

THE ANALYSIS OF INTEGRATION PROCESS OF UKRAINE INTO THE EUROPEAN UNION

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Koschiyenko M.V., Karlyuk S.V. The analysis of integration process of Ukraine into the European Union. Positive and negative consequences of the introduction of Ukraine into the European Union on economic, political, and social levels are analyzed in the article. SWOT-analysis on the issue has been performed.

Key words: competitiveness, integration, European choice, European standards, integration.

Кошієнко М.В., Карлюк С.В. Аналіз процесу інтеграції України до Євросоюзу. Проаналізовано позитивні і негативні наслідки приєднання України до ЄС. Проведено SWOT-аналіз даного питання на економічному, політичному, та соціальному рівнях.

Ключові слова: інтеграція, конкурентоспроможність, європейський вибір, європейські стандарти.

Кошиенко М.В., Карлюк С.В. Анализ процесса интеграции Украины в Евросоюз. Проанализированы положительные и отрицательные аспекты интеграции Украины в ЕС. Выполнен SWOT-анализ данного вопроса на экономическом, политическом, и социальном уровнях.

Ключевые слова: европейский выбор, европейские стандарты, интеграция, конкурентоспособность.

In the 1990s, the foreign policy orientation of Ukraine was proclaimed as towards integration into the European community. The European choice opens new prospect for relations between Ukraine and developed countries of the continent, as well as economic development, social and intellectual progress, strengthening of the state's positions in the international coordinates system.

For Ukraine, European integration is a way of modernizing its economy, attracting foreign investments and new technologies, increasing competitiveness of domestic commodity producers, an opportunity to enter the EU internal market. In the political aspect, European integration

determines modernization of the area of law of the Ukrainian state, the democratization of its political and institutional systems. Cooperation with the EU will facilitate the approximation of Ukrainian social conditions to high European standards, raise the standards of living for its population.

In the cultural and civilization aspect, European integration is a way to intensify the exchange between Ukrainian and Western European humanist cultures. Moreover, Ukraine will become a part of integrated global world. And finally, EU membership guarantees strengthening of Ukrainian national security, protection against aggression and territorial claims.

Simultaneously, there are negative factors of integration of Ukraine in EU that will accompany Ukraine: increasing competition with EU member firms in the process of liberalization, and increasing openness of the national economy, which will be accompanied by elimination of uncompetitive enterprises with negative social consequences, and others.

That is why it is important to observe the whole situation by making a SWOT analysis and comparing all pros and contras.

The relevance of this article is that the issue of integration of Ukraine into EU is repeatedly put on the agenda.

The purpose of our work is to analyze the multi-dimensional cooperation of Ukraine with the countries of Western Europe in case of Ukrainian integration into the EU by studying the nature of long-term and short-term factors influencing the processes of European integration into Ukrainian society.

A SWOT analysis involves studying the effects of certain processes by separating these factors into advantages, prospects, disadvantages, and threats. Disadvantages and threats are conventionally marked as being minor or they have a temporary nature and such that carry potential danger to the main sectors of society in Ukraine, or require significant costs and time to elucidate them.

Benefits of Ukraine's accession to the EU. *Political benefits.* It is the interests of the European Union to ensure peace and stability within EU borders in order to have stable and democratic neighbors with a predictable and friendly policy.

If Ukraine becomes a member of the European Union, Ukraine will be involved in Common European Security and Defense Policy, which will guarantee independence and territorial integrity to Ukraine. Also, Ukraine will take an active part in creating mechanisms of the new international anti-terrorism policy and European collective security.

Economic benefits. Macroeconomic stability. If economic indicators of Ukraine come up to European standards, creation of a developed market in the country, consolidation trends in economic growth, improving legislation, building a democratic society as an indispensable condition for Ukraine's accession to the EU, already in itself will bring extraordinary economic advantages to Ukraine, as the desire to join the EU will stimulate the leadership of our state to achieve the desired results faster, and guarantee economic stability.

Conducting a balanced and long-term economic policy of the EU is based on a market economy and follows from the desire of the member states to create a free economic space without internal borders and customs barriers, the introduction of a common currency, the introduction of efficient mechanisms for regulation of goods and services.

Additional investments in Ukrainian economy. Analyzing the economic potential of the European Union and dynamics of its development, it is possible to say that the European Union is a large market for products and a source of satisfaction of Ukraine's needs in a wide variety of consumer and investment products.

Granting subsidies to agriculture. If Ukraine becomes a member of European Community, Ukraine will take part in efficient common agriculture policy of the EU.

Getting a positive trade balance. Ukraine's membership in the WTO, as a precondition for accession to the EU, will make it possible to utterly solve the problem of abolishing discriminatory and anti-dumping restrictive measures against Ukrainian goods. The EU market will become a significant part for exporting Ukrainian goods.

Opportunities of Ukraine's accession to the EU. *Political opportunities.* One of the main opportunities of Ukraine's membership in the EU is the guarantee of stability of the country's political system. This is confirmed by the fact that during numerous political crises caused by

presidential elections in 2004, the Orange revolution of 2007, parliamentary crises, it was the EU that advocated for solving political problems in a democratic way, acted as an impartial international arbitrator, provided intermediary assistance in resolving inter-party regional conflicts, contributing to peaceful resolving of problem situations.

Economic opportunities. Ensuring the development of business. European Charter for Small Enterprises approved by the European Council in Fairy (19th and 20th of June 2000), notes that the position of small enterprises in the European Union can be improved by stimulating entrepreneurship, evaluation of existing measures and, if necessary, adaptation of these measures to small businesses, as well as introducing policy markers to take into account the needs of small businesses.

Implementation of EU standards at Ukrainian enterprises. Cooperation between Ukraine and the European Union is necessary for technological improvements of Ukrainian production. Manufacturing technologies of Ukrainian enterprises are lagging behind those used by advanced European countries; Ukraine does not have the capital necessary for modernizing the existing ones, nor for creating new enterprises.

Weaknesses and threats of Ukraine's accession to the EU.
Political weaknesses. Uncertainty of the EU development strategy. The EU consists of mega state blocs that are in competition and rivalry. It is between them that the main lines of possible split of the EU pass. The hidden struggle for leadership between Germany, France, and Great Britain is happening. It all leads to an unstable situation in the EU and uncertainty about the place and role of Ukraine in the EU.

Economic weaknesses and threats. Loss of competitiveness of some sectors of economy. Some domestic producers are not prepared for tough international competition. Today Ukraine has a low competitiveness potential according to international standards. The implementation of a common currency, the euro, will not allow such a mechanism to compensate for its uncompetitiveness as a currency devaluation, which would be an obstacle to stimulating the country's export.

A possibility of movement of harmful industries to Ukraine. According to many analysts and experts, the EU, in exchange for financial and economic assistance to Ukraine, will insist on moving a number of

harmful enterprises to Ukraine, using Ukraine for disposal of environmentally hazardous and radioactive wastes.

Social weaknesses and threats. More complicated visa regime with the eastern neighbors. Ukraine's accession to the EU and the implementation of Schengen's area, together with the opening of borders to Europe, at the same time will bring obstacles to the movement of citizens of Ukraine and other CIS countries.

C o n c l u s i o n s . We can, therefore, enlist to the main opportunities of Ukraine's accession to the EU the following points: establishment of a stable political system, perception of Ukraine as an important subject of political relations, ensuring the development of small and medium businesses, implementation of EU standards in production, creation of the middle class, reformation of health care and education systems, social protection.

Also, we can enlist to strong points the following items: European collective security, macroeconomic stability, additional investments into Ukrainian economy, obtaining a positive trade balance, common customs tariffs, anti-dumping policy, protectionism and export control, efficient protection of human rights in EU institutions, open borders for free movement of population.

To the main weaknesses of Ukraine's accession to the EU we can enlist the following points: uncertainty of the EU development strategy, loss of competitiveness of some industries, more complicated visa regime with eastern neighbors.

To the main threats to Ukraine resulting from its accession to the EU we can enlist the following: a possibility of movement of harmful industries to Ukraine, use of Ukraine as a raw materials addendum, illegal migration, and outflow of personnel.

To sum up, it is possible to say that if Ukraine becomes a member of the EU, Ukraine will gain a number of significant advantages, but in order to avoid existing problems, it is important to implement strategic ways of EU's development in Ukrainian economy.

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