process, propose improvements, organize meetings with EU structures, inform the public about the Ukrainian government's

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999E0877-20031220&rid=4>

⁶ <https://www.oecd.org/derec/ec/47272956.pdf>

⁷ Ibidem

actions in terms of integration, and prepare legal acts. Although this office was an important step in the integration process, its limitations stemmed from the fact that it was just a subdivision of the Cabinet of Ministers' Secretariat.

A significant stage in Ukraine's integration with the EU was its inclusion in the Eastern Partnership program in 2009⁸. This program aimed to create new legal bases in the form of an association agreement and a free trade zone. However, in 2011, the negotiation process of the association agreement was complicated by the case of Yulia Tymoshenko, weakening Ukraine's perception as a leader in the Eastern Partnership. Nevertheless, the association agreement was eventually initiated in 2012, covering political dialogue, economic cooperation, internal and justice affairs, and the creation of a free trade zone.

The Ukrainian government's decision in 2013 to suspend preparations for signing the association agreement led to mass protests known as "Euromaidan" which resulted in major political changes. Countless Ukrainians from various areas converged in central Kyiv to participate in demonstrations supporting Ukraine's decision to align with Europe. The Euromaidan Revolution escalated to a tragic peak in February 2014, marked by the killing of numerous demonstrators in Kyiv's Independence Square and the subsequent escape of President Yanukovich to Russia. The provisional government quickly expressed its determination to move forward with the EU Association Agreement. Moreover, following Russia's assault on Ukraine in 2014, the EU turned into the primary destination for Ukrainian labor migrants.

The Association Agreement was ultimately signed in the summer of 2014, and its provisions were gradually implemented in phases over the subsequent years⁹. This agreement envisaged bringing Ukraine closer to the EU through shared values, political dialogue, strengthening peace and stability, economic cooperation, and cooperation in the fields of justice, freedom, and security. It also foresaw the establishment of a free trade zone, the alignment of Ukrainian law with EU standards, and cooperation in the field of energy.

In 2015, an association program was adopted, which was a key element in the process of reforms and economic modernization of Ukraine. This integration was characterized by progress in the liberalization of economic cooperation, and the deep and comprehensive free trade area (DCFTA), that has been provisionally applied since 1 January 2016¹⁰.

On 1 September 2017, the association agreement fully came into effect after ratification¹¹. For most Ukrainians, the most notable event was likely the introduction of visa-free travel to the

⁸ <https://www.coe.int/en/web/corruption/completed-programmes/pgg-eastern-partnership>

⁹ <https://www.atlanticcouncil.org/blogs/ukrainealert/european-integration-is-taking-root-across-ukraine-despite-russias-best-efforts/>

¹⁰ <https://www.consilium.europa.eu/en/press/press-releases/2017/07/11/ukraine-association-agreement/>

¹¹ ibidem

EU in June 2017, marking the end of many years of visa barriers and discriminatory passport practices¹². Additionally, the free trade aspect of the Association Agreement has contributed to increasing the EU's portion of Ukraine's total trade to 42 percent. Also The EU has provided significant financial assistance to Ukraine, which over the years 2014 to 2021 amounted to EUR 1.7 billion in grants under the European Neighbourhood Instrument, EUR 5.6 billion under five macro-financial assistance programmes in the form of loans, EUR 194 million in humanitarian aid and EUR 355 million from foreign policy instruments¹³.

Despite significant cooperation and advancements, before Russian aggression in 2022, Ukraine's accession to the EU remained a long-term objective. The EU emphasized the need for ongoing and sustainable reforms in critical areas like the judiciary, democratic governance, and anti-corruption measures. Russia's capacity to corrupt and sway key politicians in Western Europe diminishes the likelihood of the EU becoming more receptive to Ukraine. Moreover, countries like France and Netherlands remained reluctant to the idea of the EU opening to any less-developed country, including Ukraine¹⁴.

3. War times. Russian aggression accelerating Ukraine's Path to EU Accession

Russia's all-out conflict with Ukraine has revitalized the discussion on EU enlargement. The majority of member states currently view expansion as a strategy to address the geopolitical situation and to fortify the EU's presence in its immediate vicinity. The Russian invasion on February 24th 2022, posed a significant challenge to Ukraine's sovereignty and tested the European Union's resilience and political autonomy.

Ukraine, having shown a commitment to EU integration through the EU-Ukraine Association Agreement in 2014, faced a critical moment in its history. Despite this, there was initially reluctance within the EU to fully embrace Ukraine's prospects for membership. This hesitation was upended when Ukrainian President Zelensky, in an unexpected move amidst the intense military conflict, applied for EU membership on February 28th, 2022, by invoking Article 49 of the Treaty on European Union (TEU)¹⁵. This bold step, taken as Russian forces were in close proximity to Kyiv, marked a crucial and historic phase in Ukraine's aspirations.

By this time, the geopolitical significance of Ukraine's EU enlargement became stronger than ever. The war's outbreak significantly affected global security and the economy, with far-reaching implications for both Ukraine and the international community. In the initial year of the conflict, Ukraine experienced a GDP decline of 30-35%, resulting in the most significant

¹² <https://www.consilium.europa.eu/en/press/press-releases/2017/03/02/visa-liberalisation-ukraine/>

¹³ <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-06/Ukraine%20Opinion%20and%20Annex.pdf>

¹⁴ <https://klubjagiellonski.pl/2021/11/22/ukraine-in-the-eu-western-europe-and-russian-influence-stand-in-the-way/>

¹⁵ https://www.epc.eu/content/PDF/2022/Ukraine_DP.pdf

recession in the country's history¹⁶. Vital export channels through Ukraine's Black Sea ports, including Mariupol and Odessa, have been disrupted. Mariupol has faced extensive destruction due to Russian shelling, and Odessa has been under an effective blockade by Russian naval units. Prior to the conflict, these pathways facilitated half of Ukraine's overall external commerce and 90% of its grain exports¹⁷.

Secondly, the conflict has led to unstable and high prices for commodities and energy, intensifying food scarcity and fueling inflation in various regions globally¹⁸. The immediate economic forecast for Europe has significantly worsened due to the ongoing war in Ukraine. Several European nations faced a mild recession, influenced by rising energy costs, substantial inflation, and stricter financial conditions, all of which are expected to reduce household spending and investment. According to recent World Bank estimates the growth rate of the European Union is predicted to be just 0.2% in 2023, a sharp decline from the estimated 3.3% in 2022¹⁹. Moreover, the Bruegel think-tank estimated that the economic impacts of Ukraine's war, with short-term direct budgetary costs for the EU and its members, could sum up to EUR 175 billion, or about 1.1 to 1.4% of GDP in 2022²⁰.

The EU's reaction to Russia's aggressive war was unparalleled in its unity, determination, and immediacy. All 27 EU Member States, alongside global partners, denounced the unprovoked and unjustifiable military aggression. Rapid action was taken to politically and economically isolate Russia, denounce violations of international humanitarian law, and support efforts to hold accountable those responsible for war crimes and other transgressions linked to Russia's belligerence. To date, the EU has implemented 11 comprehensive sanction packages against Russia and Belarus. Showing steadfast solidarity with Ukraine, the EU continues to extend extensive humanitarian, financial, economic, and military aid. Employing a 'Team Europe' strategy, the EU, its Member States, and financial institutions have collectively mobilized EUR 82.6 billion (as of September 2023, including EUR 25 billion for military aid), also covering funds to support refugees within the EU²¹.

Given the circumstances, in response to Ukraine's application and the urgent situation, the EU Council rapidly initiated the accession process under Article 49 TEU, inviting the European Commission to review Ukraine's application. The Commission, recognizing Ukraine's

¹⁶ <https://www.economicobservatory.com/ukraine-whats-the-global-economic-impact-of-russias-invasion>

¹⁷ <https://www.consilium.europa.eu/pl/infographics/how-the-russian-invasion-of-ukraine-has-further-aggravated-the-global-food-crisis/>

¹⁸ <https://www.un.org/en/desa/one-year-war-ukraine-leaves-lasting-scars-global-economy>

¹⁹ https://desapublications.un.org/publications/world-economic-situation-and-prospects-2023?_gl=1*_ljcf7k*_ga*MTY0MzU3MjI5Mi4xNzA1MjY0NDk4*_ga_TK9BQL5X7Z*MTcwNTI2NDQ5Ny4xLjAuMTcwNTI2NDQ5OC4wLjAuMA

²⁰ <https://www.bruegel.org/blog-post/economic-policy-consequences-war>

²¹ <https://data.consilium.europa.eu/doc/document/ST-15094-2023-INIT/en/pdf>

adherence to EU values, recommended candidate status for Ukraine on June 17th, 2022, and emphasized the need for urgent reforms in key areas such as:

- Developing and implementing a selection process for Constitutional Court judges in Ukraine, including pre-selection based on integrity and professional skills, following Venice Commission guidelines;
- Completing integrity vetting for High Council of Justice candidates by the Ethics Council and selecting members for the High Qualification Commission of Judges of Ukraine;
- Enhancing anti-corruption efforts, especially at higher levels, through active investigations and establishing a track record of successful prosecutions and convictions; appointing a new head for the Specialised Anti-Corruption Prosecutor's Office and a new Director for the National Anti-Corruption Bureau of Ukraine;
- Aligning anti-money laundering laws with Financial Action Task Force standards and formulating a comprehensive strategy for law enforcement sector reform;
- Enforcing the Anti-Oligarch law to reduce oligarchic influence in economics, politics, and public life, considering the Venice Commission's advice;
- Introducing a media law compatible with the EU's audio-visual media services directive, enhancing the role of the independent media regulator;
- Completing the reform of the legal framework for national minorities as suggested by the Venice Commission, and putting in place effective implementation measures²².

The accession process is governed by Article 49 TEU, which outlines the conditions and procedures for EU membership. This includes a commitment to EU values, formal application, and the adjustment of national laws to align with EU treaties. The process allows flexibility in shaping relations with the candidate country and is divided into two parts: one regulated by international law and the other by EU practices.

4. Green light to open accession negotiations

On December 14, 2023, European Union leaders reached a consensus to initiate accession talks with Ukraine, reaffirming their dedication to providing sustained support to the nation and its citizens for as long as necessary²³. Following this agreement, the EU Council was tasked by the EU leaders with finalizing the negotiation framework as soon as Ukraine fulfills the necessary reform steps outlined in the Commission's recommendations dated November 8, 2023.

Key dates

28 February 2022	Ukraine submits its application for EU membership
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²² https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_3802

²³ https://eu-solidarity-ukraine.ec.europa.eu/ukraines-path-towards-eu-accession_en

17 June 2022	The European Commission presents its Opinion on the application for EU membership submitted by Ukraine. The Commission recommended to the Council that Ukraine should be granted candidate status on the understanding that 7 steps were taken
23 June 2022	The European Council granted candidate status to Ukraine
1 February 2023	The European Commission presented its Analytical Report, completing the Commission's Opinion on Ukraine's application for membership of the EU adopted on 17 June 2022
20 June 2023	The Commission proposed to set up a new Ukraine Facility to support Ukraine's recovery, reconstruction, and modernisation
November 2023	The Commission recommends that the Council opens accession negotiations with Ukraine
14 December 2023	European Union leaders reached a consensus to initiate accession talks

Source: European Commission, *Key findings of the 2023 Report on Ukraine*

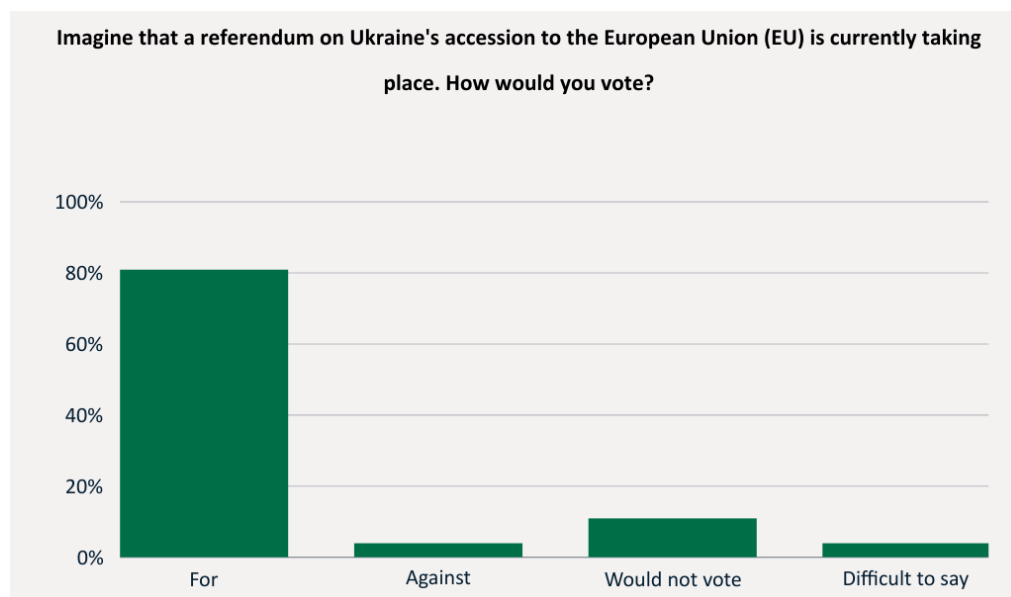
Remarkably, Ukraine has worked hard on its EU initiated accession talks. *Key findings of the 2023 Report on Ukraine* issued by the European Commission in the beginning of February last year, showed the tremendous development that was made by Ukraine despite the ongoing war in order to open negotiations successfully²⁴.

- **Democratic and Legal Reforms:** Despite Russia's invasion since early 2022, Ukraine continues to advance democratic reforms, earning EU candidate status in mid-2022. The legal system remains supportive of democratic processes, with additional reforms recommended by OSCE/ODIHR.
- **Parliamentary Operations:** The Verkhovna Rada operates under war pressures, focusing on EU integration and democratic governance, though transparency and oversight need improvement.
- **Public Administration and Decentralization:** Progress in public administration reforms, particularly in digitalization and decentralization, continues despite invasion-induced delays in areas like recruitment and salary structures.
- **Judiciary Reforms:** Judicial reforms are ongoing, including the re-establishment of key judicial bodies and alignment with Venice Commission guidelines. Efforts to fill judicial vacancies and vet existing judges are in progress.
- **Addressing War Atrocities and Corruption:** Ukraine actively investigates war crimes and strengthens anti-corruption measures, including key appointments and restoring the e-asset declaration system.

²⁴ https://ec.europa.eu/commission/presscorner/detail/en/QANDA_23_5631

- **Organized Crime and Fundamental Rights:** Challenges in combating organized crime persist, necessitating stronger legal frameworks. Fundamental rights align with international norms, with specific focus on media freedom and protecting vulnerable groups.
- **Economic and Market Development:** Ukraine's economy, impacted by the conflict, shows signs of contraction but continues efforts towards developing a market economy.
- **EU Integration and Regional Cooperation:** Ukraine aligns with EU standards in several sectors, with reconstruction efforts aimed at modernization and competitiveness. Strong regional cooperation with the EU and neighboring countries is evident.

Moreover, for approximately eight years, since signing a PCA and a deep and comprehensive free trade agreement (DCFTA) with Brussels, the country has been vigorously working towards adopting the EU's laws and standards, widely referred to as the *acquis*. EU representatives have noted that Ukraine has successfully incorporated about 70 percent of the *acquis*²⁵. In addition, the process of Ukraine's accession to the European Union has strong public support, which has grown significantly since the war began.



Source: Kyiv International Institute of Sociology; July 6-20, 2022; 2,000 respondents; 18 years and older; Computer-assisted telephone interviews (CATI)

5. Ukraine's speedy accession process: dream or real possibility?

Enlargement has been one of the most powerful tools in the European Union's policy arsenal. On 6 October 2023, at the informal meeting of heads of state or government in Granada, EU

²⁵ <https://www.politico.eu/article/why-eu-membership-candidate-status-matters-for-ukraine/>

leaders reconfirmed enlargement as a geo-strategic investment in peace, security, stability and prosperity²⁶. Seven nations are officially acknowledged as candidates for joining the European Union: Turkey (applicant since 1987), North Macedonia (since 2004), Montenegro (since 2008), Albania (since 2009), Serbia (since 2009), Ukraine (since 2022), and Moldova (since 2022).

The aggressive conflict initiated by Russia against Ukraine has significantly impacted the nations under consideration for EU enlargement, especially Ukraine as the target of this aggression, as well as existing EU Member States, leading to substantial economic and social difficulties. Facing escalating external instability, strategic rivalry, and security risks, the EU has increased its global role, taking decisive measures to minimize dependencies and strengthen its economic foundation. These goals are pertinent to all countries currently in the process of EU enlargement.

As a result, in June 2023, the European Commission introduced a specialized medium-term financial tool designed to offer Ukraine consistent, foreseeable, and adaptable assistance for the years 2024-2027 to foster the enlargement process. This new Ukraine Facility aims to maintain macro-financial stability and foster recovery²⁷. The proposal envisions endowing the Facility with a combination of grants and loans totaling EUR 50 billion for the period from 2024 to 2027. The European Council is expected to vote again on the Ukraine Facility in February 2024, following the Hungarian blockade²⁸.

Meanwhile, the specifics of the EU integration process and opposition from countries like Hungary are only some of the challenges that Ukraine will face. Ukraine is tackling significant tasks amidst wartime, focusing on state functionality, postwar rebuilding, and EU integration. Key developmental areas are identified for immediate, medium-term, and long-term actions in the Polish Economic Institute (PIE) report *Stronger Together: Present and Future Challenges on Ukraine's Road to EU Integration*²⁹.

- **Immediate Priorities:** Currently, Ukraine is focusing on financial, military, and humanitarian aspects, along with reconstruction and enhancing trade. A significant part of its 2022-2023 budget, supported by taxes, bonds, and over USD 56 billion in external funding, is allocated to war-related expenses. Key military needs include more ammunition, vehicle restocking, air defense, and extended-range weapons, while also preparing for diverse humanitarian emergencies;
- **Reconstruction and Investment:** Reconstruction costs in Ukraine are estimated at USD 411 billion and are rising as the conflict continues. The reconstruction strategy

²⁶ <https://data.consilium.europa.eu/doc/document/ST-15094-2023-INIT/en/pdf>

²⁷ <https://zpp.net.pl/wp-content/uploads/2024/01/24.12.2023-Position-Paper-on-Ukraine-Facility.pdf>

²⁸ <https://ecfr.eu/article/talk-therapy-ukraines-eu-accession-and-the-hurdles-ahead/>

²⁹ https://pie.net.pl/wp-content/uploads/2023/12/PIE-Raport_Stronger_Together_2023.pdf

emphasizes mutual trust, the Build Back Better approach, and aligning with EU norms. Immediate trade goals include improving transport and customs at the Polish-Ukrainian border, while long-term objectives focus on upgrading transport infrastructure to meet European standards. For recovery and growth, private investment, aided by incentives like industrial parks and special economic zones, is key. Ukraine must address corruption and bureaucratic challenges, and establishing a war risk insurance system with EU backing is essential;

- **Long-Term EU Integration:** Effective EU integration is vital for Ukraine's postwar recovery and growth, necessitating the adoption of EU regulations, a stronger rule of law, and legal stability. Learning from Poland, Ukraine should pursue independent monetary policy, solid institutions, and efficient procurement. Decentralization and exchange rate flexibility are crucial. Ukraine has three integration options: EU membership, joining the European Economic Area, or remaining at the DCFTA level, with full EU membership offering the most economic benefits with the West³⁰.

Despite these challenges described by PIE, Ukraine's progress in EU integration remains crucial, not just for Ukraine but also for the wider EU community. The history of EU enlargement has shown a significant role in promoting stability, peace, and prosperity throughout the continent. Ukraine becoming a member of the EU is more than just an act of goodwill. Comparable to the accession of Central and Eastern European nations, Ukraine's integration into the EU is set to considerably enhance Europe's industrial capabilities and expand its single market, which is crucial for keeping up in the current global geopolitical competition.

6. Why Does Ukraine Matter to the EU?

Some critics suggest that Ukraine's historical association with "Kievan Rus" implies a closer connection to Russia than Europe, but this view lacks substantial grounding. The notion of "European" in the EU context goes beyond mere geography, as evidenced by the EU-Ukraine Association Agreement, which affirms Ukraine's European identity through shared values and democratic commitments. Additionally, Ukraine's status as a "European state" under Article 49 TEU highlights its European alignment. Ukraine's diverse cultural history, which is linked to Europe, and its increasing integration with the EU since the early 2000s, demonstrated by pro-European sentiments and the 2013/2014 Euromaidan protests, further refute the critics' claims. Its active participation in the Eastern Partnership post-2014 marks a significant shift towards Europe and away from Russia. Crucially, a nation's historical relations do not define its present political and cultural affiliations. Ukraine's continuous strides towards EU integration and its adoption of European values, distancing itself from Russia, clearly establish

³⁰ Ibidem

its European identity, rendering the argument of its historical ties to Russia as irrelevant in the current context.

Secondly, stating that Ukraine is an unstable democracy with issues in rule of law, corruption, and minority rights, fails to acknowledge the country's significant strides in these areas. Ukraine has demonstrated substantial progress in fighting corruption, as shown by the implementation of approximately 127 anti-corruption statutes and the formation of agencies like the National Anti-Corruption Bureau³¹. From 2019 to 2021, 381 high-level corruption charges were filed, with 57 leading to guilty verdicts. The 2017 introduction of the Unified State Register of Declarations has notably increased transparency in officials' asset declarations. Judicial reforms, initiated in 2017, have bolstered the rule of law. These include an open process for selecting Supreme Court judges. The 2022 “de-oligarchization” law and concurrent antitrust actions target oligarchic influences and monopolies. Crucially, in July 2022, Ukraine appointed Oleksandr Klymenko, a seasoned investigator, to lead its Specialised Anti-Corruption Prosecutor’s Office, aligning with EU membership criteria³². These reforms underscore Ukraine’s dedication to meeting EU standards and suggest that EU accession could further drive pro-European reforms. Thus, the portrayal of Ukraine's democracy as unstable and corruption-ridden is now outdated and does not accurately reflect the country's ongoing reform efforts.

Lastly, the assertion that Ukraine's accession to the EU would be a financial burden overlooks its significant economic potential and existing trade relations with the EU. Ukraine possesses substantial natural resources, including large oil and gas reserves, only second in Europe to Norway's³³. These resources could aid the EU's pursuit of energy independence, reducing reliance on Russia and the Gulf states. Additionally, Ukraine's commitment to sustainable energy, including its potential in hydrogen production, aligns with the EU's energy goals. Ukraine's thriving IT sector, which employs around 289,000 professionals and has a strong presence in IT outsourcing, contributes significantly to the global market, as evidenced by its \$7 billion in IT services before the invasion in 2021³⁴. In agriculture, Ukraine's vast arable land and status as a leading exporter of crops, especially sunflower oil, bolster its economic profile. The European Commission acknowledges Ukraine's robust macroeconomic performance, even amidst the Russian invasion, highlighting its resilience and financial stability. While there are areas for improvement, such as structural reforms and enhancing labor market flexibility, Ukraine is actively pursuing these changes.

³¹ <https://voxukraine.org/en/corruption-in-ukraine-how-important-is-the-problem/>

³² <https://www.osw.waw.pl/en/publikacje/analyses/2022-07-20/ukraine-specialised-anti-corruption-prosecutors-office-has-a-new>

³³ <https://www.business today.in/latest/world/story/are-ukraines-vast-natural-resources-a-real-reason-behind-russias-invasion-323894-2022-02-25>

³⁴ <https://www.cio.com/article/462766/ukraine-its-unparalleled-resilience.html>

Furthermore, Ukraine is already a key trading partner for the EU. The EU is Ukraine's largest trading partner, accounting for 55.2% of its trade in goods in 2022. Ukraine is the EU's 17th biggest trading partner, accounting for around 1% of the EU's total trade in goods. Total trade in goods between the EU and Ukraine reached €57.8 billion in 2022, meaning that trade in goods has doubled since the entry into force of the DCFTA in 2016³⁵. Ukraine's EU accession could enhance the EU's economic strength, particularly in agricultural and supply sectors. The EU's global export share for wheat, for instance, could reach 30% with Ukraine's notable contribution as a major wheat exporter, a role that has gained prominence during the ongoing conflict with Russia³⁶. Therefore, the argument that Ukraine's accession would burden the EU financially overlooks these significant economic benefits and existing trade dynamics.

7. EU enlargement proven to be the best strategy for growth

The narrative of EU expansion reveals a pattern of progressive growth entwined with intricate political interactions. Initially formed in 1958 by six nations as the European Economic Community (EEC), driven by the desire for post-war harmony, the EU's evolution has been influenced by a mix of economic and strategic reasons. In 1973, the UK, Denmark, and Ireland joined the EEC, largely for economic benefits. This integration, however, faced hurdles, as issues related to national sovereignty and cultural values often clashed with EU regulations.

The end of the Cold War was a significant turning point, leading Central and Eastern European nations, previously under Soviet dominion, to pursue EU membership to embrace Western democratic ideals and bolster their security and economic progression. Despite initial hesitations from some of the EU's longer-standing members, the strategic value of incorporating these nations was acknowledged by the EU. The EU's enlargement continued, notably including 10 new members in 2004, such as Poland, and later incorporating Romania, Bulgaria, and Croatia. This swift enlargement introduced various challenges, such as disparities in economic development, difficulties in political assimilation, and governance quality concerns among the newer members.

However, these countries saw significant GDP growth following their accession, much of which can be attributed to their access to the larger EU market and the influx of investment from more established EU countries. For example, Eastern EU countries have converged impressively, from 32 percent of US GDP per capita in 1995 to 55 percent in 2022³⁷. Additionally, EU trade with Central and Eastern European countries has quadrupled since 1989³⁸.

³⁵https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/ukraine_en

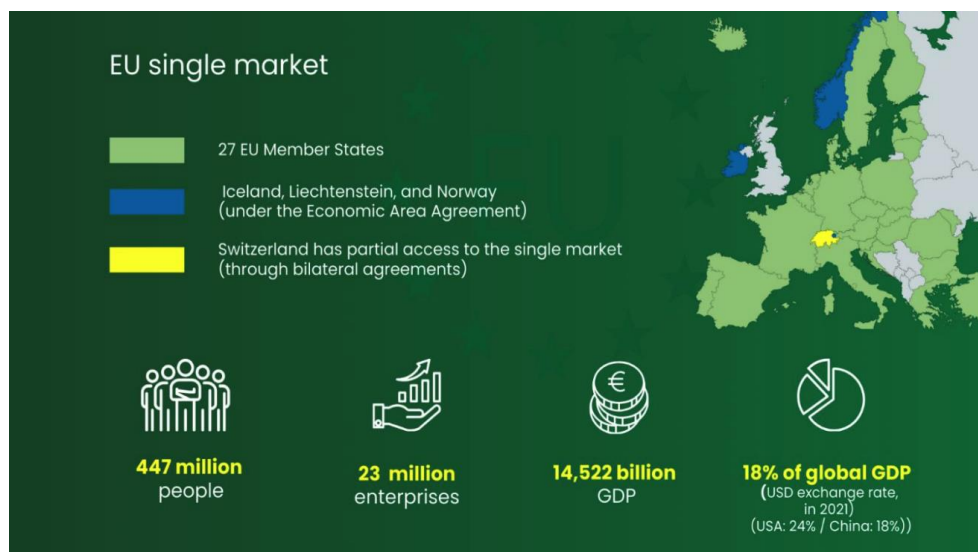
³⁶ [https://www.europarl.europa.eu/RegData/etudes/ATAG/2022/729368/EPRS_ATA\(2022\)729368_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2022/729368/EPRS_ATA(2022)729368_EN.pdf)

³⁷ <https://www.bruegel.org/analysis/european-unions-remarkable-growth-performance-relative-united-states>

³⁸ <https://www.bundesregierung.de/breg-en/issues/europe/the-advantages-of-an-enlarged-europe-436830>

The integration of new member states into the EU has played a pivotal role in expanding the European Single Market. The accession of Central and Eastern European countries following the end of the Cold War marked a particularly significant expansion. This enlargement brought in a diverse range of economies, from emerging markets to more developed ones, effectively increasing the Single Market's size and consumer base.

While much work lies ahead, the overall contribution of the Digital Single Market to the EU economy is undeniable and measurable. It is estimated to generate nearly 177 billion euros in additional growth each year. How the integration of EU Member States' markets affects the prosperity of the economy is perfectly illustrated by the results summarizing the 30th anniversary of the European Single Market³⁹.



The enlargement process has led to the economic integration of new member states, resulting in the removal of trade barriers and the establishment of a more harmonized market. This harmonization has facilitated smoother trade across member states, leading to increased economic activity. Notably, trade between old and new member states has seen a substantial increase, demonstrating the beneficial impact of enlargement on intra-EU trade.

8. Lessons learned from Poland's journey to EU membership

Ukraine's integration into the European Union (EU) is a complex process with multiple facets. Drawing lessons from Poland's experience can provide Ukraine with a roadmap to expedite its accession. Key areas include adopting independent monetary policies, strengthening local governance, and developing capital markets.

The adoption of an independent monetary policy and the liberalization of currency are pivotal steps in the roadmap of any nation aspiring to join the European Union. For Ukraine, these economic reforms are not just a criterion for accession but essential instruments for aligning

³⁹ <https://zpp.net.pl/wp-content/uploads/2023/12/Raport-JCR-ENG.pdf>

its economy with EU standards and practices. A cornerstone of Poland's EU integration was its economic stabilization. At the end of 1989, Poland's economic situation was particularly difficult, characterized by hyperinflation and shortages in supply. The stabilization policy package, which was introduced in January 1990, aimed primarily at addressing these urgent issues. Poland implemented an independent monetary policy with a focus on inflation targeting, which significantly bolstered its economic credibility in the eyes of EU policymakers. Key steps taken included setting strict budget limits, controlling wages, offering high interest rates for deposits in Polish zloty, and a major drop in the value of the zloty⁴⁰. These actions resulted in the shortest and easiest period of economic change compared to other Central and Eastern European countries, which helped put the economy on a path to growth. In the years that followed, there were tweaks to the government's spending, money management, and currency exchange policies. An important part of these changes was making sure they matched the European Union's standards, known as the *acquis communautaire*, which ensured a consistent approach in making improvements in various economic areas⁴¹. The National Bank of Ukraine should adopt a similar approach. Moving away from a fixed exchange rate to a more flexible inflation targeting regime can stabilize the economy and align it closer with EU economic practices. Moreover, strengthening institutions like the National Bank of Ukraine is crucial for effectively implementing and maintaining an independent monetary policy.

Poland's liberalization of markets, particularly in the banking sector, attracted significant FDI. This was instrumental in integrating its economy with the broader European market. Investments are key to economic expansion. Between 1990 and 2021, Poland and Ukraine each allocated an average of about 21% of their GDP to investments, mirroring the average seen in OECD countries during this period⁴². Yet, this level of investment is deemed insufficient for their respective developmental needs. While Poland's investment figures remained relatively stable, Ukraine experienced a decline in its investment ratio over these years. The net foreign direct investment (FDI) in both countries saw substantial fluctuations, averaging roughly 14% of their total gross fixed capital formation. This period witnessed an upsurge in FDI stocks, with a notable increase in outflows, especially from Poland. Data from the wiiw database in 1996 shows that a significant 72% of Poland's FDI stock came from EU15 nations, with major contributors being Germany, the Netherlands, France, the UK, Luxembourg, and Italy.

This influx of FDI was instrumental in rapidly modernizing Poland's manufacturing and service industries, thereby significantly enhancing its trade capabilities and global competitiveness. Liberalizing key economic sectors and creating a conducive environment for FDI can be a

⁴⁰ <https://wiiw.ac.at/different-choices-divergent-paths-poland-and-ukraine-dlp-6419.pdf>

⁴¹ https://www.case-research.eu/files/?id_plik=7438

⁴² <https://wiiw.ac.at/different-choices-divergent-paths-poland-and-ukraine-dlp-6419.pdf>

game-changer for Ukraine. This includes easing business regulations, improving the investment climate, new technologies sector, and ensuring the protection of foreign investors. Ukraine's postwar reconstruction demands technological advancement, and investment strategies ought to focus on facilitating technology transfer from international investors. As the Polish Economic Institute recommends, implementing R&D tax credits can aid this process. Additionally, offering tax deductions for training and enhancing the skills of the local workforce can be a strategic move⁴³.

Poland's economic transformation since the late 1980s has been driven by establishing a strong regional policy and significant decentralization, aligned with EU standards. A key milestone in 1990 was the restoration of local self-governments, responsible for various public services. In 1993-1994, the government introduced a regional policy plan. This plan called for setting up institutions at both national and local levels. The goal was to effectively manage and use EU support, following European cohesion policy practices. This strategy was intended to speed up integration with the EU and make the best use of resources⁴⁴. Ukraine's push towards decentralization needs acceleration and effective implementation. Strengthening local institutions will not only aid in EU integration but also improve internal administrative efficiency.

9. Summary

In the wake of Russian aggression since February 2022, Ukraine's journey towards European Union membership has gained both urgency and historic significance. This conflict has dramatically transformed the global security landscape and reshaped the European economic context, catalyzing Ukraine's push for EU integration. Since gaining independence in 1991, Ukraine's EU relationship has evolved significantly.

Russian invasion introduced a new array of challenges, expediting the discussions around Ukraine's accession to the EU. This period not only tested Ukraine's resilience and sovereignty but also led to a critical reassessment of the EU's expansion policies, underlining the geopolitical and security significance of Ukraine's potential membership. The EU's unified and immediate reaction to the Russian aggression, along with considerable humanitarian and financial support, has emphasized its commitment to backing Ukraine.

At the heart of Ukraine's accession process lies a series of comprehensive reforms and the necessity to align with EU standards across multiple sectors including judiciary, anti-corruption measures, public administration, and economic development. Despite the ongoing war, Ukraine has demonstrated notable progress in these domains, reaffirming its dedication to the principles and regulations of the EU.

⁴³ https://pie.net.pl/wp-content/uploads/2023/12/PIE-Raport_Stronger_Together_2023.pdf

⁴⁴ <https://u-lead.org.ua/storage/admin/files/ff95fec685c116a81f4b6bcb3a3f8880.pdf>

