

Wider Europe: European Neighbourhood Policy, Ukraine and the European Union

Introduction

European Neighbourhood Policy (ENP) is the child of the eastern (and to a much lesser extent, southern) enlargement of 2004. It was designed to provide coherence to the EU's external policy towards its eastern and southern neighbours, by establishing a ring of security and friendship around the Union's new borders. Whilst the form and structure of ENP have much in common with the machinery set up to deliver the big bang enlargement of 2004, its final aim is deliberately vague. It is unclear whether the Union desires those neighbouring countries that are targeted by ENP to become full Member States, or whether the policy is intended to produce an institutionalised buffer zone of security around the Union. Despite this ambiguity, ENP has found fortune amongst the EU's neighbours and since 2003 it has developed considerably and appears to be achieving the policy coherence that was originally envisaged.

Sussex European Institute's Wider Europe Programme has followed the growth and development of the European Neighbourhood Policy since its inception. Our aim over the past few years has differed slightly from a conventional academic research project in that we wanted to build an interdisciplinary network of scholars and practitioners working in this field. Thus the Wider Europe Network includes economists, lawyers, civil servants, political scientists and politicians. In essence, they share an interest in those countries that are targeted by European Neighbourhood Policy and a normative will to build better relations between the European Union and its neighbours.

During the first few years of the Wider Europe Programme, we have focused our attention on Ukraine. We decided to do so as a result of that country's size – both geographically and demographically – its enthusiasm for European integration, its steady progress in democratization, and its pivotal strategic position between Russia and the Union. Over the past three years we have held three large annual conferences on the subject of European Neighbourhood Policy in general and Ukraine in particular: in 2004 at Sussex University, in 2005 in Warsaw at the College of Europe, and in 2006 at the *Verkhovna Rada* in Kyiv. These large annual events have been interspersed with smaller seminars, held at Sussex University and in Ukraine, to review Ukraine's progress in European integration bi-annually.

The symposium of papers that this introduction precedes is the product of our most recent annual conference in Kyiv in October 2006. In keeping with the interdisciplinary nature of the Wider Europe programme, the six papers include law, political science and economics.

First, Nathaniel Copey's paper provides a contextual overview of political events in Ukraine in the run-up to and following the most recent parliamentary elections, the first to be contested under the new rules that came into force following the constitutional changes brought by the Orange Revolution of 2004. The paper argues that Ukraine's parliamentary elections in 2006 marked considerable progress on the path towards democratization and analyses the results together with what they mean for European integration.

Second, Marise Cremona and Christophe Hillion explore the potential and limitations of the European Neighbourhood Policy from a legal perspective. They argue that although the cross-pillar nature of the policy provides some coherence for ENP, this is to some extent undermined by the wholesale adoption of many of the pre-accession mechanisms without the explicit aim of membership for those states participating in the project. Ultimately, this is a serious flaw in the fundamental design of the policy. Nonetheless, they conclude that a continued effort to reform and rework the policy in order to enhance the coherence between objectives and instruments would make a significant contribution to global security and governance.

Third, Sarah Whitmore looks the role of the Verkhovna Rada in European integration, with a focus on its institutional capacity and legislative process. The subject of this paper is crucial not only given the over-arching importance of an efficient and transparent parliament in fulfilling the Copenhagen criteria for consolidated democracy, but also as result of the significant increase in parliament's powers following the constitutional reforms that came into force in early 2006. She concludes that two particular areas will require significant improvement if parliament is to begin to function more effectively. First, the party system needs to be strengthened (the move to a single party list system in the 2006 elections aimed to redress this, but neither the spirit nor the letter of this reform seem to have been respected). Second, a parliamentary majority needs to be secured to ensure a more predictable legal process. Some progress appears to have been made in this area, although it is hard to see how the present coalition of the Party of the Regions, Communists and Socialists will reach agreement in passing through much of the legislation needed for accession to the WTO without the Party of the Regions having to rely on the opposition Our Ukraine and the Bloc Yulia Tymoshenko.

Fourth, Roman Petrov examines the progress made by Ukraine in approximating Ukrainian legislation to that of the EU before and since the Orange Revolution. He concludes that particular attention needs to be paid to the training Ukrainian judiciary in EU common values and general principles. Enforcement of court decisions also requires more effort, taking into account the experiences of existing EU Member States.

Fifth, Igor Burakovsky, Andrii Goncharov and Alan Mayhew look at the current economic relationship between Ukraine and the European Union. It examines the issues of WTO accession, energy relations with Russia, the Action Plan and the role of Europe in the modernisation of Ukraine's economy, before making recommendations on future action.

Sixth, Alan Mayhew's paper looks at the role of foreign direct investment (FDI) in the modernisation of Ukraine's economy. He briefly charts the recent economic history of Ukraine to provide an explanation for the relatively poor performance of the Ukrainian economy in the 1990s. Subsequently, his paper analyses why Ukraine's economy has improved its importance so dramatically since 2000. Of particular importance has been the rolling back of the insider economy creating the conditions for greater competition. As a result of this Ukraine has attracted a larger amount of FDI, although it still has a very long way to go. The Ukrainian government should now focus on improving the quality of the business regulatory environment and

cutting corruption as well as providing more stability both institutionally and in terms of the economic policy framework.

These papers are work in progress and have been placed in the public domain prior to their absolute finalization in order to stimulate further debate and discussion on this topic.

We are always looking to expand our network. If you would like to contribute to the Wider Europe programme, please contact Alan Mayhew or Nathaniel Copsy.

