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**REPORT
OF THE CONFERENCE ON
“UKRAINE’S EUROPEAN CHOICE AND THE
PARTNERSHIP WITH POLAND AND ITALY”**

by Giovanni Gasparini

Report of the Conference on “Ukraine’s European Choice and the Partnership with Poland and Italy”, organised by Istituto Affari Internazionali
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Istituto Affari Internazionali (IAI), Italy’s major international affairs think tank organised an international conference on “Ukraine’s European Choice and the Partnership with Poland and Italy”, in cooperation with the Ukrainian and the Polish Embassies in Rome. The event took place in Rome on 22nd March 2000 and was supported by the Ukrainian Ministry of Foreign Affairs, the Polish Ministry of Foreign Affairs, the Italian Ministry of Foreign Affairs, the NATO Office of Information and Press, the Office of the European Commission in Rome, and the Centre for European and International Studies and the Institute of International Relations, Kyiv.

The conference was attended by a very distinguished group of European diplomats, businessmen and scholars. The agenda of the conference and the list of participants are attached to this report.

The conference addressed five major topics, which were each discussed in separate sessions. The first two dealt with the implications and the problems regarding Ukraine’s willingness to enter the EU: “The Enlargement Process of the EU and its Implications for Ukraine” and “Ukraine’s European Choice: Political and Security Aspects”; the following three sessions were concerned with the relations between Ukraine, Poland and Italy in view of promoting Ukraine’s efforts: “The Polish Way to the European Union: a Model for Ukraine”, “Prospects for Economic, Technological and Environmental Cooperation between Ukraine, Poland and Italy” and “Larger Regional Cooperation in Promoting Ukraine’s European Choice”.

The purpose of this report is to highlight the major arguments which emerged from the presentations and from the discussions in the sessions. It will furthermore summarise the policy recommendations and suggestions proposed by the participants in view of coining more efficient strategies to help Ukraine’s European integration based on the Polish experience in that regard.

The Enlargement Process of the EU and its Implications for Ukraine

The session stressed the importance of the decisions taken by the European Council held in Helsinki in December 1999, particularly with regard to the enlargement agenda of the EU.

The Ukrainian side welcomed the adoption by the EU of a Common Strategy towards Ukraine, and pointed out Ukraine's willingness for EU membership in the future. Ukraine fully supports the EU integration of neighbouring countries, such as Poland, and will learn from successful candidates' experience related to domestic structural reforms.

In the meantime, concrete measures will be taken at bilateral and multilateral levels that will improve and consolidate Ukraine's political and economic partnerships. It was also pointed out that Ukraine expects Russia to support its decision to join the EU, despite some problems that could emerge, for example with regard to the defence evolution of the CFSP.

The Polish participants noted that their country's major objective is increasing stability and security of Central/Eastern Europe. For that reason Poland has a strong commitment to join the EU, seen as a factor of stability in the region. Polish enhanced political and economic approach conducted by the government could be a useful example to follow for Ukraine. Poland would furthermore support Ukraine in its efforts to join the EU and will work to prevent division of the region.

The Italian participants expressed their unwavering support for EU enlargement, and also for Ukraine's choice to join that process. They also pointed out to the challenges presented by the future political and institutional growth of Europe, making it explicit that the Union should find adequate ways to adjust its structure to allow for more members in parallel with accession negotiations with the candidate States. While welcoming Ukraine in the family of European states, Italy realises that its accession will be more lengthy than that of current candidates, which is why the EU should insist developing cooperation on all levels in the meantime.

Finally, it was noted that the Copenhagen criteria remain a centrepiece for the admission of new members to the Union.

Ukraine's European Choice: Political and Security Aspects

The second session was dominated by a discussion of Ukraine-Russia relations and their link to NATO. It also stressed the need for a thorough reform of the defence structure of Ukraine.

From a Polish point of view, a strong and independent Ukraine is a guarantee for the stability of the area. Ukraine has been handling very skilfully relations with Russia in view of the latter's strong influence in the region. Ukraine has also demonstrated to be a reliable partner on issues related to nuclear disarmament and non-proliferation. In the discussion it emerged that Poland would be willing to support Ukraine in its efforts for integration in the EU security institutions.

Participants from NATO welcomed Ukraine's European choice and pointed out to the need for a profound reform of Ukraine's armed forces to match its ambitions. NATO representatives also added that NATO will support Ukrainian reforms within the framework of PfP, stressing on the need for sound commitment on the domestic level.

Participants from Ukraine pointed out that they were aware of the necessity to launch profound structural reforms in their country, as well as of the difficulties associated with the implementation of these reforms. However, they also expressed their conviction of the benefits structural reforms will eventually bring to Ukraine in terms of security, once the country has established a stronger link with EU.

While it was commonly recognised that NATO membership for Ukraine is not on agenda, the country was acknowledged to be an important and reliable partner for the Alliance, which is why reinforced forms of cooperation were put forward. It was speculated that an eventual Ukrainian application to NATO in the future should be made after a careful consideration of Russia's reaction. Realistically, a request for a NATO membership today will most probably undermine Ukraine's relations with Russia, which continues to have high strategic weight in the determination of Ukraine's security priorities, not least, because of continued supply of Russian gas and oil.

It was generally agreed that a coherent policy towards Russia must be devised, both on the EU and on Ukraine side.

The Polish Way to the European Union: A Model for Ukraine?

In this session various aspects of the Polish experience in moving closer to EU membership were discussed with reference to their usefulness in the context of Ukraine's foreign policy course.

It was commonly acknowledged that Poland is one of the accession candidates that are closest to EU membership, and expected to fully adopt the EU *acquis* soon.

Polish participants suggested that it was likely that in the course of reforms Ukraine encounter problems similar to those encountered by Poland in the early 1990s: declining popularity of EU choice, high social cost of reforms, uncertain future of the agriculture. In that respect they suggested that the major concrete experience that could be useful to Ukraine has to do with involving society at the most grass-root level, generating there support and commitment to EU membership, while explaining social sacrifice for reforms' sake. Polish experience suggests that membership in the EU calls for deep transformations of the institutional and legal frameworks of candidate countries, and the adaptation of national legislature to the requirements of a common market. Three main lessons from Polish policy-making that can be of help for Ukraine were

emphasised in particular: (i) an effective change in all areas of public activity, (ii) a wide support on the part of the population, and (iii) use of outside experience in the conduct of domestic reform. In that respect participants suggested that it will be necessary to train civil servants on specific issues related to the EU institutional mechanisms.

It was also pointed out, however, that both for internal and international reasons, the starting point of Ukraine is different from that of Poland at the beginning of its reforms. In this light the EU was urged to devise a stronger and more integrated policy towards Ukraine that takes full consideration of the achievements already made and the exigencies to be met. Participants also acknowledged that cooperation between Poland and Ukraine is well developed on a bilateral basis, even if a more integrated and concerted multilateral approach involving the EU and the US was urged.

Some participants pointed out that because of the initial hesitation on the part of the West to fully endorse Ukrainian independence from the very beginning, there is some suspicion on the part of the population for a degree of discrimination against Ukraine. It is for that reason that more support should be given more willingly to Ukraine.

Prospects for Economic, Technological and Environmental Cooperation between Ukraine, Poland and Italy

Presentations and discussion in this session focused on the evolution of the region's economic cooperation, and more specifically on trilateral relations and exchange between Poland, Italy and Ukraine.

The Ukrainian participants stressed once again their country's objective for integration within the EU market space, as well as for membership in the WTO. They submitted that efforts are being made in Ukraine towards gradual harmonisation of the country's legislation with EU law concerning competition policy, property rights, customs policy, environment protection, social protection and tax system.

Participants from Italy and Poland suggested that more advice and assistance should be given to Ukraine in order to help it reach its objectives. It was noted that there is already a strong link between Italy and Poland, as well as a good economic presence of Italian enterprises in Ukraine. However, FDI level is still low, despite major efforts on the part of Ukrainian policy makers to redress this state of affairs. Ideas for the creation of a free trade area between Poland and Ukraine were advanced in this respect.

It was widely recognised that regional cooperation will be significantly facilitated by the construction of the major pan-European corridors and the restructuring of telecommunications and infrastructure. In that sense, the positive role of existing

regional cooperation initiatives was noted, although some of their institutional shortcomings need to be addressed.

In this respect, too, the Polish experience can provide some useful guidelines, even if these are not related to the still problematic agricultural and military sectors, where Poland continues to have some problems. However, useful direction for reforms in Ukraine could be taken from the Polish experience in privatisation and increased labour mobility. In this vein the Italian side noted that the EU should develop programs providing information, expertise and financial assistance for the new private sector in Ukraine.

Larger Regional Cooperation in Promoting Ukraine's European Choice

In this session participants discussed initiatives on a larger regional scale, noting that they can have positive influence in promoting Ukraine's integration in the EU.

The discussion focused on some concerns and problems that were raised on all sides regarding duplication of activities under the various initiatives. The CEI was pointed out as positively contributing to institutional regional development, also thanks to Italian financial commitment. It was pointed out that the main problem of many of the other initiatives is lack of funding and budget, which makes it unclear how to effectively achieve their objectives.

Some participants pointed out that there are other problems relating to two other aspects of the process of regional cooperation. These have to do with the low level of structural and behavioural responsiveness to cooperation on the part of the national bureaucracies of the countries concerned. The situation is changing, but there is still an old-style approach to the problem, generating delay and responsible for low FDI level. Some pointed out also to an additional risk reform opportunities due to the delicate situation in Russia.

It was finally pointed out that Ukraine's importance as a EU partner will be reinforced by its deeper involvement in current regional cooperation initiatives, which will improve the country's credibility through exchange of expertise, training and economic development.

Conclusions

The conference ended with presentations of the Foreign Affairs Undersecretaries of the three countries.

The Ukrainian side reiterated its willingness for a deeper cooperation with the EU at all levels, as well as for a stronger involvement on a regional level.

The Polish representative underlined the importance of EU enlargement for the future of Europe as a major source of stability, stressing Polish support for Ukraine in its European choice.

The Italian side noted the level of increased cooperation with both Poland and Ukraine and the importance of EU's active role in facilitating the transition process to democracy and market economy in the candidate countries. It was likewise stressed that EU membership implies commitment, sacrifice, effective reforms and responsibility. It was made clear that Italy is committed to supporting the process of enlargement and to promoting relations with future partners. The Italian experience of EU integration was mentioned as an example for new candidates because of start-up similarities. The need for adapting current EU institutions for enlargement was underlined again.

Finally, the main themes and suggestions agreed on by the participants can be summarised in the following:

- The adoption by the EU of a Common Strategy on Ukraine has been a key factor in promoting the willingness of the country to join the process of enlargement.
- Substantial adjustment of the EU's institutional mechanisms should be effectuated in order to allow for the effective enlargement of the Union.
- Ukraine plays an important role in guaranteeing the security of the region, even if NATO membership is not on the agenda for the moment, in particular because of the special relationship between Ukraine and Russia. However, there is a strong need for reform of Ukrainian defence structure.
- Ukraine can use successful Polish reform experience, as well as learn from Poland on how to generate popular consensus for EU membership on all social levels to facilitate the conduct of reforms.
- The starting point of Ukraine is different from the Polish one, a situation which could be partially addressed with more EU support.
- Ukrainian strong will for reforms should be backed with concrete implementation of new provisions and better coordination of policies between the institutional bodies involved.
- While existing trilateral cooperation between Italy, Poland and Ukraine has been successful and fruitful to the three partners, the role of larger regional cooperation should be strengthened, in particular by providing information, expertise and financial assistance for the Ukrainian private sector.
- Italy strongly supports EU membership for both Poland and Ukraine and will use its leverage as a EU member to help secure support for these candidates and to facilitate their adoption of EU legal dispositions and principles.