## How Ukraine's Association Agreement with the EU has helped increase the country's resilience to Russian pressure

The Ukraine crisis in 2013-14 was triggered by the refusal of former Ukrainian President Viktor Yanukovych to sign an Association Agreement with the EU. With tensions once again escalating between Russia and Ukraine, **Maryna Rabinovych** argues the Association Agreement gives the EU a window of opportunity to help shape the outcome of the current crisis.

Russia's continuing military build-up on Ukraine's borders, its Cold War-style demands for 'security guarantees', and the West's deterrence and diplomacy have made headlines since December. The crisis remains far from over and the West has refused to meet Russia's requests concerning the non-expansion of NATO and the non-deployment of weapons in Eastern Europe. Russia's actions have been a clear attempt to reshape the European security order.

While NATO and the Organization for Security and Cooperation (OSCE) have featured prominently during the crisis, the European Union as an institutionalised actor has been largely absent from the negotiating table. It can nevertheless be argued that the EU possesses a 'soft' yet powerful instrument to support Ukraine and other eastern neighbours against Russia's growing assertiveness: the EU's Association Agreements. Though it has remained largely absent from the current debate on Russia and Ukraine, the EU-Ukraine Association Agreement has played a crucial role in shaping Ukrainian domestic and foreign policies, and Russia's responses since 2013-14.

## The EU-Ukraine Association Agreement

The refusal of former Ukrainian President Viktor Yanukovych to sign an Association Agreement with the EU in 2013 gave rise to the Euromaidan Revolution. This resulted in a change of government and the signing of the Association Agreement in the first half of 2014. Labelling the Euromaidan Revolution a 'coup d'état' was a key component of Russia's justification for the annexation of Crimea in March 2014 and its support for anti-government forces in Eastern Ukraine.

The EU-Ukraine Association Agreement is a frequent target for Russian media. The dominant discourse is that the agreement is only beneficial for the EU and its member states, but not for Ukraine. It is argued that the EU's key interest in Ukraine is raw materials, such as unprocessed wood, rather than Ukraine's exports of high value-added goods. This discourse has received added momentum from Ukraine's calls to update the Association Agreement, in particular the section that concerns Ukrainian export quotas.

The discourse is further complemented by two broader narratives. The first one emphasises that the EU-Ukraine Deep and Comprehensive Free Trade Area (DCFTA), which is part of the EU-Ukraine Association Agreement, has resulted in huge losses for Ukraine due to the <u>need to reorient</u> from Russia and the Commonwealth of Independent States (CIS) toward the EU market. Some of the coverage has referred to these losses as 'an economic collapse'. The second narrative is that Ukraine has <u>no chance</u> of joining either the EU or NATO. The result is that European integration is presented as something that does not bring benefits to Ukraine, as Eurasian integration would have done.

Interestingly, Russia has not introduced any new demands in relation to EU Association Agreements during the current crisis over Ukraine. Nor have Russian media sources focused on EU Association Agreements in their coverage of Russia's push for 'security guarantees'. There are various possible explanations for this: Russia may be intentionally limiting the discussions to NATO and security, it may be planning to install a pro-Russian government that would in any case withdraw from the Association Agreement, or it may simply underestimate the importance of the agreement.

Russia's position may ultimately reflect all three of these perspectives. What should be clear, however, is that the Association Agreement has contributed to Ukraine's ability to respond to the current security threat. The Association Agreement serves as both a tool for establishing resilience against Russian aggression in Ukraine, and as a worthy crisis instrument in its own right.

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## Lasting achievements

Ukraine's economic reorientation away from Russia and the CIS to the EU has indeed been accompanied by losses, particularly in relation to iron, steel, and machinery exports. However, the DCFTA has enabled the EU to become Ukraine's major trade partner, with a share of 40.7 percent of Ukraine's foreign trade as of 2020.

Much has also been achieved in relation to <u>legislative approximation with the EU</u>, especially when it comes to removing technical barriers to trade and improving public procurement, statistics, and information exchange. In terms of Ukraine's calls to <u>update the Association Agreement</u>, further steps are planned to strengthen EU-Ukraine sectoral ties and Ukraine's integration into the <u>digital single market</u>.

The Association Agreement has also offered a framework for reforming Ukraine's energy market. Ukraine has a stated ambition to join the European power grid and the EU's electricity market by 2022-23. This would reduce both economic and energy dependence on Russia. In other politically and economically sensitive areas, such as decentralisation, anti-corruption, the judicial system, and competition, the EU has successfully used the Association Agreement as a basis for facilitating reforms.

Closer links to the EU have been achieved in the educational and cultural domains, notably via Ukraine's participation in the Erasmus, Horizon and Creative Europe programmes. All of this means that Ukraine has entered the crisis as a more resilient state with multifaceted linkages to the EU, rather than just to Russia and the CIS. This strengthening of Ukraine's resilience can be viewed as a key deterrence against Russian aggression.

These achievements are rooted in the crisis management strategy the EU adopted in 2014. The EU's political association with Ukraine and the institutional arrangements contained within the Association Agreement allowed the EU to develop an emergency state-building framework in Ukraine. The European Commission and its Support Group for Ukraine (SGUA) used this framework to help coordinate efforts from the EU's institutions and member states, as well as from international organisations, financial institutions, and bilateral donors such as the United States, Canada and Japan.

This enabled the EU to not only provide Ukraine with unprecedented macroeconomic and state-building assistance, but also to develop local knowledge and create the conditions for longer-term resilience-building. The 2014 crisis in Ukraine has also been a useful policy learning exercise for the EU's leadership. The EU-Ukraine Association Agreement is therefore far more than an instrument for political rapprochement and economic integration instrument. It has also been an umbrella for crisis management and resilience building on the part of the EU and its partners.

The net effect of the agreement has been to help the EU attain two crucial and interrelated goals: to prevent the escalation of tensions with Russia from destabilising Ukraine, and to strengthen the linkages between Ukraine and the EU. Moreover, the Association Agreement has offered a window of opportunity for the EU to shape the outcome of the crisis, despite the EU itself being sidelined from security talks. As usual, the EU's approach has been 'soft' but not without impact.

Note: This article gives the views of the author, not the position of EUROPP – European Politics and Policy or the London School of Economics. The author would like to thank her colleagues Dr Anne Pintsch and Dr Morten Jeppesen for insightful comments and discussions during the preparation of this contribution. Featured image credit: European Council