

# Hollowing out of the Ukrainian state?

*Consequences of Ukraine's pro-European direction*



Nijmegen, June 2008  
Michiel Arentsen

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## Summary

The central question of this master thesis is: *“What is the influence of the pro-European direction of Ukraine on the power of the Ukrainian national state?”*

This question is answered by first exploring the scientific debate about the role of the national state, which is very much at the front of the broader current debate in human geography. Following this debate, the conclusion can be drawn that the last decennia the role of national states is changing. Glocalisation is a term that indicates such changes. In this thesis, I explore the national state of Ukraine in relation to this theme. Two weaknesses arise when the concept of glocalisation is used as an analytical tool.

The first one has to do with the thought that glocalisation implies a hollowing out of the national state. However, national governance can be quite necessary and important in processes related to glocalisation.

The second weakness I highlight is that the concept of glocalisation is missing the ‘identity function’ of a national state. Glocalisation is more focused on economic processes than on sociological issues. The case of Ukraine illustrates the importance of this identity-argument extremely well. The country can roughly be divided into two groups; one which is Europe-oriented and one which is Russia-oriented.

By examining the power of Ukraine in relation to its pro-European direction, we can see that the pro-European direction will stimulate globalising processes. Ukraine might function more and more as a referee for coordinating such processes. This is due to a greater degree of openness of the country. However, it is difficult to argue if this means diminishing of power because of the important role of the national state of Ukraine itself in coordinating and initiating such globalising processes. This role can be viewed as a very important and crucial role, which confirms the aliveness and importance of the national state. This role illustrates that the claim for a nearby end, or death of the national states, is unrealistic in the near future. That is why I argue that in the debate in human geography, the power of national states should be taken as pre-given, and also globalisation processes. The focus should be on the question *how* the national states are dealing with the globalising processes.

My argument is illustrated by the case of Ukraine. In this case, on the one hand, the European Neighbourhood Policy (ENP) will lead to more regional and local initiatives, which indicate a shift of power from the national scale towards lower scales of governance. On the other

hand, the Ukrainian national government is prominent in the involvement in these ENP processes, which indicates importance of the state scale.

Another important role is that of cross-border stimulation. When regional and local forms of governance are enforced due to cross-border stimulation of the ENP, the Ukrainian national state is challenged to build stronger partnerships between regions. Cross-border stimulation might lead to more investment from Europe, which can be concentrated on the border regions.

This thesis also demonstrates that the pro-European direction of Ukraine can be hampered for various reasons. One reason has to do with the power of elites. Former communist elites can harm the effectiveness of the ENP implementation. Many elites are also corrupted. These elites have delayed the process of restructuring and reforms in Ukraine, by their interests to preserve elements of the centrally planned system. The second reason has to do with the concerns of the EU about security threats. Some argue that there will be a 'fortified EU external border in the East'. These new external borders of the EU will restrict the circulation of the people and the goods. This is in contrast with the measures taken by the ENP with the goal to increase cross-border trade. The existence of multiple identities in Ukraine constitutes the third reason. It is a challenge to inform the population better about cooperation and ties with the EU. By doing this, the multiple identities might even lead to chances. The close relations with both Russia and the EU might be used as a strength and advantage whereby Ukraine might gain from its central location between these two worldpowers. The last reason has to do with the slow implementation of the ENP policy. The priorities and strategies have not been put in practice to a substantial extent. This is the responsibility of the national state of Ukraine, which illustrates its important power.

## Acknowledgements

I hereby present the final work for my study of Economic Geography. This thesis reflects two main elements that were central during my four and a half year of studying: European countries and their governments. I liked to look over national borders during my study period and I am very interested in the changing Europe. Thereby, I specialised myself on Europe by studying in Nijmegen, Norway (Kristiansand) and Hungary (Budapest). It was a great time and I learned a lot.

I would like to thank different persons who in some way contributed to the successful completion of my thesis. I want to thank my supervisor Roos Pijpers for her knowledge and her assistance during my work. I also want to thank all the people I interviewed.

Olga Mrinska and Tatiana Zhurzhenko helped me with answering questions about the connection of the theoretical framework towards the situation in Ukraine.

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promised Ukraine closer political cooperation and a future free trade agreement. Joining the WTO will also stimulate cross-border trade. In February 2008, the accession of Ukraine to the WTO has been announced. In the first half of 2008, the country undergoes a six-month ratification (Ibid.).

European investors have already been exhibiting a keener interest in the Western Ukrainian regions than was the case in former times. The Orange revolution created a better image of the country abroad and helped to establish a more investor-friendly environment. Additionally, low wages and positive macroeconomic dynamic over the last years attracted numerous companies to locate in Ukraine (Mrinska, 2006: 91). What will happen in Ukraine given its ever-increasing openness to globalisation processes and its rise foreign trade? What are the main challenges for Ukraine when it comes to globalisation and internationalisation? Is the Russian-oriented part of the inhabitants leading to difficulties for the Ukrainian national state? And what exactly is the influence of the EU on the national state of Ukraine?

## 1.1 Central goal

With its turn to Europe, Ukraine is more than ever open to globalisation and internationalisation processes. The goal of this master thesis is to gain insights in these processes to which Ukraine is subjected. The focus will be made on the influence these processes will have on the power of the national state of Ukraine and on the challenges, which these processes will present the national Ukrainian state.

The central goal is:

**To gain insights in the globalisation and internationalisation processes which are influencing the Ukrainian national state and which are related to the recent reorientation of Ukraine towards Europe.**

The globalisation processes will be analysed to investigate whether they are likely to lead to a diminishing power of the Ukrainian national state. In paragraph 2.1, it will be explained what can be understood as ‘power’ of a particular national state. I will take the European Neighbourhood Policy (ENP) as an important source of examining globalisation and internationalisation processes. I will explain the arguments for this in paragraph 3.4.

My hypothesis is that the turn towards Europe and the European Union, which goes hand in hand with increasing stimulation of trade, will lead to a diminishing role of the national state. This is based on the following two pre-assumptions:

- 1) **The EU as an upper-level institution takes some power away.** It is easy to understand that the adoption of procedures, standards, rules and regulations of the EU will lead to a shrinkage of freedom of the national state of Ukraine. In order to follow the ENP, the national state of Ukraine must give up some of its power and freedom, due to the obligations and path-dependency under the headings of this policy.
  
- 2) **The stimulation of trade will lead to a more prominent role of regional and local scales, which also leads to diminishing power of the Ukrainian national state.** The stimulation of trade by the EU policy is mainly focused on the opening of borders to achieve a free trade area. To be able to compete in this world economy, local and regional governance is increasingly viewed as crucial for the effective and active participation in the world economy (e.g. Swyngedouw, 2000, Jessop, 1994). This increasingly prominent role is also manifested by the presence of more powerful institutions that are specifically based to serve specific regions.

These pre-assumptions will be tested. If both pre-assumptions will be found reasonable, the next question will be posed: does the turning of Ukraine towards the EU constitute a problem for its national state? This question will be asked in order to reach the central goal of this work.

A more theoretical goal is to come to a better understanding and exploration of the glocalisation concept. **Glocalisation (global localisation) is a term that is used to indicate a changing power of the national state.** The term will be examined by exploring particular up- and downscaling processes towards a particular country (Ukraine). Glocalisation is the concept, which covers both up- and downscaling processes. On the one hand, the power of the state is influenced as a result of powerful processes of downscaling, while on the other hand, it is influenced by upscaling forms of governance. For example, can the ENP really be qualified as leading to upscaling processes? The ENP is an instrument of the EU that is a more global institution than the national state. Thus it might indicate upscaling. Or on the contrary, can the ENP, which focuses highly on more regional scales, be qualified as a downscaling process? To illustrate this, the Commission stated that within

the ENP “the EU must act to promote the regional and sub-regional cooperation and integration” (Commission, 2003: 4).

This serves the theoretical goal. The theoretical goal is to explore the concept of globalisation intensively and contribute to its further understanding.

## 1.2 Research questions

To repeat, the central goal of this master thesis is to gain insights in those globalising processes which are influencing the Ukrainian national state and which are related to the recent turn of Ukraine towards Europe. In order to reach this goal, the research questions below need to be answered. The central question is:

**What is the influence of the pro-European direction of Ukraine on the power of the Ukrainian national state?**

The first subquestion is:

1. *Is the power of the national states changing because of globalisation?*

Through intensive literature study, the debate is examined about whether and how the power of the national states is changing in this time of globalisation and internationalisation. The answer to this question will form the theoretical framework of this thesis. This question will be answered in chapter 2. To adjust the theoretical framework to Ukraine and the ENP, the next subquestion is answered:

2. *Can the ENP be viewed as an expression of globalisation and internationalisation?*

This question will be answered in Chapter 3. This chapter will describe the empirical material, which is used in this thesis. The debate about the power of national states will be connected to Ukraine and its pro-European direction. This will be done by examining the extent to which consequences of the pro-European direction display, or encourage, characteristics of down- and upscaling.

The third question deals with the special and particular polarised situation of Ukraine in relation to its inhabitants as well as to its political actors. The subquestion is formulated as:

3. *Does the polarisation of Ukraine into Russian and the EU directions constitute a threat to the national state?*

This question will be answered again through literature analysis and through interviews with Ukrainian geographers. Other interviews with experts will take place to answer this question as well (see paragraph 3.5). This question will be answered in Chapter 4.

The fourth question is more about the contemporary influence of the EU upon Ukraine:

4. *What are the main influences of the ENP on the Ukrainian national state?*

This question will be answered by conducting a proper textual analysis of the ENP documents and reviews. In addition, interviews with experts will take place. We will gain new insights into the possible growing influence of the EU, because this policy informs us about the way the EU is willing to deal with its new neighbour and how it is willing to deal with it following the Ukrainian choice of a pro-European direction. This question will be answered in Chapter 5.

After answering this question we will return to the theoretical concept as it was explored in the beginning. We will attempt to determine whether globalisation processes are likely to lead to more downscaling or to more upscaling. Again literature analysis will take place and will be completed with interviews. To examine the global pressures on trade, interviews will take place with employees of the organisation EVD (formerly known as: Economische VoorlichtingsDienst). The EVD is the first in line within the Dutch government for Dutch investors who want to export or invest in Ukraine. Most of the information is accessible on its website<sup>1</sup>. Dutch-Ukrainian trade can then be used as a case study for analysing global pressures on trade with Ukraine. This question will be answered in Chapter 5 and Chapter 6.

Further on, globalisation and the globalising processes are connected again. Finally a conclusion will be reached regarding the influence of these processes upon the power of Ukraine as a national state and how Ukraine can deal with these processes. In this conclusion there is also a return to the central question.

To summarise the research questions:

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<sup>1</sup> <http://www.evd.nl/info/landen/land.asp?land=oek>

**Central question:**

*What is the influence of the pro-European direction of Ukraine on the power of the Ukrainian national state?*

**Subquestions:**

- 1. Is the power of the national states changing because of globalisation and internationalisation?*
- 2. Can the ENP be viewed as an expression of globalisation and internationalisation?*
- 3. Does the polarisation of Ukraine into Russian and the EU directions constitute a threat to the national state?*
- 4. What are the main influences of the ENP on the Ukrainian national state?*

### 1.3 Societal relevance

After the Orange revolution in 2004, Ukraine turned its face towards Europe. The post-Orange revolution government was characterised by a pro-European and pro-independency attitude. After the days of revolution, Victor Yushchenko from the political party 'Our Ukraine' became the president of Ukraine. His coalition formed a pro-western majority in the parliament. However, in 2006 new elections were held and led to a coalition that was more pro-Russian. The Party of the Regions of Victor Yanukovich was the biggest party. Together with the Communist Party and the Socialist Party of Ukraine, the Party of Regions eventually formed a majority coalition. In 2007, this coalition fell and again a more pro-European coalition was formed (European Forum, 2007). The changing coalitions of the last years were accompanied by many demonstrations (see figure 1.3.1) and social unrest.

The pro-western coalition nowadays supports increased cooperation and ties between Europe and Ukraine. However, as the last year's elections show, the majorities of either a pro-Russia or pro-western coalitions are small, which makes it necessary for the government to act with care in matters considering Russia and or EU/NATO cooperation (Ibid).

In particular the Orange revolution has led to a positive image of the country abroad. It has also led to the establishment of a more investor-friendly environment (Mrinska, 2006: 91-92). This environment can propel Ukraine into a cycle upwards, which can transform the country into a more

western state. Thereby, the influence of Europe and the EU are of high social and societal relevance. This influence of the EU is largely formulated in the ENP.

The ENP has been formulated after the May 2004 enlargement whereby Ukraine became a direct neighbour of the EU with all the resulting consequences. Relations with the new neighbours became the EU main external priority. The instrument to deal with this priority is the ENP. The premise of the ENP is that the EU has a vital interest in seeing greater economic development and stability and better governance in its neighbourhood (Commission, 2006: 2).

One of the main goals of the ENP is to create mutual trade and economic cooperation. This cooperation is also important for trade between the Netherlands and Ukraine. In 2005, export from the Netherlands to Ukraine rose to 843,5 million euros. That means a growth of 65% comparing to 2004. Also, in the year 2006, export raised further. This year, they rose by 25% to the total of more than a billion (EVD, 2007).

The social and societal relevance is also high with regard to government institutions for making suitable policy towards Ukraine. This is because of the accurate exploration of foreign influences upon Ukraine. Europe is not the only big actor that brings foreign influences to Ukraine. Russia is also a neighbour and there are very close connections between the two countries. Both Russia and the European Union have been trying to establish a tighter connection with Ukraine. Public opinion in Ukraine is ambiguous about either of the two directions. This is illustrated by a recent survey, which shows that in Western Ukraine EU membership is favoured by 75% of the population, whereas in Southern Ukraine EU membership is favoured by less than half of the respondents (Wolczuk, 2004).

The ties with the European Union on one side and close relations with Russia and the Commonwealth of Independent States (CIS) on the other side, make the ENP and its implementation very interesting. Tassinari argues: *“One of the reasons for the EU’s poor regional involvement in the Black Sea and in the Eastern Dimension is the opposition of some Russia-friendly EU member states to a deeper EU engagement in the CIS space”* (Tassinari, 2005:16).

Generally speaking, the polarisation of Ukraine into Russian and the EU directions illustrates a high societal relevance, which is in this thesis closely related to a possible changing of the power of the national state of Ukraine.

**Figure 1.3.1.** *Demonstration held on the Independence Square*



*The photo shows a demonstration held by supporters of the Party of the Regions (blue flags), the Communist Party (red flags) and the Socialist Party (pinkish red) against policy of President Victor Yushchenko.*

(Source: Michiel Arentsen, photograph taken on 30-04, 2007)

#### 1.4 Scientific relevance

In recent scientific debates, there is an actual discussion going on about the power of the national state. Different terms and concepts are used to point towards a changed power. In this thesis, the case of Ukraine can be applied to such debates. Glocalisation is a term that is used to indicate changing power of the national state. According to Swyngedouw, glocalisation refers to:

*“The contested restructuring of the institutional level from the national scale both upwards to supra-national and/or global scales and downwards to the scale of the individual body, the local, the urban, or regional configurations; and the strategies of global localisation of key forms of industrial, service, and financial capital” (Swyngedouw, 2000: 52).*

Glocalisation leads to a ‘hollowing out’ of the national state. On the one hand the state is hollowed out as a result of a powerful process of downscaling, and on the other hand it is hollowed out by

upscaling forms of governance. Downscaling means that: *“the national scale has lost its pre-eminent position to the extent that urban and regional economic complexes have become the new centres for successful growth”* (Swyngedouw, 2000: 548). The process of upscaling of forms of governance can be described as the rise of powers of the supra-national institutions, of which the EU is the most important one (Ibid.)

The concept ‘glocalisation’ is interesting to use in relation to Ukraine’s pro-European direction because the EU, as a supranational institution, will have more influence in Ukraine. This can lead to upscaling processes. On the other hand, the strategy and policy of the EU is always highly focused on the stimulation of regional scales (for example the Committee of Regions and the Regional Policy), which can lead to downscaling. By now, the ‘glocalisation theme’ is mostly focused on national states as a category. This thesis is innovative in such a way that it makes the concept “glocalisation” concrete because of two different reasons. The first one is that the concept is further elaborated towards one particular national state: Ukraine. The second reason is that in this thesis globalising processes are examined as concrete processes of upscaling and downscaling. In this sense, it can contribute to a better understanding of ‘glocalisation’ and a possible changing role of the national state.

In the next chapter, the theoretical framework will be set out. This will be done by describing the debate about a possible ‘hollowing out’ of the national state. The concept of ‘glocalisation’ will be described and explored, which will function as an analytical concept in my research.

## Chapter 2. The globalisation of national states

Is there a future for the national state? The national state is under attack in a sort of way it has never been before. Not an attack that consists of weapons and armies, but an attack that is emerged out of the inner shape of the system itself. After centuries of instability in Europe because of empires that wanted to rule Europe, there is nowadays a new sort of instability for the national states in Europe. After centuries of colonising processes of the national states in Europe, the national states are now colonized themselves...by global companies. National states seem to be less important than they were before. The economy is globalising in such a way that companies are becoming more and more footloose and less and less connected to their home base (e.g. Narula, 2003: 207). National states are more or less forced to go with the mainstream. For enterprises it is easy to choose another country to locate. This will lead to a decline of the national economy. Never in the history before had global companies so much power. Are national states governing companies or is it nowadays the other way around?

Companies also need local and regional institutions that can effectively shape processes of dynamic, innovative and competitive economic development. The national state is under attack because of the incapability to deal itself with such processes. On the other hand, supranational institutions attack the national state by taking more and more power. Where are these trends leading to? Is Europe really moving to an era where there is no national government anymore? Is in Europe a situation nearby where the national states are only helping to shape an identity for their inhabitants but without any real power? Is the death of the national state nearby?

Future expectations like the one above are often used to interest people for the pressure that lies on the contemporary national state. But, there are different trends going on which in some extent are pointing to a situation whereby the power of the national state is declining. There is a debate going on about the question if and how the power of the national state is changing in this time of globalisation and internationalisation. This debate started already in the early nineties, but is still highly at the front of the broader current debate in human geography.

In this chapter, a plea will be made for a shift in this debate. The first part starts with elaborating the debate around the role of the national state in this time of internationalisation and globalisation (2.1). At first authors are mentioned who share the opinion that there is a 'hollowing

out' of the national state (2.2). After that, authors are mentioned who argue that there is not really a hollowing out but that there is just a change in governing (2.3). In 2.4, it is described how 'glocalisation' will function as an analytical concept in my research. It ends with the short conclusion that it is hard to claim a hollowing out, and that therefore a shift is needed in the debate about the role of the national state (2.5).

## 2.1 The power of the national state

Already for decennia, there are different changes going on which are influencing the functioning of the national state. Most authors within the scientific debate agree on that. There is however a discussion if these changes lead to a diminishing role of the national state. Instead of a 'diminishing role' or 'decline of power' the term 'hollowing out' is also used to describe this changing of the function of the national state. 'Hollowing out' means that there are processes going on which lead to a shift of roles and powers away from the state, which formerly belonged to its exclusive domain. To be able to explore if there is a hollowing out of the state, at first it has to be clear what in essence is the function or role of a national state. According to Storey (2001: 39) a state provides a legal framework, infrastructure and services to be used for the benefit of its citizens. Storey categorises four different functions:

1. It regulates the economy (although currently dominant economic theories suggest that states should minimize the exercise of this function)
2. It provides public goods such as health and transport services (although there is a contemporary trend in many countries of privatizing such services).
3. It provides legal and other frameworks which guide its citizens' behaviour.
4. It defends its territory and its people against external aggression and internal threats.

As we shall see, it can be argued that (some of) these tasks of the state are to some extent under pressure by different sorts of globalising and internationalisation processes. But what are these processes exactly?

To know this, we have to go back to the term 'globalisation'. Globalisation is a term that can be understood in different ways. There are two extreme understandings or positions of the meaning of globalisation, where all other meanings exist in the range between. On the one extreme,

globalisation is the new economic, political and cultural order. National states are here no longer significant actors, nor economic units. In this order, cultures are homogenised and products are standardised all over the world created by big global corporations. Everything is becoming the same (Dicken, 2003: 10).

On the other extreme is the view that not so much has changed. There is still an international world instead of a real globalised world. National forces are still very important and far significant (Ibid.).

Knox and Marston (1998) define globalisation as: “The increasing interconnectedness of different parts of the world through common processes of economic, environmental, political, and cultural change” (Knox & Marston: 1998). Globalisation can thus understood as a complex of interrelated processes. Dicken distinguishes these processes in two categories (Ibid: 12):

- Internationalising processes: These involve the simple extension of economic activities across national boundaries. They reflect, essentially, quantitative changes that lead to a more extensive geographical pattern of economic activity.
- Globalising processes. These involve not merely the geographical extension of economic activity across national boundaries but also – and more importantly – the functional integration of such internationally dispersed activities. They reflect, therefore, essentially qualitative changes in the ways economic activities are organised.

Dicken argues that internationalising processes are shown as phenomena with a low level of functional integration. This is opposite to globalising processes that are leading to both geographical and functional integration. This functional integration exists in different degrees and in different geographical extent. On a high level there is the expanding and highly integrated EU. On the lower scale are simpler free trade agreements, which exist all over the world (Ibid: 12).

Globalising processes can further be explained by describing different elements, which can be identified within globalising processes. According to Held (1989, in Storey, 2001: 107) the following distinctive elements can be identified:

- Growth of international trade, capital flows, investment, etc.;
- Improved communications and technology;
- Transnational organisations (TNCs, etc.);

- International institutions (UN, IMF, World Bank);
- Regional economic blocs (EU, etc.);
- Defence and military alliances (NATO);
- Processes aimed at harmonising international law;
- Cultural diffusion (spread of English language, tourism, etc.).

These elements will give concrete meanings to theoretical concepts within the globalisation debate.

## 2.2 Hollowing out

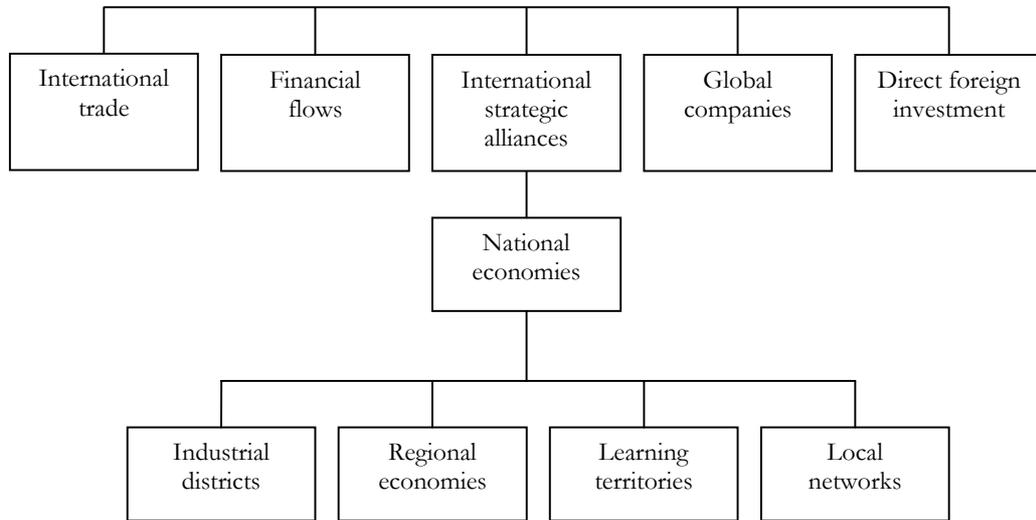
One author who has without doubt the opinion that there is a ‘hollowing out of the state’ is Bob Jessop. He argues that the national state is subject to various changes, which result in this hollowing out. He states:

*“The capacities of the national state to project its power even within its own national borders are decisively weakened by the shift towards internationalised flexible production systems and by the growing challenge posed by risks emanating from the global environment. This loss of autonomy creates in turn both the need for supranational coordination and the space for sub national resurgence” (Jessop in Amin, 1994: 264).*

He argues that different capacities of the state have been transferred towards bodies that are functioning across different levels. He points to pan-regional, plurinational and international bodies. Other capacities of the state have been devolved to restructured local or regional levels of governance within the national state. There are also capacities that connect localities or regions in different central states. They emerge in horizontal networks of power (Ibid.).

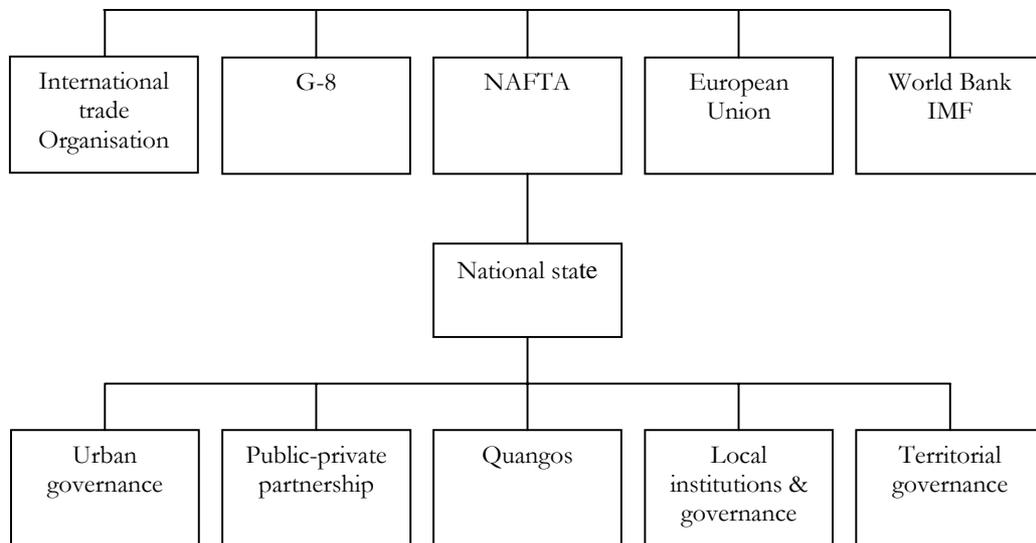
The principles explained by Jessop have a highly similar meaning of the framework as Eric Swyngedouw explains it. Swyngedouw uses the concept *glocalisation* (global localisation) for his framework. Glocalisation is a term that is used to indicate a changing power of the national state. The concept is used for both indicating the rescaling of the economy (see figure 2.1) as for indicating the rescaling of the state (figure 2.2).

**Figure 2.1.** *Glocalisation: the rescaling of the economy*



Source: Swyngedouw, (2000): *Elite power, Global forces*: 548.

**Figure 2.2.** *Glocalisation: the rescaling of the state*



Source: Swyngedouw, (2000): *Elite power, Global forces*: 549.

According to Swyngedouw, glocalisation refers to:

*“The contested restructuring of the institutional level from the national scale both upwards to supra-national and/or global scales and downwards to the scale of the individual body, the local, the urban, or regional configurations; and the strategies of global localisation of key forms of industrial, service, and financial capital” (Swyngedouw, 2000: 52).*

Thus, this concept is used to indicate the supposed changing power of the national state. On the one hand the power of the state is being influenced as a result of powerful processes of downscaling, and on the other hand the power of the state is being influenced by upscaling forms of governance. The processes of downscaling and upscaling are quite similar towards two divisions where Jessop comes up with. He separates two categories that lead to the hollowing out of the national state.

First there is the growth of supranational regimes. He argues that the role of supranational state apparatuses or systems and of international political regimes is expanding. They increase in number and also grow in their territorial scope. Besides this, they are also getting more and more functions. According to Jessop, the most significant function is their concern with structural competitiveness in the economic spaces they manage (Ibid: 270). Swyngedouw names this growth of supranational regimes as upscaling processes. The process of upscaling of forms of governance can be described as the rise of powers of the supra-national institutions, of which the EU is the most important one (Swyngedouw, 2000: 548). Besides the European Union, other supra-national organisations have risen to prominence. The North American Free Trade Association (NAFTA), the Group of Eight (G-8), the World Trade Organisation (WTO) and the International Monetary Fund (IMF) are examples of supranational organisations that are becoming more powerful.

There are also a host of informal quasi-global political arenas who has been formed which attempt to regulate the global political economy. The Group of 77 and the Club of Paris are examples of such forums (Swyngedouw, 2000: 53).

The upscaling processes are also influenced by the more and more globalised character of firms. National economic spaces are more and more occupied by foreign investment. Jessop is arguing that the European Union is attempting to coordinate these flows and trends. He argues:

*“The EU is attempting to create world-class competitors in R&D-intensive, high value-added and high growth sectors, not only by establishing the basis for the emergence of Euro firms but also by encouraging strategic alliances of various*

*kinds. Key areas targeted for intervention include information technology, manufacturing technology, telecommunications, biotechnology, new materials and marine science and technology” (Jessop in Amin, 1994: 271).*

He argues that these policies have both multiplier as inhibitor effects at the national, regional and local level. The multiplier effects can occur because of the demonstration effects and the promotion of technological and institutional learning throughout the EU. The inhibitor effects can occur due to differences of the EU initiatives with the national or local initiatives. It can also lead to a failure when transfer problems occur from the EU level towards the lower levels. (Ibid: 271).

The second division that Jessop is mentioning is the ‘resurgence of regional and local governance’ that is closely similar to the downscaling processes as mentioned by Swyngedouw. Whereas in the time after the second worldwar the national states played a crucial role in the economy, for example by the promotion of collective consumption and the support of mass production, there is now a reorientation of local economic activities (Ibid: 271). Emphasis is placed on making local or regional economies more competitive in the new world economy. The State is reorganised as new forms of local partnerships emerged (Ibid: 272). This development implies a shift from local government to local governance. Local unions, local chambers of commerce, local venture capital, local education bodies, local research centers and local states have further emerged to steer the local economy. The central state deals with inability to solve the specific problems of particular localities (Ibid: 272). Swyngedouw names this ‘resurgence of regional and local governance’ as processes of downscaling. Downscaling means that the national scale has lost its pre-eminent position to the extent that urban, regional and local scales have grown in importance.

Recent trends are pointing towards a situation where global companies are becoming more and more important and powerful. On the other hand, the national state is being replaced, at least to some extent (Swyngedouw, 2000: 553). Swyngedouw argues that the national scale has lost its pre-eminent position to the extent that urban and regional economic complexes have become the new centers for successful growth (Ibid: 547). He argues:

*“While global interdependency increased and global competitive pressures intensified, territorial urban and regional institutional-economic configurations have become pivotal in determining the economic success of individual companies” (Swyngedouw, 2000: 547).*

Also the embeddedness of TNCs in space is interesting in connection to the possible changing role of the national state. Are TNCs still embedded in national states or are they just embedded in global structures and regions?

According to Swyngedouw, it may seem that companies are less and less influenced by the national state. Instead of the national state, the territorial urban and regional institutional-economic configurations have become dominant in determining the economic success of companies, and thus in determining the success of TNCs.

Swyngedouw argues that in earlier time the national state was by far the most important actor who was responsible for economic growth. Nowadays, in a time where global competition is much more intense, the pressure to create more competitive economic structures coincides with a more prominent role of local or regional forms of governance (Swyngedouw, 2000: 548). Swyngedouw points to both formally and informally organised sorts of governance whereby a more prominent role can be seen of local and regional forms of governance. This refers to the process of downscaling of forms of governance as mentioned by Swyngedouw. He argues that:

*“It has become increasingly clear that the economic success of cities and regions is highly dependent on the local sectoral and institutional configuration and on the framework of governance in which regional of urban economies are embedded” (Swyngedouw, 2000: 546).*

Swyngedouw mentioned some examples of regions, such as Randstad and Île de France. He argues that these examples suggest that competitive success is due to the inner structure of these particular regions. The organisation of these regions is historically created, which is mainly based on close cooperation and competition. This forms an argument for the whole process of downscaling. Urban and regional economic complexes have become the new centers for successful growth. In other words, the pressure to create more competitive economic structures coincides with a more prominent role of local or regional forms of governance.

Swyngedouw argues that these up- and downscaling processes have altered the form of governing of the Fordist and Keynesian state. He argues that the State is to some extent ‘hollowed out’ as a result of these processes of downscaling and upscaling of forms of governance. Globalisation leads to a ‘hollowing out’ of the national state. On the one hand the State is hollowed out as a result of the powerful process of downscaling, and on the other hand it is hollowed out by

the upscaling forms of governance. Taken the upscaling and the down-scaling processes together, Swyngedouw talks about a new 'gestalt' of political scale (Ibid.549).

Further on, he states that there has been a market-led reorientation of most of the national states. This has resulted in an increasing privatisation or externalisation (to the market) of social and economic regulatory and organising systems. These systems formerly belonged to the domain of the State (Swyngedouw, 2000: 548).

However, these developments not only imply a disappearance of state actions. There is a growing variety of forms and strategies of state intervention, which appear because of the shift towards the lower (regional and local) levels. As Perrin states:

*"Effective political decentralisation on a territorial basis requires an adequate allocation of responsibilities between communal, regional and national authorities as well as a proper coordination of their actions"* (Perrin, 1988: 422).

Thus, there is still an important role of the national state. Without the national state, there is a danger of implementation failure and ineffectiveness because of a lack of coordination.

Jessop is summarising this second division of 'hollowing out' as follows:

*"On the one hand, as the supply side is increasingly seen as a vital element in national competitiveness, policies are demanded that are oriented to improving the infrastructure, human resources and innovation systems relevant to local or regional firms, sectors or clusters. Since the supply-side conditions making for structural competitiveness vary among firms, sectors and clusters, it is deemed important that these be identified at the appropriate level and implemented locally"* (Jessop in Amin, 1994: 273).

Thus, Jessop views the national government still as important. But he continues:

*"On the other hand, as the national state loses effective powers on the international stage and proves less capable of delivering full employment and growth on a national scale, the political pressures also mount for more effective local or regional government to satisfy economic demands"* (Ibid.)

This indicates a 'hollowing out', with the rising importance of the lower and upper scales of government.

As can be concluded from above, both authors Jessop and Swyngedouw are more or less pointing towards the same developments with respect to the national states in the contemporary globalising world. Both agree that there is a 'hollowing out' of the national states. Before I come up with my own opinion about the existence of a possible 'hollowing out', let me first examine some critical contributions towards this topic.

### 2.3 No hollowing out

Not everybody agrees that there is an existence of a 'hollowing out' as it is mentioned by Swyngedouw and Jessop. Brenner for example argues that:

*"The state scale is not being eroded, but rearticulated and reterritorialised in relation to both sub- and supra-state scales. The resultant, re-scaled configuration of state territorial organisation is provisionally labelled a 'glocal' state" (Brenner, 1998).*

Whereas Swyngedouw is mentioning up- and downscaling, Brenner is only pointing to State re-scaling. He views this as a strategy through which these transformed 'glocal' territorial states attempt to promote their major urban regions in being more competitive in the global world (Ibid).

Brenner argues also that:

*"The territorial organisation of contemporary urban spaces and state institutions must be viewed at once as a presupposition, a medium and an outcome of this highly conflictual dynamic of global restructuring" (Brenner, 1999).*

Brenner is conceiving the re-scaling of the national state as a moment of the current round of globalisation. This re-scaling is also evident in the continuing significance of smaller scales. These smaller scales have different forms and can be named also differently, for example the urban, the cross-border and the regional. The more significance of smaller scales can be indicated by an increasing networking society and an increase in forms of public-private partnership. Jessop is connecting this to a changing role of the national state. He argues:

*"However, with the growing impact of globalisation and new forms of competitiveness, inherited divisions of state labour have changed. Not only is the distinction between domestic and foreign policy becoming blurred but we also find sub-*

*national governments engaging in foreign (economic) policy through cross-border cooperation, international localisation etc.” (Jessop, 2000).*

Jessop points also to the role of cities, which are creating conflicts with the national state. He argues that some cities become potential ‘regional states’. The cities are in this case more oriented to their ties with cities and economic spaces abroad than to their respective national hinterlands (Jessop, 2000).

All the authors mentioned above agree to some extent that there is a growing influence of sub-national governance. But, there is also critique on this way of thinking. MacLeod argues that these theories are failing to integrate ‘*a relational account of the state*’. He argues that also the state has influence in shaping the conditions of the urban and regional settings (MacLeod, 1999). He has the critique that the role of the state is too easily put aside. MacLeod argues that the national state is still very important in the creation and well functioning of these lower scales.

Dicken also mentions this importance. He argues that transnational corporations (TNCs) play an important role in these urban and regional economic complexes and thus in processes of downscaling. Dicken (2000) is focusing on the relationship between TNCs and space. Dicken argues that:

*“The TNCs may be considered as a nodal point of and the interface between two realms: that of internationalisation in global structures, and that of embeddedness in the domestic structures of national/regional political economies” (Dicken 2000: 276).*

By using a sample of TNCs and a list of criteria for evaluating to which extent TNCs are global, Dicken concludes that TNCs in quantitative terms remains distinctively connected with their home base (Dicken, 2000: 279). For the manner in which TNCs are in qualitative terms connected to space, Dicken is exploring the *social embeddedness* of TNCs. The embeddedness concept is being described by Dicken as that “*all business firms are rooted within specific social, cultural, political, and institutional contexts which help to influence the ways in which they develop*” (Dicken, 2000: 279). Dicken concludes that:

*“Although such embeddedness may occur at a variety of inter-related geographical scales, the most significant scale would appear to be that of the national state, the major ‘container’ within which distinctive practices develop” (Dicken, 2000:279).*

With the ‘variety of inter-related geographical scales’, Dicken points out that the global economy consists of *‘a variety of overlapping and interlocking intra- and inter-organisational networks’ (Ibid.)*. These organisational networks are interrelated with geographical networks that are structured around linked agglomerations, or clusters of activities. This means that TNCs and other firms are having relations and connections between other firms and places. The national state is then functioning as a ‘container’ for all these relationships.

Dicken comes up with two other arguments that illustrate the still very important role of the national state towards TNCs. In the first place he argues that in the last two or three decades there has been an enormous intensification in competitive bidding between states for the relatively limited amount of internationally mobile investment. He illustrates this with a recent study by Unctad (1995). The conclusion of this study was that only 4 countries out of 103 did not offer some kind of fiscal incentive to inward investors during the early 1990s (Dicken, 2000: 286-287).

Another connected argument with the former is that States are engaging in price competition and engage in product differentiation. Dicken argues that:

*“Like firms, states also engage in product differentiation by creating particular ‘images’ of themselves such as the strategic nature of their location, the attractiveness of the business environment, the quality of the labour force, and so on” (Dicken, 2000: 287).*

Thus, national states are trying to be attractive for mobile investment. So to speak, Dicken mentioned that the national space is still important to firms.

Dicken argues:

*“Notwithstanding changes in the international political economy which are re-configuring the role and the functions of national states, the state remains fundamentally important as both a regulator of economic transactions and as a container of distinctive institutional practices” (Ibid).*

Thus, Dicken has a different view than Swyngedouw according to the changing role of the national state. He is not as radical as Swyngedouw seems to be.

## 2.4 Glocalisation as an analytical concept

The pro-European direction of Ukraine has both an upscaling effect (for example with the joining of the WTO) and indirect also a downscaling effect, in the sense of trade, as is described above. To examine globalising processes that are likely to occur due to the pro-European direction, which will happen in the following chapters, the concept of glocalisation will be used. This implies that also the terms 'upscaling' and 'downscaling' are used.

These terms are useful to the research because of their neutral meaning. The terms on itself do not carry an implication if the national state is declining in its power or not. So by using these terms, there is the ability to investigate if there is a possible declining power or hollowing out of the national state.

In Swyngedouw's contributions a connection is made between the concept of glocalisation and the role of new elite coalitions. These elite coalitions are essential for the existence of economic growth. Swyngedouw argues:

*"At the end of day, economic growth is carried by the economic, political and cultural elites. It is social power that creates growth. Persistent socio-economic decline and failure of regeneration signal either the absence of innovative elites or a dominance of traditional elites that desperately try to hang on to rapidly eroding positions of power, while the centers of economic power migrate elsewhere. Whenever the elites do not rule, the economy is in trouble" (Swyngedouw, Elite Power, Global forces: 2000: 552).*

What are elites exactly? In the first place, elites can be subdivided in public and private elites. In the second place, elites can be distinguished into local, national and international elites. It are the local elites which have a central role in creating economic growth. Swyngedouw argues: *"Local elites are more or less loose groups of self-interested economic agents and institutions who are seeking towards profit maximising"* (Ibid.). They are embedded and active in the local economy. They function as place marketers and want to maintain and attract activities that benefit themselves. Local elites are initiating projects and initiatives. They mobilise the necessary financial and material means and also the political support to make the project a success in practice. These elites are trying to influence the market in such a way it

creates the most benefits for them. They do this by for example influencing policy formulation; planning documents and regulatory procedures by cooperating with different other actors who are involved at the implementation at the local and regional level, like local politicians and the media (Ibid.).

However, it is not the power of elite an sich which creates economic growth, but it is the mix of the different elites into a growth coalition. According to Swyngedouw: *“These new elite’ coalitions are playing a central role in the promotion of a boosterist climate, in perpetuating the ideology of the market, and in pursuing a reliable business climate”* (Ibid: 549).

Although the elites have different goals and positions, they are able to create well-functioning growth coalitions. In these growth coalitions an environment is produced which is creating much more effects than the sum of the individual actors. A coalition where public and private elites both occur, competitive spaces can be generated. *“A coherent and relatively homogenous coalition of local, national, and international elites is instrumental to initiating and maintaining a boosterist climate and a competitive growth trajectory”* (Ibid.).

These elite coalitions have different roles. They generate and mobilise financial means and influence, create or mobilise the different institutions (as well formal as informal). Another important role elite coalitions can play is the portraying of an image of the region or city to the world (Ibid: 552).

## 2.5 Conclusion

What can be concluded from above is that in recent scientific debates an actual discussion is going on about the power of the national state. Although there is no consensus in scientific debates if the power of the national state really is declining or hollowing out, at least the conclusion can be drawn that something is going on. Whereas in some accounts is argued that the state scale is being hollowed out, in other accounts there is argued that the state scale is not being hollowed out or eroded, but only rearticulated and reterritorialised in relation to both sub- and supra-state scales.

A lot of concepts have entered the stage that are dealing with the topic of a changing role of national states. Table 1 (see appendix) shows how the debate about the changing power of the national state is described and named by different authors who use different concepts and formulations. The table is created to just give an overview of the debate around the role of national states, which is already a ‘hot issue’ in the last twenty years. This table is far from complete. There are

many more terms and concepts which could be placed in the table. But as I argued, my goal is just to give an overview of the debate. The concepts and terms on it self are also multi-interpretable, and thus there can be discussion if the terms are placed under the right category. Take for example the term 'globalisation'. It can be placed as a term that refers to upscaling by leading to more global institutions, but also indirect to downscaling by making the local and regional scales more important in a global and universal world.

The different authors who argue that states are still important do not deny that upper and lower levels of government are growing in importance. In their contributions is only set out that the national states are still 'ruling' by its institutional power and that there is not really a danger of other levels of governance.

Following the debate, I want to argue that it is impossible to argue that there is a hollowing out of a national state. I am not only referring to the term 'hollowing out', but I am referring to every term that is indicating a decline of power of national states. Those terms are inapplicable for investigating the contemporary national states because it is unclear if a shift of more power and roles towards down and upper levels also automatically imply less power of the national state.

Two points can illustrate this unclearness:

At first, concluded from the debate above, the discussion about a possible hollowing out of national states is already continuing for around twenty years. However, there is still no agreement if national states are hollowed out or not, but everybody agrees that the role of the national states is changing.

In the second place, if there would be a possible hollowing out, it is something that is caused and controlled by the national state itself! How can it be argued that there is a hollowing out if it is the same actor which controls, coordinates, and even initiated these down and upscaling processes in the beginning by becoming a capitalistic state? In my opinion, it is impossible to argue if there is a hollowing out as long as it is the national state on itself, which controls and coordinates these down and upscaling processes under the heading of European integration.

In other words, it is impossible to reach consensus about a possible hollowing out or not, because it is a matter of subjectivity which goes back to the discussion what can be defined as 'power' and what is understood as the power of national states. The role of the national state as referee and regulator or coordinator for the globalising capitalistic market can be viewed differently as being a powerful and important role, or not. Thus, by finding an answer if there is a possible

hollowing out, the discussion has to go back to the question what in essence can be defined as 'power' which can be part of the national states. This moving back in the debate will lead to complexity and will move us further away from the real and practical issues of the debate how the national states are changing.

In the next chapters the Ukrainian national state is used as a case for examining globalising and internationalising processes that are subject to the national state of Ukraine and are changing its power. It will be investigated if the discussion about a possible hollowing out is really speculative and subjective, as it looks like in this chapter.

Ukraine will be examined by focusing on glocalisation and up- and downscaling processes. By using these terms, up- and downscaling, I follow Eric Swyngedouw and his glocalisation concept to some extent. However, as hopefully will be clear now, I will not join his opinion that the existence of glocalisation and these down- and upscaling processes automatically imply a hollowing out of the national state.

The next chapter will describe the empiric material, which will later be used to examine if consequences of the pro-European direction display or encourage characteristics of down- and upscaling. In other words: It will offer the possibility to connect the debate about the power of national states with Ukraine and its pro-European direction. In the chapter it is described why the ENP can be viewed as leading to globalising and internationalising processes and which empiric material is used to examine Ukraine in relation with the debate about the power of national states.

## Chapter 3. The pro-European direction of Ukraine

This chapter will describe the sources that are used to connect Ukraine with the debate as described in the previous chapter. At first Ukraine as a country will be explored and described (3.1). Secondly, the pro-European direction of Ukraine will be set out (3.2). The main sources of this research will also be explored. They include the European Neighbourhood Policy Documents and other literature (3.3). In paragraph 3.4, we shall explore whether the ENP can be viewed as an expression of globalisation and internationalisation, as set out in the previous chapter. This chapter ends with a description of the other sources (mainly interviews) that are used in this research, and a small conclusion (3.5 and 3.6).

### 3.1 Ukraine: A country between two superpowers

With the enlargement of 1 May 2004, Ukraine became a direct neighbour of the European Union (EU). Relations with the new neighbours have become the priority of the EU external policy. The European Neighbourhood Policy (ENP) is the instrument to deal with this priority. The premise of the ENP is that *“the EU has a vital interest in seeing greater economic development and stability and better governance in its neighbourhood”* (Commission, 2006: 2).

However, the European Union is not the only neighbour of Ukraine, Russia is also a neighbour and there are very close ties with this country. Firstly, there are strong historical and cultural ties between Russia and Ukraine. Ukraine was first part of the Russian Empire and later the Soviet Union which together took three hundred years. This has led to intermarriage and the sharing of a common language and religion. Besides this, Russia is the largest trading partner of Ukraine. It supplies more than a third of Ukraine's energy needs, and pipelines carry Russian oil and gas across Ukraine towards markets in Europe. There are also tens of thousands of Ukrainian workers settled in Russia who are important for the Russian economy (Grammaticas, 2005).

As for Ukraine, it is important to Russia for different strategic reasons. Ukraine gives Russia the ability to easily access the Black Sea and thereby easy access to the Mediterranean. A turn of Ukraine towards Europe, the EU and the NATO, can be seen as a threat for the presence of the Russia's Black Sea fleet, which is anchored in Ukrainian territory (Ibid).

Russia wants to create a Common Economic Space. This policy would include harmonisation of taxes, customs and trade links between a group of former Soviet states (Russia, Ukraine, Kazakhstan and Belarus). According to Glinkina, it can be seen as 'a recurrent attempt of restructuring regional unions with Russia's participation in the ex-Soviet area' (Glinkina, 2006: 3). The desire to create the Common Economic Space is probably incompatible with the desire of Ukraine to join the EU. It works against the Moscow's ambitions of building an alternative trading block.

Thus, there are some difficulties between the Russian, Ukrainian and EU ambitions where the ENP towards Ukraine plays an important role. Both Russia and the European Union have cooperation with the country and both of them are trying to deepen it.

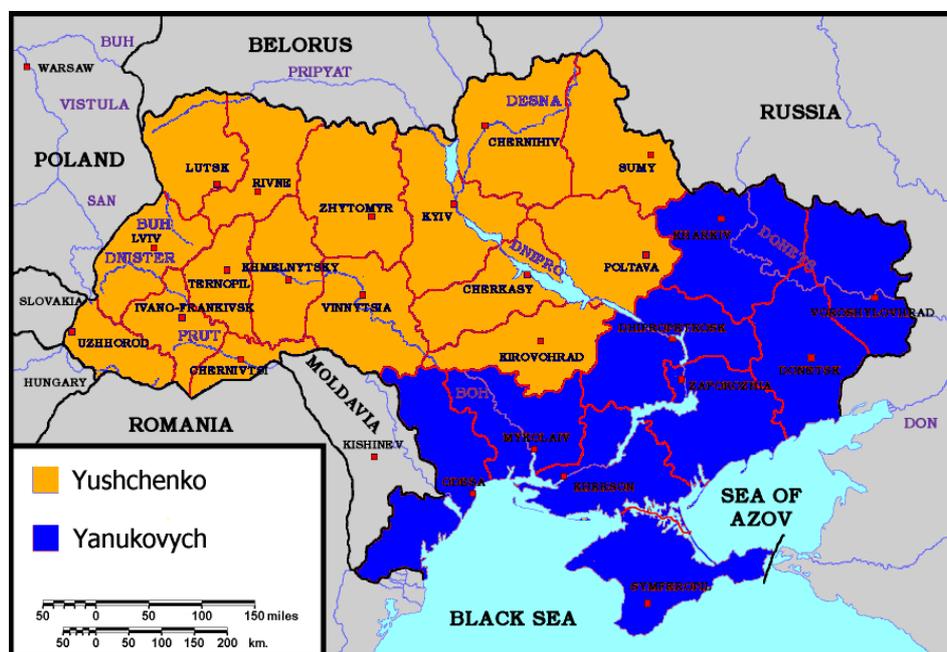
The double-sided pressure on Ukraine can be related to the national identity of its inhabitants. The Ukrainian population is divided in two big groups with a deeply polarised national identity. The reason for this polarisation is the existence of strong regional identities that are rooted in the history. Historically, the eastern and southern parts of Ukraine have a long association with Russia. A significant portion of population in these parts of the country consists of Russian immigrants. This is in contrast with the western Ukraine. This area was never part of the Russian empire; it was only incorporated by the Soviet Union after the Second World War. There is also a third region, Crimea, which in earlier times belonged to the Ottoman Empire. Kiev, the capital city, has the cultural and historical heritage of all the people (Gatev, 2004: 7).

When in 1991 the Soviet Union disintegrated, ethnic Ukrainians who were concentrated in Western Ukraine and ethnic Russians and Russified Ukrainians who were concentrated in the eastern and southern parts of the country both struggled for a national identity of the new State based on their own cultures (Ibid). This dichotomy is also reflected in the external orientation of the Ukrainian citizens. Western Ukrainians have the opinion that pro-European policy will stimulate the resurgence of the Ukrainian culture and language. They generally strive towards a pro-European policy with the goal of membership in Western institutions. In contrast, Eastern Ukrainians see themselves as being Eastern Slavs with close ties to Russia. They are therefore inclined towards a Russia-centered orientation (Ibid: 8). These differences are expressed in the outcomes of the elections. Whereas Yushchenko won the 2004' elections in the western regions, Yanukovych won the elections in the eastern regions (see figure 3.2). Yushchenko is more 'EU-orientated' than Yanukovych.

The feelings of a national identity are stronger in the western part of Ukraine. This part has had a tradition of private entrepreneurship and civil society, thus to a greater degree resembling European societies (Mrinska, 2006: 87).

It can be questioned in which way the close ties with Russia affect the formulation and implementation of the ENP. Although I will not specifically focus on the role of Russia here, this two-sided influence on Ukraine is important because it puts pressure on the functioning of the Ukrainian national state. Chapter 4 will take a closer look on the Russian influences in relation with the national identity of Ukraine.

Figure 3.1. *Presidential elections 2004*



Source: <http://www.globalsecurity.org/military/world/ukraine/election-2004.htm>

### 3.2 Ukraine's pro-European direction

In 2004, Ukraine became a direct neighbour of the EU. But already years before this moment, Ukraine took steps in the pro-European direction. It was in the late nineties that the leadership of Ukraine stated the intention of joining the European Union.

In 1991, after the collapse of the Soviet Union, Ukraine established bilateral relations with the EU member states that differed from the past relations. Ukraine was the first CIS country to sign the Partnership and Co-operation Agreement (PCA). President Kuchma played an important role in this

process in the late nineties. He signed various important decrees and programmes that consisted of strategic goals and priorities towards the EU integration. Examples are the Decree of the President of Ukraine (1998) and the 'Programme of Ukraine's Integration with the EU' (September 2000) (Wolczuk: 2004: 6).

After this, there were hopes in Ukraine that the EU would recognise their membership's aspirations. However, the EU only welcomed the European choice of Ukraine instead of the offer of a membership. What followed were different ambitious initiatives, which should lead to more and deeper integration with the EU. Although there was almost no response of the EU towards these initiatives, in 2003 the EU's New Neighbourhood Policy was welcomed (Ibid.)

### 3.3 The European Neighbourhood Policy

According to the European Commission, the objective of the European Neighbourhood Policy is:

*"To avoid the emergence of new dividing lines between the enlarged EU and our neighbours and instead strengthening the prosperity, stability and security of all concerned"* (Commission, 2008). The policy is thereby mainly a result of the 2004 EU enlargement. It is not only developed for the countries bordering just land, but also for the countries bordering sea. In total, the policy applies for sixteen neighbours of the EU. These neighbours are: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Syria, Tunisia and Ukraine. Russia is also a neighbour of the EU, but the relations between the EU and Russia are developed through the Strategic Partnership policy.

To explore the ENP the following policy documents are used:

Commission Staff Working Document, Accompanying the: Communication from the Commission to the council and the European Parliament on strengthening the European Neighbourhood Policy, ENP Progress Report Ukraine, 2006  
Accessible on: [http://ec.europa.eu/world/enp/pdf/sec06\\_1505-2\\_en.pdf](http://ec.europa.eu/world/enp/pdf/sec06_1505-2_en.pdf)

Communication accompanying the action plans for Israel, Jordan, Moldova, Morocco, the Palestinian Authority, Tunisia and Ukraine, 9 December 2004.  
Accessible on: [http://ec.europa.eu/world/enp/pdf/action\\_plans/communication\\_commission\\_enp\\_action\\_plans.pdf](http://ec.europa.eu/world/enp/pdf/action_plans/communication_commission_enp_action_plans.pdf)

European Neighbourhood Policy, Country Report (final) Ukraine, Commission Staff Working Paper, 2004. Accessible on: [http://ec.europa.eu/world/enp/pdf/country/ukraine\\_enp\\_country\\_report\\_2004\\_en.pdf](http://ec.europa.eu/world/enp/pdf/country/ukraine_enp_country_report_2004_en.pdf)

Final ENP Action Plan, EU/Ukraine Action Plan, 2004.

Accessible on: [http://ec.europa.eu/world/enp/pdf/action\\_plans/ukraine\\_enp\\_ap\\_final\\_en.pdf](http://ec.europa.eu/world/enp/pdf/action_plans/ukraine_enp_ap_final_en.pdf)

Strategy Paper: European Neighbourhood and partnership instrument Ukraine 2007-2013.

Accessible on: [http://ec.europa.eu/world/enp/pdf/country/enpi\\_csp\\_ukraine\\_en.pdf](http://ec.europa.eu/world/enp/pdf/country/enpi_csp_ukraine_en.pdf)

A complete list of the examined ENP documents is described in the bibliography. What is of particular importance is that the action plan is created by the EU and Ukraine together. The ENP action plan for Ukraine is already adopted on 21 February 2005 for a period of three years. Since then, the plan has been implemented as well and has been guided and monitored on the basis of annual implementation tools.

The progress of the implementation of the action plan is reported in the Progress Reports. These reports (one in November 2005 and one in March 2006) were drafted and shared with Ukraine. The third main document is the strategy paper. It consists of the objectives of EU/EC cooperation with Ukraine. This paper has been developed in close consultation with the Ukrainian authorities and fully reflects national priorities (Commission Strategy Paper, 2007: 2).

The action plan is the main document with the highest level of concreteness. The progress report gives an opportunity to analyse the action plan in reality. The strategy paper brings the ability to focus more on the deeper thoughts of the ENP.

### 3.4 The ENP in relation with globalisation

To know if the ENP is leading to a possible decline of power of the Ukrainian national state, first it should be known if the ENP can be seen as leading to globalising processes or if the ENP can be seen as a globalising process on itself. After this, it is possible to connect the ENP with the concept of glocalisation and to examine if the ENP is displaying or encouraging characteristics of down- and upscaling.

Thus, generally speaking, to connect the concept of glocalisation with Ukraine, the influence of the EU on Ukraine will be examined. The ENP is one of the main sources. Although glocalisation is about politics and the ENP about policy, it is possible in my opinion to connect the ENP with the concept. The ENP is created by the European Union and Ukrainian government as well, and it thus

provides a possibility to examine how a particular national state (Ukraine) is dealing with a globalised world. The ENP can be read as a way to interpret the ‘turn’ of Ukraine to Europe.

To examine if the ENP will lead to globalising and internationalising processes, first we need to know what can be understood as these processes. As written in Chapter 2, globalisation can be understood as a complex of interrelated processes, which can be distinguished in two categories:

- Internationalising processes: These involve the simple extension of economic activities across national boundaries. They reflect, essentially, quantitative changes that lead to a more extensive geographical pattern of economic activity.
- Globalising processes. These involve not merely the geographical extension of economic activity across national boundaries but also – and more importantly – the functional integration of such internationally dispersed activities. They reflect, therefore, essentially qualitative changes in the ways economic activities are organised.

The degree to which internationalising processes are caused by the ENP is questionable. This is due to the fact that these processes are quantitative and it is difficult to measure if these quantitative changes are directly the result of the ENP, which is largely formulated in the form of priorities. However, it is possible to analyse the ENP by looking into the question if the priorities are intending to lead to internationalising processes. In other words, it is possible to analyse if these priorities have the goal to come to a more extensive geographical pattern of economic activity and leading to more activities across national boundaries. The answer on the question if the ENP is intending to create more internationalising processes is unsurprisingly positive. In the Action Plan, it is for example stated that Ukraine and the EU enter into intensified cross border and trans-national co-operation. Other efforts are also directly pointing to the goal of an extension of economic activities across the Ukrainian boundary. This is mainly with the end-goal of the creating of a totally EU-Ukraine Free Trade Area. This area has to lead to more cross-border economic activities and to a more extensive geographical pattern of economic activity. For example, the accession to the WTO is on the basis of the adoption and implementation of economic and trade-related rules and regulations with the potential to enhance trade, investment and growth (Action Plan, Introduction).

In other words, the ENP offers the possibility for new partnership, more economic integration and deeper cooperation. In the formulation of the priorities, investment, growth and the

reduction of trade barriers are highly stimulated. The economies will be more opened to each other and there will be a reduction of trade barriers.

According to what the literature identifies as globalising processes, we have to look at the possible functional integration of the specific internationally dispersed activities. That there is the intention by the EU and Ukraine to come to functional integration is probably most recognisable in the Action Plan because of the repeatedly used term ‘economic integration’ instead of just ‘more trade’. It is explicitly stated that there is a perspective of moving beyond just cooperation to a significant degree of integration (Action Plan, introduction).

There is also a stimulation of more opening and reinforcement of participation in other Community programmes, which are not so closely related to trade. Cultural, educational, environmental, technical and scientific links are promoted (Ibid.).

Internationalising processes might also lead to globalising processes. The accession to the WTO, one of the main priorities of the ENP, will also lead to qualitative changes in how economic activities are organised. It is easy to understand that the adoption of all the rules of the WTO will lead to more freedom of TNCs, which will result in the selling of more (universal) products to the Ukrainian people.

In general it can be expected that if the implementation of the removal of restrictions and barriers that impede bilateral trade will not only lead to internationalising processes but also to some degree of globalising processes.

However, it can be wondered if the ENP in general is an effective mean for realising reforms. Wolczuk addresses three arguments why it is uncertain if the ENP is stimulating and initiating the needed reforms in Ukraine to a sufficient amount. At first, she argues that Europe merely as an economic project is not enough for Ukraine. It should also be a political project to sway the population and elites to reform. The second reason is that the balance of costs and benefits for Ukraine is not as good as it was for earlier candidate states whereby the membership prospect predicted higher benefits. Besides this, a membership prospect would also lead to much more stimulation to reform the country. Without this, it is doubtful if the ENP will result in all its goals. The third argument is that the ENP is not giving the EU enough justifying and legitimising power to influence domestic policy (Wolczuk, 2004: 20).

### 3.5 Sources

In order to deepen the understanding of the influence of the pro-European direction on the national state of Ukraine, different sources are needed. Besides the mentioned ENP documents, different articles and books are used in this research. This literature can be categorised into three parts. The first part of the literature comes from the economic geography discipline. The articles are about the topic of globalisation and the (new) scaling of governance. The second part of literature consists of scientific books and articles, which are more specifically focused on the case of Ukraine and the pro-European direction of the country. The third part is structured around the topic of the ENP and consists of some critical contributions towards the ENP.

Besides the exploration of policy documents and scientific documents, in-depth interviews are held. The interviews are held with the goal to strengthen arguments which are made out of the analysis of the literature and the ENP documents.

One of the persons who was interviewed is Drs. Kirsten Meijer. She is a project manager at the Alfred Mozer Stichting (AMS). The AMS is sponsored by the Dutch Labour Party (PvdA) and the Ministry of Foreign Affairs in the Netherlands. According to the website of the AMS:

*“The Foundation's work is intended to help in developing stable democracy. In the case of the so-called 'pre-accession' countries, i.e. those wishing to join the European Union shortly, it is no longer enough to state that democracy has yet to establish itself and that they 'will get around to it'. A fully democratic political system is one of the main preconditions for EU membership” (www.alfredmozerstichting.nl).*

The aim of the AMS is to support the development of democracy through the training and schooling of (social) democratic political parties. It is concentrating on Eastern and South Eastern European countries. Ukraine is one of the countries. The knowledge of Kirsten Meijer about the contemporary political situation in Ukraine in combination with her position as a political geographer helped with having better insights in the implementation of different ENP aspects. More information about the AMS can be found online at: [www.alfredmozerstichting.nl](http://www.alfredmozerstichting.nl).

Drs. Michiel van Erkel is interviewed as a region-manager of the EVD. The EVD is an agency of the Dutch Ministry of Foreign Affairs. The goal of this agency is to stimulate and facilitate international activities of companies, governments and foundations. He is chief of Middle and

Eastern Europe of the EVD with geographical expertise on Ukraine, Russia and the Netherlands. See for more information: [www.evd.nl](http://www.evd.nl).

Tatiana Zhurzhenko is Associate Professor, Department of Philosophy, V.N. Karazin Kharkiv National University (Ukraine) and Guest Lecturer at the Institutes for Political Science and for East European History, University of Vienna. She is interviewed because she plays an important role in the scientific debates and is an expert about the situation in Ukraine.

Another expert who was asked questions is Olga Mrinska. She holds a PhD in economic and social geography from the Institute of Geography of the National Academy of Sciences of Ukraine. She is now a Research Director for the Institute for Public Policy Research in the UK. She is a professional in the areas of regional socio-economic development and regional policy and an expert on the design and implementation of policy documents for national, regional and local governments in Ukraine. In earlier times, Olga was the Deputy Head of the Department for International Development in Ukraine, managing a portfolio of projects in the areas of economic development, international economic policy, entrepreneurship and regional development.

Finally, I was in touch with two Ukrainian geography students and two Russian political scientists who helped me to get a better understanding of the situation in Ukraine and Russia.

### 3.6 Conclusion

Following this chapter, the ENP and the pro-European direction are leading both to internationalising and globalising processes. This means that it is possible to link the concept of glocalisation to Ukraine and explore if down- and upscaling processes are likely to occur. However, what also became clear from this chapter is that Ukraine is a unique country of which the population is divided into different groups regarding its identity. Although in the theoretical debate the leading writers are more or less focusing on economic arguments, I want to argue that also the identity issue should be emphasised. An important role of national states is also to contribute to the provision of a national identity to its inhabitants.

The divided identity can have influences on the pro-European direction and thus on up- and downscaling. Because of this, the next chapter will take a closer look to the national identity of Ukraine.

## Chapter 4. Ukraine's national identity

In the late 80s a leading writer Dmytro Pavlychko warned that if Soviet policies continued, Canada would be the only place where the Ukrainian language was spoken (Kuzio, 1998:145). Fortunately for him, the Soviet Union ruled only three more years. After then a revival of Ukrainian culture, nation and language began.

This revival is remarkable, because for three hundred years the Ukrainian area was a part of Russia. Consequently, much of the Ukrainian population speaks Russian rather than Ukrainian. In spite of that Ukraine has succeeded in building a new country with tolerance and compromise. This is mainly due to the contributions of President Kravchuk and Kuchma, although the latter received much critique from outside the country about his censorship of opposition newspapers. His regime was accused of threats and attacks against independent journalists. Although there were many concerns about press freedom under Kuchma, both Kravchuk and Kuchma promoted a sense of nationhood based on nonethnic criteria. Only Crimea has been problematic: There were strong secessionist currents, which were supported by political actors in Moscow. This ended in 1995 when the government in Kyiv intervened (Motyl: 1998: 3).

In this chapter the Ukrainian national identity is explored and it is examined which consequences the orientation upon Russia on one hand and Europe on the other hand has on the national identity.

In the end of the chapter the national identity will be examined in relation to the pro-European direction of Ukraine. The role that national states play in forming national identity is explored. The main question that will be discussed here is whether the pro-European direction is a threat to formation of the national identity or not.

### 4.1 National identity

A definition of 'national identity' is given by Smith (1991) as:

*"A national identity involves some sense of apolitical community, some common institutions, a single code of rights and duties and an economic and a social space with clearly demarcated boundaries with which the citizens identify. National*

*identity also requires that the 'homeland', whose geography is usually lauded, be also a repository of historical memories" (Smith, 1991:18).*

This definition shows that 'national identity' is not a concrete concept. It can also be derived in many different ways, for example by a common language, religion, geographic location or a collective memory (Prizel, 1998: 16). Motyl argues that national identity is multilayered and dynamic. In other words, it is constantly being reconstructed. This complexity of the concept of national identity is illustrated by the situation in Ukraine. The multilayers are recognisable in relation to Ukraine where a great regional diversity is displayed. Ukraine has a population of 52 million inhabitants, of which 73% is Ukrainian, 22% Russian and 5% other (Kuzio, 1998: 154). Besides the ethnic differences, there are also linguistic and socioeconomic differences.

The multiple identities have both positive as negative aspects. A negative aspect is a difficulty of constructing a civil society and in the mobilisation of the population for modernisation and the post-Soviet transformation. A positive aspect is that in Ukraine the different identities are much intermingled and exist without strict dividing lines. This situation offers the possibility to change the identity of for example a place or city. Because of the lack of clear strict dividing lines between Russians and Ukrainians, it was possible to nationalise the Soviet armed forces in 1992 and also to transform Kyiv into an Ukrainian city instead of a Soviet one. Thus, there exists a multiple and ambivalent identity, which is mostly present in Eastern Ukraine (Kuzio, 1998: 154).

#### 4.2 Ukraine's national identity and the European choice

A national identity serves different purposes: It is not just a link between the individual and the society, but also between the society and the world (Prizel, 1998: 19). The process of 'othering' helps to create an identity that is set up against other identities and nations. The process of 'othering' can be defined as "the discursive differentiation between 'us' and 'them' " (Van Houtum, 2001: 129). The process of othering is contributing to a diverse identity being formed in Ukraine. On the one hand the nation of Ukraine is set up against the former communists from Russia, and on the other hand it can be set up against western society and thereby Europe.

As argued above, identities are changeable and can be reconstructed. Pearton argues that identities are often chosen for survival. The survival itself is often based on rational choices (Kuzio, 1998: 146). This is interesting in relation to the fact that almost all of the Ukrainian inhabitants were

born in the former Soviet Union and that some of them still hold a Soviet identity. Nowadays, since Ukraine made a ‘European choice’, this would mean that based on rational choices this identity can be changed towards a more European and western identity. But the question is whether the Ukrainian inhabitants are willing or able to change their Soviet identity towards an European one.

Differences between the two groups of the population can be noticed when looking at the regional preferences in Ukraine (see table 4.2.) For example, in western regions, 50% of the population prefers a foreign policy orientation towards the West, whereas in the eastern regions the percentage is only 14%. The differences are also reflected in a recent survey about European integration. The percentage which is supporting Ukraine’s membership in the EU is 58%. But in Western Ukraine, this percentage is much higher; three quarters of the population whereas in Southern Ukraine less than half (47%) of the respondents supports the EU-membership. The survey also reflects that the East Ukrainian population is less opposed to Europe than the western part of Ukraine is to Russia (Wolczuk, 2004:15). However, what can be questioned is whether the opposition towards Russia is really an opposition to the contemporary Russia. According to Michiel van Erkel, the opposition towards Russia can rather be understood as an opposition towards the former Bolshevistic regime than towards Russia as it is today. The Bolshevistic regime suppressed the inhabitants of Ukraine for decennia (Interview Michiel van Erkel, 2008).

**Table 4.2.** *Regional preferences in Ukraine’s foreign policy orientations (%)*

(Source: April 2001, nation-wide poll, conducted by the SOCIS research centre, N = 1200. Accessible online at: <http://www.nato.int/acad/fellow/01-03/molchanov.pdf>)

Region of residence	1 (relying on CIS)	2 (Russia priority)	3 (join R-B Union)	4 (rlns w/ the West)	5 (domestic potential)	6 (regions priority)
Kyev	23	15	14	42	38	14
Northern	37	19	27	27	31	7
Central	18	19	27	17	24	10
Northeast	25	17	42	19	25	8
Northwest	26	12	9	43	59	8
Southeast	31	26	29	22	19	9
Western	16	7	2	50	43	14
Southwest	19	21	2	33	48	27
Southern	32	29	37	16	11	13
Eastern	24	34	47	14	13	14
Crimea	28	26	44	11	11	8

**Explanation of the columns:**

- 1: The percentage (of respondents of a specific region) that prefers a foreign policy orientated on relying on CIS
- 2: The percentage (of respondents of a specific region) that prefers a foreign policy with a priority on Russia

3: The percentage (of respondents of a specific region) that prefers a foreign policy based on the joining of the Union of Russia and Belarus

4: The percentage (of respondents of a specific region) that prefers a foreign policy orientation based on relying on the West

5 and 6: The inwardlooking preferences. 5: The percentage (of respondents of a specific region) that prefers a relying on the domestic potential instead of a foreign orientation. 6: The percentage (of respondents of a specific region) that prefers the development of Ukrainian regions as the main priority.

According to Olga Mrinska, the Ukrainian national identity is more complicated than just a division between people who support Europe and people who support Russia. The people in the East and South are nostalgic for Soviet past but cannot automatically be qualified as Russia supporters. Mrinska argues:

*“These people are less familiar with western life – they travel abroad less, do not speak foreign languages (...). They are less mobile and rarely have vision beyond their site of residence. That is why they are hostile to so called ‘western standards’, but they are not aggressive (...). They rather lack an opportunity and information” (Interview Olga Mrinska, 2008).*

Mrinska argues that the situation is more complex than the existence of only two different identities: the pro-European identity and the pro-Russian identity. Also the Crimean and the Tatar minority, the Odessa region and the Carpathian region with their own identities can be identified among the identities in Ukraine. These identities cannot simply be categorised as pro-European or not.

Public surveys show that the Ukrainian population is keen on European integration. In a survey of the Ukrainian Monitor (2003), 93% of the respondents were of the opinion that joining the EU would be useful for Ukraine. In 2000, 60% supported Ukraine’s entry in the European Union in the next five years (Ukrainian Monitor, 2003). Many inhabitants of Ukraine favour the simultaneous strengthening of ties with both Russia and Europe. However, Russia has been pursuing integration with Ukraine as an alternative to the EU (Wolczuk, 2004: 9).

What is important for the legitimacy of the European choice is that the electorate which has an ‘eastern choice’ does not oppose the ‘European choice’. Also Zhurzhenko does not think that the population is really polarised with regard to this issue. She argues:

*“As for the public opinion, I do not think population is polarised in this sense. There are Western Ukrainians which are pragmatically more interested in the European integration because they work in Europe, and East Ukrainians which basically do not care” (Interview Zhurzhenko, 2008).*

However, questions remain, because there has not been a public discussion on the topic of Ukraine’s integration in the EU. The European orientation of Ukraine rather results exclusively from elites than from support and endorsement from the society (Ibid: 9). This corresponds with the foreign policy preferences of the political parties. None of the parties that are represented in the parliament is overtly against the integration in the EU (see appendix 2).

#### 4.3. Diverse identity a problem?

The diverse identity in Ukraine is not likely to be problematic in relation to the European choice. The electorate with an eastern choice, and thereby also mostly more Russia-oriented, do not oppose the European choice. This means that there is no real resistance against the pro-European direction. The people in the eastern and southern part of Ukraine are also mostly Ukraine-oriented and not Russia-oriented. The line of differentiation is much less strict than it is often thought. There are much more mixed identities. It is wrong to argue that all the people in the East speak Russian and are anti-European. Or the other way around, that all the people in the West are pro-European and thereby democratic. A pro-European orientation does not directly mean an anti-Russia orientation (Interview Kirsten Meijer, 2008).

Also with regard to political elites, the diverse identity is not really a threat for the pro-European choice in the coming years. In the view of Zhurzhenko, NATO membership is a much bigger issue. Russia is opposed to the joining of Ukraine to the NATO, which has to do with the willingness of other former Soviet states to host elements of a missile defence system of the US. This system is viewed by Russia as an effort to weak the defense of Russia, and to peer into their airspace (Finn, P. 2008). Ukraine as a NATO-member brings the US and the NATO even more military possibilities to gain influence in the region near to Russia.

Zhurzenko argues that membership in the EU is unrealistic in the mid-term perspective. At this moment, some kind of consensus exists among political elites with regard to the cooperation with Europe. Any Ukrainian government will cooperate with the EU, but more on the pragmatic ground (Interview Zhurzhenko, 2008).

Although it thus appears that there is no real opposition against the pro-European direction, there has to be caution. Elites in Ukraine are the main driving forces behind the whole process connected to the pro-European direction. The population is not good informed. The question is if they are still not opposed to the pro-European direction if they have more possibilities to inform themselves about the consequences of a future which might lead to European norms and cultures. It is not directly a danger for the Ukrainian national state, but it is for sure a challenge.

Although the diverse identity in Ukraine is not likely to be problematic in relation to the pro-European direction, I want to argue that the debate about the power of national states is too much focused on economic issues. The writers do not put much emphasis on the national identity. As I stated in the end of paragraph 2.5, the discussion has to go back to the question what in essence can be defined as 'power' of the national states, to be able to find an answer if there is a possible hollowing out. I want to argue that also a strong national identity contributes to the power of a state. Following the definition of Smith in the beginning of this chapter, a national identity involves also "an economic and a social space with clearly demarcated boundaries with which the citizens identify". This is also an important aspect of the power of a national state (see for example the mentioned functions of a state by Storey in chapter 2).

With the notice of the 'identity-aspect', in the next chapter the ENP will be explored. By doing so, the consequences of the pro-European direction will be examined in relation with the power of the national state of Ukraine. These consequences will be examined by the use of the concept of glocalisation. There will be examined if these consequences are displaying or encouraging characteristics of down- and upscaling. Besides this, also the power of elites in Ukraine will be explored, which plays a crucial role in the contributions of Swyngedouw about glocalisation. At last, the chapter will examine trade of Ukraine, both with Europe as with the Netherlands. By doing this, first explorations of important aspects of the ENP and the pro-European direction are made.

## Chapter 5. Ukraine and the ENP

In this chapter, consequences of the European direction will be investigated. In paragraph 5.1 will become clear that different action priorities in the framework of the ENP will point to down- and upscaling processes, if implemented correctly.

Paragraph 5.2 examines the power of elite groups in Ukraine. Paragraph 5.3 describes different opinions about the ENP.

The first paragraphs of this chapter will make clear that the ENP is largely focusing on trade. Because of this, the paragraphs 5.4 and 5.5 will address trade of Ukraine with respectively the EU and the Netherlands. Trade can be seen as an expression of globalising processes. It will be showed that trade is growing between western countries and Ukraine.

In the end (paragraph 5.6) I will show that some parts of the policy might lead to up- and downscaling processes, but this does not prove a hollowing out of the Ukrainian national state. Thus, by examining the transformation of Ukraine, the argument will be strengthened that it is impossible to make a statement if a national state is hollowed out, or not. There will be a short conclusion about the extent to which expected consequences of the ENP will display characteristics of glocalisation. Only glocalisation in relation to the rescaling of the state will be examined (see figure 1.1, and not the rescaling of the economy (figure 1.2).

### 5.1.1 Processes of downscaling

Recalling, downscaling means that the national scale has lost its pre-eminent position to the extent that urban, regional and local scales have grown in importance. Downscaling processes are mainly stimulated by global pressures. These global pressures are to a large extent related with free trade. Mrinska argues:

*“A free trade agreement between Ukraine and EU, when finally negotiated, will establish single rules for all regions and those which are better prepared (have relevant specialisation, necessary human and social capital, good location and infrastructure) will win” (Interview Olga Mrinska, 2008).*

Thus, there will be more competition between regions on itself and regions will become more important. Global competitive pressures are also stimulated by the ENP. With regard to the influence of Europe and the ENP towards Ukraine, three important developments can be summed up which might initiate or stimulate downscaling.

The first has to do with the intention of the ENP to promote Ukraine's transition into a good functioning democracy and market economy, to be attractive for companies. A priority of Ukraine is to complete the WTO accession process. This process can in the first place be defined as indicative to upscaling, which will be explained later, but also indirect to downscaling. A core element after this accession is the process to come to a free trade area. Although the foreign direct investment (FDI) reached a record total of USD 7,3 billion in 2005, there is no substantial improvement in the investment climate (Country strategy paper 2007-2013: 7). But, with the joining of the WTO, it is highly assumed that there will be more gradual economic integration and deeper political cooperation between Ukraine and the EU. It will lead to a gradual removal of restrictions and barriers that impede trade. All these action priorities that are formulated in the Action Plan will lead to more freedom of TNCs and companies in general. It is likely that this more freedom will lead to more urban and regional institutional-economic configurations. The economy will be opened and FDI and TNCs will be attracted. This leads to pressure on Ukraine to create competitive economic structures and to stimulate the role of local and regional forms of governance. This is indicative to downscaling whereby national governance is becoming less prominent instead of lower scales of governance.

Secondly, the cross-border cooperation programs are important. One of the main objectives is to promote economic and social development in the border areas. The programs are supporting different projects of scale, from small-scale local initiatives with local administrations to large-scale projects involving a large number of partners at regional and sub-national level (EU/Ukraine Action Plan 2005: 40). These programs and projects are also leading to a more prominent role of the regional and sub-national level, and can thus be indicated as downscaling processes. Even before the formulation of the ENP, Ukraine fulfilled all the legal requirements for developing and implementing local initiatives of cross border cooperation with EU countries. This is fulfilled by for example the ratification of the European Charter on Local Self-Government and the European Outline Convention on Transfrontier Cooperation between Territorial Communities or Authorities (Mrinska,

2006: 88). There are also different laws<sup>2</sup> which envisage a strengthened role and greater independence for local governments with regard to cross-border cooperation (Ibid.). The stimulation of regional and cross-border cooperation can also become an important strategy of providing security and stability to the specific region. The support for ecological, cultural and small business projects on this border can become a powerful instrument of the ENP. Measures such as these can help to promote the transparency of regional authorities, the reform of local self-administration and democratic reform (Zhurzhenko, 2006: 111).

A third downscaling process is the increasing privatisation or externalisation to the market of social and economic regulatory and organising systems that formerly belonged to the domain of the state (Ibid, 548). Privatisation is specifically mentioned in the EU/Ukraine Action Plan. An action priority is formulated as to implement privatisation programs, including large-scale privatisation, and to increase transparency of privatisation processes. Another priority is to reduce the involvement of the state in setting prices with a view to avoid trade and economic distortions (EU/Ukraine Action Plan, 2005: 20). Although these priorities are highly indicative to downscaling, in practice it has not worked out as is concluded in the EU Progress Report 2006. There has not been a substantial improve in the investment climate which is partly because of a lack of a transparent privatisation plan which is consistent with the rule of law (EU Progress Report 2006:11).

However, the above action priorities and strategies have not been put in practice that much, as can be concluded out of the ENP Progress Report 2006. Structural reforms and progress towards a functioning and competitive market economy is lagging behind. However, the progress report states that the Ukrainian authorities recognise the challenges that are needed for the initiation of the reforms. Also Olga Mrinska has the opinion that the instruments of the EU are distant prospects and not reality so far. But she argues that the instruments, like the Committee of regions, the regional policy and the various regional and local forums of the EU will lead to a situation where the Ukrainian cities and regions will gain (Interview Olga Mrinska, 2008).

To summarise, there are different aspects formulated in the ENP which theoretically would lead to downscaling processes. However, because of the problems with implementation, the results can hardly be seen in practice yet.

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<sup>2</sup> The Law on Cross-border and Transregional Cooperation, the Draft Law on Stimulation of Regional Development (ministry of Economy of Ukraine 2003) and the Draft National Strategy for Regional Development 2005-2015 (Ministry of Economy of Ukraine 2004).

### 5.1.2 Processes of upscaling

The process of upscaling of forms of governance can be described as the rise of powers of the supra-national institutions, of which the European Union is the most important one (Swyngedouw, 2000: 548).

The road towards a free trade area of the European Union implies the adoption of different appropriate legislative and administrative measures. This includes the implementation of legislation and the introduction of developing modern techniques and procedures in line with international standards. This is one of the main concrete upscaling processes to which Ukraine is subjected; the adoption of procedures, standards, rules and regulations of the EU. There already has been progress. According to the ENP Progress Report 2006, several laws in this field have been adopted in 2006. Most of them relate to the economic field (ENP Progress Report 2006: 12).

When it comes to other supra-national organisations, the accession of Ukraine towards the WTO will have its influences on the national government. The accession implies implementation of Ukraine's bilateral commitments, and also the implementation of requirements of WTO rules. It will lead gradual removal of different export and import restrictions. It will also lead to ensuring of compliance with the provisions of GATT articles. Also with regard to services there will be a gradual abolition of restrictions.

There is also emphasis in the ENP on customs. In line with the ENP, steps have been taken to facilitate and speed up customs procedures. Customs rules were harmonised with WTO standards. Also the development and implementation of tax systems and their institutions will be harmonised with international and European standards. This includes for example the adoption and implementation of VAT and excise-duty legislation compatible with the Partnership and Cooperation Agreement (PCA) and WTO norms (Action Plan, 2005: 38). It can be questioned if these harmonising steps can really be defined as indicative to upscaling. However, the above-described measures are part of the WTO commitments and therefore Ukraine is more or less forced to implement these measures, as long as it is willing to join the WTO as an upper level institution.

Another upscaling process is operating through the financial system. The Euro zone is expanding in its territory. Because of the past round of enlargement of the EU, the future is open for a much bigger territory where the Euro will be the currency. One of the premises of accession to the EU is the willingness to adapt in the near future to the financial system of the EU and also the willingness to welcome the Euro as its currency. Although for Ukraine joining the Eurozone is

totally not an option in the near future, the influences of the expanding Eurozone towards the borders of the country will have its effects in Ukraine as well. More concrete changes in the Ukrainian financial system are resulting from the joining of the country to the WTO. Ukraine's financial system has already undergone various resolutions in the framework of the WTO accession negotiation process (Ibid.).

Besides the above-mentioned measures and action priorities, the clearest signal towards upscaling is maybe embedded in the way the ENP is formulated in the introduction of the Action Plan. In the ENP Action Plan it is stated:

*"Its implementation (...) will encourage and support Ukraine's objective of further integration into European economic and social structures. Implementation of the Action Plan will significantly advance the approximation of Ukrainian legislation, norms and standards to those of the European Union" (EU Action Plan, 2004: 1).*

Further on, it is stated that there is a "perspective of moving beyond cooperation to a significant degree of integration". It illustrates that national Ukrainian legislation will become more approximate towards the EU legislation. Thereby it is indicating to elements of upscaling.

It can be questioned if it is only the ENP which is leading to upscaling. It is more the international organisations of which the obligations will probably harm the power of Ukraine. Without the existence of the ENP these organisations will also have influence on Ukraine. However, the joining of these organisations is also stimulated in the ENP.

## 5.2 Elite power

Besides the emphasis on down- and upscaling processes by Swyngedouw, he also puts emphasis on the power of elites. Whereas in the contributions of Swyngedouw a highly positive image of elites appears which are the motors of innovation and economic growth, elites in Ukraine do not have that positive image. Despite the attempts of the central state, there is a negative consequence, which is named as 'elite parasitism' (e.g. Motyl, 1998: 10). Corrupted elites can harm the state. One example is the assassination of the Prime Minister Pavlo in 1996, which was presumably the work of corrupt officials (Motyl, 1998: 3-17).

The end of the Soviet Union and the state building of Ukraine meant the obtaining and the re-formulation of old institutional roles. Ukraine inherited former communist elites with much

experience and anticommunist elites with less experience. For the established elites at that time, an effective state was seen as a threat, which could diminish the powers of these elites. However, most of the Ukrainian elite groups developed a commitment to consensus, which contributed to the approval of the reform measures of the Kuchma government in 1994 (Ibid.).

The new state became an instrument for the self-promotion of regional elites. The central state tried to influence the elites in different ways. The first was by the promotion of elite loyalty to the state. The second was the stimulation of corporate interest of the elites. By doing this, radicalisation and polarisation could be disputed. The third reason for influence was to offer the opportunity for elites to career advancement and self-enrichment. Some even suggest that the latter may have proven to be the biggest source of state building in Ukraine (Ibid.).

According to Kirsten Meijer, it is impossible to change the whole state apparatus. The Russian-speaking elites, of which a part of them is still from the era before the Orange revolution, are still having power. The Party that represents the Russian-speaking elites is the Party of the Regions of Yanokovych. This party received the most votes in the last elections (Interview Kirsten Meijer, 2008).

### 5.3 Opinions about the ENP

The ENP is part of ‘the wider Europe’ strategy. This is specifically evident because of the focus on the active role in the setting of the institutional conditions for local and regional cross-border cooperation (Mrinska, 2006: 22). Mrinska argues that the support of different ecological, cultural and small business projects on the borders can help to promote, reform and stimulate transparency in local and regional governance (Ibid: 89). This promotion of cross-border cooperation is in the form of Euroregions, which is based on the principle of subsidiarity. It is based on the idea that lower scales of governance are more effective to address the needs of their population. These Euroregions are situated on both sides of borders. Political and economic cooperation are promoted with the goal to benefit the local civil society (Popescu, 2006: 37). Popescu states that: “Euroregions are thus considered institutional frameworks amenable to grassroots participation in cross-border territorial governance” (Ibid.). Already before the introduction of the ENP the Euroregions were supported and encouraged by the EU. For example, the PHARE and TACIS programs help to assist cross-border cooperation and the generation of bottom-up paths, which will lead to cross-border integration (Ibid.).

It is often argued that the European space should be a competitive network space. In relation with this is argued that the most important aspect of the integration of the EU is the growing local and regional cross-border cooperation between states. These principles are also seen as the mechanisms for the deepening and intensifying relations with the area around the EU (Scott, 2006: 20).

According to the formulation of the ENP-documents it can be concluded that the ENP programs will be very positive and effective, however, there are also more sceptical views. It can be argued that asymmetry problems exist in economic and political developments, which lead to difficulties when it comes to real partnership. Scott argues: *“Partnership is rarely possible where rich and powerful states are able to dictate the basic conditions of cooperation to others. While powers asymmetries are a crucial issue, they are exacerbated by inconsistencies in the EU’s own geopolitical rhetoric. European discourses of positive interdependence underlie the idea of ‘Neighbourhood’ while free trade and open borders are upheld as necessary for economic partnership”* (Scott, 2006: 33).

According to Scott, it can be concluded that the basic premise of the European Commission is that more positive political and economic interdependence will lead to more regional partnerships between the specific countries. But Scott argues that this whole idea is not sufficiently addressing the asymmetry problem of differences in political and economic development.

A second critical point can be made in relation with the border management programs in the ENP. The regulation of the boundaries of the EU will be stricter. This can impede the process of transnational integration (Ibid.). In other words, the EU in this way can be seen as a politics of

**Figure 5.3** *Border-control at the Ukrainian-Polish border*



Source: Olaf Kamphuis, photograph taken in May 2008.

protectionism. This critical point is illustrated in practice by Popescu (2006). A conclusion from his research is that there are contradictions in the goals the EU wants to aim for. As regards the cross-border integration of Romania, Ukraine and Moldova, there are significant benefits for the countries involved but he argues too that besides this, the ENP is also a mechanism that appears to delay membership. The reasons for this are the 'enlargement fatigue' and the failed ratification by the Netherlands and France of the European constitution. This stands in relation with the possible creation of 'a fortified EU external border in the East' (Popescu, 2006: 40). The development of such a border is in relation with the concern of the EU about security threats. An example is the illegal immigration. These external borders can have a negative influence on regions close to both sides of the border. The management of the border with the goal to reduce cross-border criminality is an urgent issue for the EU. For example, it will have a big influence on the Ukrainian-Russian border, which is becoming a tool in the system of European security (Zhurzhenko, 2006: 111). There are also signs of a stricter border regime at the border of Romania with Ukraine (Popescu, 2006: 50). Also the Polish-Ukrainian border is subject to a strict border management regime (see figure 5.3). This confirms the concern that the EU is not willing to go further to the East at this moment and that the new external borders of the EU will restrict the circulation of the people and goods. An example is the Schengen visas that citizens of both Moldova and Ukraine need to travel to Romania (Popescu, 2006: 50).

Thus, on the one hand, the ENP can create more cross-border cooperation by offering financial means, and on the other hand it can hamper more cross-border cooperation by tightening its border regime.

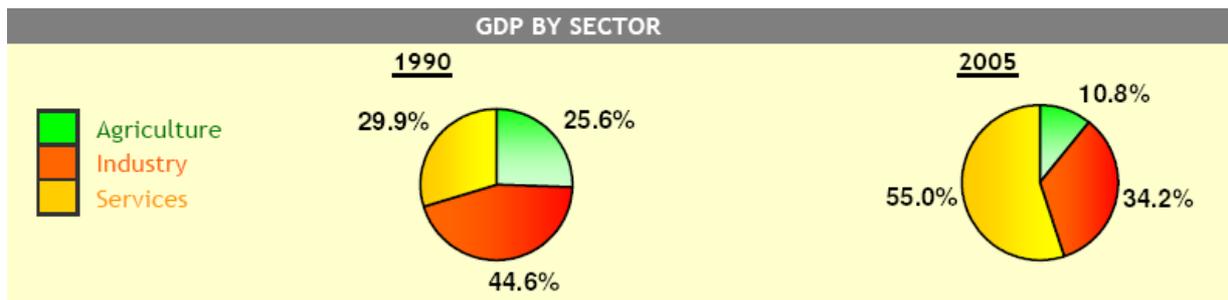
#### 5.4 Trade with Europe

What can be concluded from the previous paragraphs and chapters is that the ENP and the pro-European direction of Ukraine are expected to lead to more trade and investment in Ukraine. The enlarged EU has already replaced Russia as Ukraine's most important commercial partner. Before the ENP, the relations between Ukraine and the EU were to a large extent based on the Partnership and Co-operation Agreement (PCA). This agreement came into force in 1998. The main objective is the promotion of trade and investment. Besides this, it is promoting the development of harmonious economic relations in general between Ukraine and the other countries (Delegation of the European Commission to Ukraine, 2008).

Ukraine's total trade with all of the twenty-seven member states of the EU was about 28 billion euros in 2006 and thereby it represented 1,1% of the total EU trade of that year. This amount has been growing in a steady way since 1998 when there was an economic crisis in Ukraine. Although this looks quite optimistic, the manufacturing and trade structures are unbalanced in the sense that sixty-four percent of the Ukrainian exports to the EU consisted of iron, steel, mineral products and chemicals, whereas sixty-six percent of the EU exports to Ukraine was in the form of machinery and equipment and chemicals (Ibid.).

The trade in services between the EU and Ukraine is very limited but it is growing. It raised from 2,4 billion Euros to 3,2 billion in 2006. Also in percentage by sectors divided in services, industry and agriculture, the GDP in services rose substantially, from 29,9 percent in 1990 to a percentage of 55% in 2005 (Worldbank, 2005) (see figure 5.4.1). This figure shows that the GDP of Ukraine is converging towards the GDPs of EU member states.

**Figure 5.4.1** *GDP by sector in Ukraine*

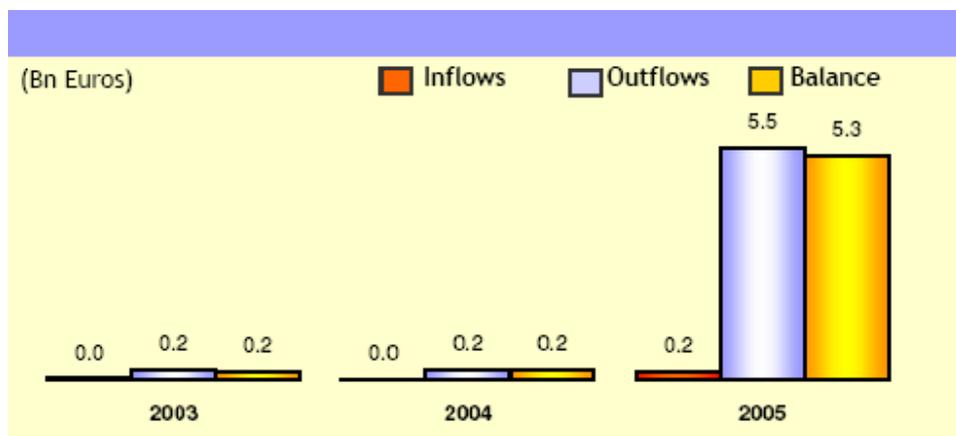


Source: Worldbank (WDI), 2005

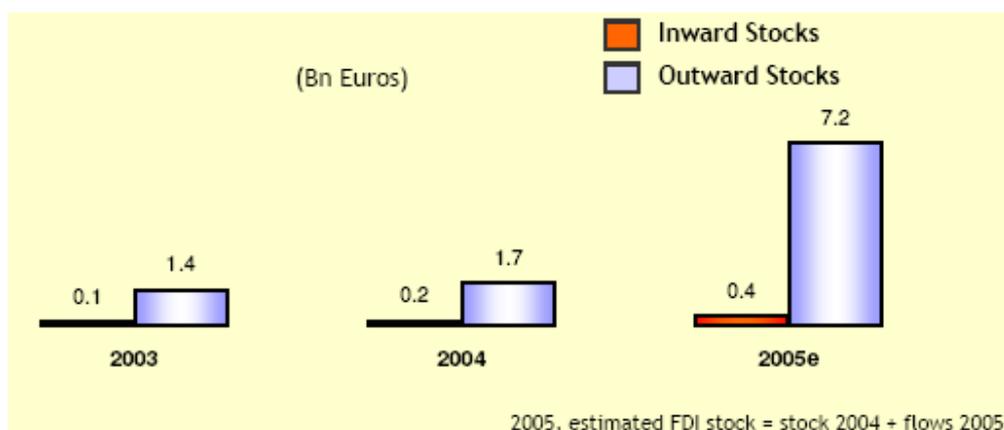
### ***Foreign Direct Investment and merchandise trade***

Until 2005, foreign direct investment (FDI) coming from the EU was at a low level. In 2005 there were two big acquisitions by EU companies in the metal and financial sector. FDI rose thereby from 224 million in 2004 to 5,3 billion in 2005 (see figure 5.4.2).

**Figure 5.4.2** *Foreign Direct Investment of EU-25 with Ukraine*



Source: Eurostat



Source: Eurostat, 2005

When the investment climate is improved, it is generally expected that Ukraine can attract much more investment (e.g. ENP Action Plan 2004, Delegation of the Commission to Ukraine, 2008). This can be done by a more effective enforcement of adopted legislation and the completion of the reform process (Delegation of the Commission to Ukraine, 2008). According to the Delegation of the Commission to Ukraine, the main obstacles faced by EU investors are:

- Frequent changes in regulations affecting foreign trade
- Lack of transparency
- Failings in implementation of laws
- Discriminatory regulation and corruption

It can be expected that with joining the WTO these main obstacles can be reduced. Besides the foreign direct investment, also the Ukraine merchandise trade with the world has steadily risen (see figure 5.4.3).

**Figure 5.4.3** *Ukraine merchandise trade with the world*



Source: IMF, direction of trade services, 2005



Source: Eurostat, statistical regime 4, 2006

### ***European trade and regional development***

The proximity of EU border contributes to development of regions in Ukraine. All the regions (or oblasts), which are on the border with the EU, are showing relative high growth. For example the

oblast Volyn (with the city Lutsk as its administrative centre, see figure 5.4.4) shows the highest growth number of regional development compared with other oblasts (Compiler Trade Portal, 2008).

Also the oblast next to Volyn, the Rivne region, which is near the border with Belarus and also close to EU, is attracting foreign investments. In the year 2004 it only received an investment of 14 million euros, but in 2005 it rose to 60 million (FDI-magazine, 2006).

The region Lviv, which is located on the border with Poland, is also attracting a growing amount of foreign investments, which is above the Ukrainian average. In 2004, the region was ranked 7<sup>th</sup> of all the oblasts. One third of the foreign investments is originated in Poland (Oecd, 2005: 7).

The oblast Zakarpattya (with Uzhhorod as its administrative centre) is showing high growth numbers in regional development. It gains from the crossborder cooperation with the Czech Republic and Hungary and there are special economic zones (SEZ) formed. This SEZ attracts foreign direct investments and enhances crossborder cooperation. The economic laws of the SEZ are more liberal than the national economic laws (Compiler Trade Portal, 2008).

**Figure 5.4.4. *Oblasts of Ukraine***



Source: [http://www.rada.com.ua/img/leading\\_companys/karta\\_eng.gif](http://www.rada.com.ua/img/leading_companys/karta_eng.gif)

Although it is not clear that rising FDI in the border regions of Ukraine is leading to downscaling, at least can be noted that differences between regions will grow. To accommodate this process, local forms of government might be more important. Also the existence of SEZs in Ukraine supports this argument.

### 5.5 Dutch-Ukrainian trade

One of the main goals of the ENP is to create more mutual trade and economic cooperation. This cooperation is also important for trade between the Netherlands and Ukraine. In 2005, export from the Netherlands to Ukraine rose to 843,5 million euros. That means a growth of 65% comparing to 2004. Also in the year 2006 the export raised further, this year with 25% to a total of more than a billion (EVD, 2007).

This export consisted in 2006 for 13 percent of agricultural products. Other important export products are food products, chemical products, computers and vehicles. Especially the export of industrial products rose in 2006. The exports of Ukraine to the Netherlands are mostly chemical products, iron, steel and machines (EVD, 2006).

Van Erkel argues that one of the most attractive sectors is still the agriculture sector. Many Dutch farmers are in the primary production, also with regard to the processing part of the products. Examples are salads and milk powder. For the salads, cold stores are needed which Dutch entrepreneurs can provide. The milk powder needs a sort of machine, which the Netherlands can deliver. In other words, in the whole production chain in the agriculture, there are more and more projects with Dutch parties involved (Interview Van Erkel, 2008).

Also in the industrial sector are chances for Dutch parties. For example, the textile branche consists of more and more Dutch companies (Ibid.)

The investments and trade in the production field is also growing. This is mainly due to the bigger amount of the production of semi-finished products in Ukraine. An example is the wheel chair. It is too expensive to produce the frame of the wheel chair in the Netherlands. Thus, the machinery, which is bending materials in order to make the frame, is going to Ukraine. The frame and the wheels are created there, but the assemblage, the adjusting process for the customs is still in the Netherlands (Ibid.).

Dutch companies are also involved in the services sector in relation to building materials. Coal, steel and iron are examples. Dutch companies are especially involved in the field of environmental protection, for example the creation of filters and advice services (Ibid.).

Interesting is the role of the ENP towards this rising Dutch investment. According to Michiel van Erkel, it used to be very difficult to run a company as a foreigner in Ukraine. Around five or six years ago, foreign companies could expect almost every two days a representative of an institution which could close the company. Examples are the sanitary service, the fire brigade or the tax inspections. This impeded the companies a lot. Nowadays, this situation has improved, although it is really difficult to change a complete system, which is embedded in the eastern European culture. This can also be seen in relation to Rumania and Bulgaria. They get a lot of critique from the EU, but still the corruption exists (Interview Michiel van Erkel, 2008). Anyway, it is difficult to examine to what extent the ENP is responsible to the improved situation in Ukraine towards rising trade.

Van Erkel has the opinion that the Dutch entrepreneur will not be impeded by the divided foreign orientation of the Ukrainian politics. Although it is likely that under Tymoshenko there will be a more pro-western direction, which will be more difficult under Yanukovych. Van Erkel has the opinion that also under the latter Dutch companies are more than welcome when they want to invest money in another company in Ukraine. If it is creating more employment, it is not important where it comes from (Ibid.).

## 5.6 The role of the Ukrainian national state

The mentioned down- and upscaling processes in this chapter do not necessarily imply a reduced power of the national state. In the Country Strategy Paper 2007-2013 is stated that the European Commission will focus more on defining strategic priorities and objectives rather than specific activities or delivery mechanisms. It is stated that in the years of the TACIS program, a top down approach mainly governed the program. The reason for this was that institution building in the countries in transition was needed. This was partly due to an insufficient sense of ownership on the part of national authorities. Nowadays, the national Ukrainian authorities have shown a greater level of commitment and ownership as a result of the clearer political framework, which is provided by the ENP and the EU-Ukraine Action Plan. Because of this, the national authorities are now being involved in the process from the very beginning (Country Strategy Paper 2007-2013: 11). This indicates more power of the national states. The involvement of the Ukrainian national government

looks thereby contradicting, especially with regard to the downscaling processes. On the one hand, the Ukrainian national government is prominent in the involvement in the ENP processes, which indicates importance of the state scale, but on the other hand, these ENP processes will lead to more regional and local initiatives, which are indicative to downscaling.

Kirsten Meijer confirms this view. For example, Ukraine has to meet different criteria of a higher level with regard to the free-trade-zone. But it is the decision of the national state to do so. According to Meijer, a diminishing power of the Ukrainian national state is only recognisable to a very limited extent. Another reason for this is that it is all about more and deeper cooperation and not about a membership. Thereby, a change of power is limited. Besides this, the ENP is more about trade and not much about the 'hardcore issues' like education and home security (Interview Kirsten Meijer, 2008). Mrinska shares this opinion. She argues that the most important functions of the state are not (yet) upscaled to Brussels. She confirms the opinion that the Ukrainian Government will not lose substantial authorities until the time when Ukraine will get the official status of a candidate country (Interview Olga Mrinska, 2008).

Another role of the Ukrainian national state which is difficult to put under the headings of the concept of glocalisation, but which is connected to globalisation processes, is the role of providing an identity to its inhabitants. For now, it looks like the divided identity is not so much an issue when it comes to trade and investment in Ukraine. The Russia-oriented inhabitants are not so much opposed to European influences and trade as it is often thought. The Russian-oriented parties (for example the biggest party nowadays, the Party of the Regions) are also open to foreign investment if it is leading to more employment. Thus, it can be expected that the growing trade of Ukraine with European countries can further grow, also when a more pro-Russian government will come into power.

Another contradicting element in relation to the role of the national Ukrainian state can be noticed with regard to the regional policy. Whereas cross border cooperation is stimulating regional and local forms of governance (for example the existence of SEZs), at the same time emphasis should be placed upon the role of the Ukrainian national state in stimulating the building of strong partnerships between regions. This can prevent a situation whereby the western part of Ukraine is developing because of European investments with an ignorance of other regions, which will stay behind. The danger is that the rift between Eastern and Western Ukraine will grow.

The parallel, which can be noted between the scientific debate and the situation according to Ukraine and its pro-European direction, is remarkable. The down- and upscaling processes, as is described in the debate, can also be recognised when it comes to Ukraine and the ENP. And in both cases, the still dominant role of the national state can be seen.

The ENP points both to powers from below as to powers from above. In the ENP, different priorities are formulated which are indicative to downscaling. The programs that belong to these priorities are focusing on the social and economic development of regions and on cross-border cooperation. The stimulation of economic development is the main goal of these downscaling processes. A more direct way of downscaling can be seen in the sense of privatisation. The link between shifts from the national government towards the market is clear.

According to upscaling, the adoption of procedures, standards, rules and regulations of the EU are having the most upscaling influence. Besides the EU, the WTO is important. This upscaling process might lead to a limitation of power of the national state in the sense that path dependency is shrinking the freedom of Ukraine.

Meijer is arguing that more Europeanisation and more freedom of trade do not directly imply more power of lower and regional scales of governance. Ukraine is still a country with a very centralised government (Interview Meijer, 2008). A free-trade zone, open borders and the free movement of people can even lead to a stronger national identity and thereby also the national state. People always need other people to identify themselves and the open borders can stimulate the process of 'othering'. The EU can also make the Ukrainian national state stronger according to Zhurzhenko. She argues that the EU can be seen as some kind of guarantor of national sovereignty, as a counterbalance to Russia (Interview Zhurzhenko, 2008). Zhurzhenko does not have the opinion that the freedom of the national state is in danger because of external influences. She argues: "The problem is that Ukrainian state is very young and still under construction. In this process of construction external influences and limitations are present anyway, some of them can be productive, others not" (Interview Zhurzhenko, 2008).

In the next and last chapter, the question will be answered what the influence is of the pro-European direction on the power of the Ukrainian national state. Besides this, it will be described to what extent it is possible to explore glocalisation and up- and downscaling in relation to a specific country.

## Chapter 6. The crucial role of the Ukrainian national state

In this chapter, the central question will be answered. This question:

*“What is the influence of the pro-European direction of Ukraine on the power of the Ukrainian national state?”* will be answered by first going back to the theoretical scientific debate (6.1). In paragraph 6.2, the influence of the pro-European direction is set out and different difficulties for Ukraine with regards to the pro-European direction will be explained. Paragraph 6.3 will plead for a shift in this debate, because of the difficulties to prove diminished power of the national state. The last paragraph (6.4) will address some challenges for the future.

### 6.1 Ukraine and glocalisation

From the scientific debate about the role of the national state, the conclusion can be drawn that the last decennia the role of the national state is changing. Different concepts and different words are used in the debate to describe these changes. Where the one author comes up with the term ‘re-territorialisation’, the other uses the phrase ‘hollowing out’. Others again are talking about de-statisation or re-scaling. In this contribution I used the concept of ‘glocalisation’ as a framework for analysing influences to which Ukraine is subjected. I want to argue that two weaknesses arise when the concept of glocalisation is used as an analytical tool.

The first weakness is the assumption that a state is hollowed out because of glocalisation. I want to argue that we should get rid of the link between hollowing out and glocalisation. In the debate, it is argued that there are indeed powers arising, from below and from above, but these powers do not automatically lead to a shrinkage of the power of the national states. The case of Ukraine is strengthening my argument that these processes do not automatically imply a hollowing out of the Ukrainian national state. These are exactly the processes whereby the national governance is highly needed. In the first place, the EU does not create the ENP alone. The EU and the Ukrainian national government create it together. Also the implementation is highly dependent on the national capability and willingness to do so. Thus, it is difficult to prove a hollowing out of the state. To be clear, by noting the difficulty to claim a ‘hollowing out’, I do not argue that the notion of

upscaling and downscaling processes, or the two separated categories by Jessop (see paragraph 2.2), are without value. On the contrary, this bipartite categorisation offers a useful way to examine the reorganisation and reorientation of the national state, as a consequence of the globalising world.

The second weakness I want to highlight is that the concept of glocalisation is missing the 'identity function' of a national state. With the more globalised character of the state, the growing role of the state to function more and more as a referee towards globalising processes, it can be questioned if in the future the role of providing an identity for its citizens is under pressure, when the world is becoming more and more borderless. Glocalisation is rather focused on economic processes than on social issues (see for example table 1.2). The case of Ukraine illustrates the importance of this identity-argument extremely. As described, the country is highly divided into two groups; one which is Europe-oriented and one which is Russia-oriented.

Although it is hard to state if the power of the state is diminishing or growing, it is clear that globalising processes influence the role of national states. According to Ukraine, foreign influences will increase as the country is opening up. More companies will come to Ukraine as the FDI will increase and more TNCs will enter the Ukrainian market. Both trade with Europe as a whole, as trade with the Netherlands grew last years. The location of European or international companies in Ukraine might help to improve management culture and to spread western business standards. With proper supporting institutions, the ENP might thus help to create private entrepreneurship and to a situation where more companies are attracted. Slowly, a more networking society can appear.

During the last era, the societies in western states transformed already into more networking societies. At the same time, more downscaling processes took place with the existence of more local and regional forms of governance. It might be that also in Ukraine, the national state will function more and more as a referee for coordinating the economic flows and processes.

However, Ukraine as a national state remains important when it comes to tasks connected to globalisation processes. These tasks imply an involvement of the Ukrainian national government, which looks contradicting. On the one hand the national state is crucial for the implementation of the ENP and the way towards more regional and local initiatives. On the other hand, these regional and local initiatives shift influence away from the national state. However, in order to deal in an effective way with globalising processes, the Ukrainian national state has to comply with different standards and rules of a higher governmental level.

The Ukrainian national state has another important task to fulfil with regard to globalising processes in the form of regional policy. When regional and local forms of governance are enforced

as a result of cross-border stimulation, the Ukrainian national state is challenged to build stronger partnerships between regions. Cross-border stimulation might lead to more investment from Europe, which can be concentrated on the border regions. This might lead to a rift between different regions in Ukraine. However, the cross-border stimulation is connected with a negative element in the form of border management.

A more pessimistic view is that globalising processes will lead to an asymmetrical situation in economic and political development. This means that a situation will arise where rich and powerful European states are going to dictate the basic conditions of cooperation with Ukraine. According to such a view, the idea of neighbourhood is leading to an interdependency of Ukraine under the pressure of developments caused by free trade and open borders. Also the role of providing an identity to their inhabitants is an important role, which is getting more important because of globalisation processes.

## 6.2 A shift in the debate

It is difficult to argue if globalising processes will lead to a decline or growing importance of the national state of Ukraine. These weaknesses can be solved by a shift of the accent of the debate. The focus should be upon the new globalised role of the national states. It is outdated to wonder if the national state is in danger because of globalisation. The death of the national state is not nearby. Now we have to take globalisation and localisation processes as pre-given. When we go back to chapter 2, I can conclude that my contribution is the most in line with Brenner's point of view, who is conceiving the re-scaling of the state as a moment of the current round of globalisation. His contribution draws attention to the smaller scales as well, exactly the ones, which are also recognisable in the case of Ukraine (the cross-border, urban and the regional scale). He points out also to the increasing networking society and the increase in forms of public-private partnership, which can also be recognised with regard to Ukraine.

Thus, following Brenner, we should conceive the re-scaling of the state as a current round of globalisation. This brings us the possibility to leave the debate about a possible national state in danger, and we can focus on the ways how national states can influence and deal with such processes. The changing role of the national states is partly due to the national states themselves. The state plays an essential role in globalisation processes. This role can be viewed as a very important and crucial role, which confirms the aliveness and importance of the national state. This

role is illustrative that the claim for a nearby end, or death of the national states, is unrealistic in the near future. That is why I want to take the power of national states as pre-given, and also globalisation processes.

The question, which relates to this argument, is *how* the national states are dealing with the globalising processes. Put differently, national states are becoming more globalised on itself and we should shift the debate out of the history by stop asking if the power of the national state has declined comparing to earlier times. We should focus on the new globalised role of the national state. With this shift, questions are more pointed to the future. How should the national state deal with the globalised world and how is it currently dealing with it? The state should be put more centrally as well as the capacities of the state that are under pressure by globalisation processes. This offers a way in which it is possible to deal with a national state, in relation to globalisation.

### 6.3 Future challenges

The role of the national state of Ukraine is important to come to successful outcomes of globalisation processes, which are stimulated by the pro-European direction. A reason for this importance is for example the implementation of the ENP, which depends for a large extent on the willingness of the Ukrainian national state.

The globalising processes can be hampered by different reasons, which have an influence on Ukraine as a national state. I will distinguish four of them, of which all can be viewed as future challenges for Ukraine.

The first reason has to do with the power of elites. Former communist elites can harm the effectiveness of the implementation of the ENP. Some elites are also corrupted. These elites have delayed the process of restructuring and reforming in Ukraine, by their interests to preserve elements of the centrally planned system. The second reason has to do with the concern of the EU about security threats. Some argue that there will be a 'fortified EU external border in the East'. These new external borders of the EU will restrict the circulation of the people and goods. This is in contrast with the measures taken in the ENP with the goal to come to more cross-border trade. The challenge for Ukraine is to deal as good as possible with such a development of a fortified border, or even try to hamper it. The third reason can be the existence of multiple identities in Ukraine. However, it is not really a problem in the sense that the more Russia-oriented inhabitants are radical against the pro-European choice. That is not true. It is not true that a pro-European orientation

directly means an anti-Russia orientation. It is more a challenge to inform the population better about cooperation and ties with the EU. By doing this, the multiple identities might even lead to chances. The close relations with both Russia as Europe might be used as a strength whereby Ukraine might gain from its central location between these two world powers. The last reason has to do with the slow implementation of the ENP policy. The priorities and strategies have not been put in practice that much, which is mainly due to the political instability, which characterised most of 2007.

The next decades will be very important for Ukraine. It looks like Ukraine will continue its way to more openness and more ties with Europe and the rest of the world. By doing this, it has to deal with the mentioned four challenges in which the role of the national state of Ukraine is crucial.

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### **Interviews:**

Erkel, Michiel van. Region-manager of the EVD. Date of interview: 8 February, 2008, The Hague.

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Mrinska, Olga. Research Director for the Institute for Public Policy Research, professional in the areas of regional socio-economic development and regional policy, London, United Kingdom. Interview by email, date: 26 February 2008.

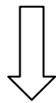
Zhurzhenko, Tatiana. Associate Professor, Department of Philosophy, V.N. Karazin Kharkiv National University (Ukraine) and Guest Lecturer at the Institutes for Political Science and for East European History, University of Vienna. Interview by email, date: 11 January, 2008.

**Appendix 1.**

*Tabel 1. Changing power of the national states*

**CHANGING POWER OF THE NATIONAL STATES**

<b>UPSCALING PROCESSES (the growth of supranational regimes)</b>	<b>DOWNSCALING PROCESSES (the resurgence of regional and local governance)</b>
Globalisation	Cross-border cooperation
Intergovernmental cooperation	Privatisation
International localisation	Regionalisation
Interventionist policies	Localisation
	Networking



**BY:**



European Union	Urban economies
WTO	Urban regimes
NAFTA	Urban coalitions
G-8	Industrial districts
International Monetary Fund	Innovation milieus
World Bank	Learning regions
International trade organisations	Growth coalitions
	Institutional thick regions

**NAMED AS:**

<b>Terms which can be implied as a sort of decline</b>
Hollowing out
De-statisation
Denationalisation of statehood
Glurbanisation
Eroded state scale

<b>Terms which only imply a change</b>
Re-territorisation
Re-articulation
Re-scaling
Glocalisation

**Appendix 2.**

**Table 2. Foreign Policy Preferences of the Main Political Parties (March 2002)**

Issues	Communist Party	Socialist Party	Yulia Tymoshenko's bloc	'Our Ukraine'	'For a United Ukraine'
Should Ukraine join the EU?	X	X	X	X	X
When is it necessary to pursue EU membership in practical terms?					
Within the next 5 years				X	
Within the next 10 years		X			X
Within the next 20 years	X		X		
Should Ukraine join NATO?					
Yes				X	
No	X				
It is a matter for the distant future		X	X		X
What should Ukraine's policy towards the CIS be?					
Play a more active role	X	X		X	
Maintain the current level of involvement			X		X
Leave the CIS					
Should Ukraine join the Tashkent (defence) Treaty of the CIS countries?					
Yes	X				
No			X	X	X
Difficult to say		X			
Should Ukraine join the (political) Union of Russia and Belarus?					
Yes	X				
No			X	X	X
Difficult to say		X			
Should Ukraine join the Eurasian Economic Association?					
Yes	X		X		
No				X	X
Difficult to say		X			
Which countries have the strongest influence on Ukraine's foreign policy?					
EU					
US	X	X	X		
Russia		X		X	
Difficult to say					X

Source: *Natsionalna Bezpeka i Oborona*, 2002:28-31.

Uit: Wolczuk, K. (2004)

## **Appendix 3. Interviews**

### **Interview Kirsten Meijer, project manager by the Alfred Mozer Stichting (AMS) January 22th, 14.00, Amsterdam.**

#### **BAND 1**

Introductie: *Met Oekraïne is het ook een beetje zo, dat in de Nationale overheid, dat ook nog steeds die elites zijn vanuit de SU...*

Ja... en de structuren ook. Centralere regering is heel sterk, gecentraliseerd land. Veel macht. Verregaande europeanisering, versterkte vrijhandel hoeft niet direct te betekenen dat de lokale regionale autoriteiten meer macht krijgen. Omdat het zo topdown is, is ook vanuit de SU waar dat ook zo was, is nog niet echt veranderd. Lokale overheden hebben heel weinig macht en moeten ook naar de president luisteren uiteindelijk.

*Wat zijn op politiek gebied de grootste uitdagingen voor Oekraïne om aansluiting met Europa te vinden?*

Grootste uitdagingen: Formeel Kopenhagen criteria: mensenrechten, democratie, markteconomie en dan het acquis communautaire overnemen. Maar is op formeel gebied. Op politiek gebied spelen andere vragen een belangrijke rol. Niet zozeer de situatie in de Oekraïne een rol, maar meer de situatie in de EU zelf. Dat is de grootste belemmering voor Oekraïne om aansluiting te vinden bij de EU. Bekende verhaal van de enlargement fatigue. Is reëel, in de nabije toekomst zie ik geen dat Oekraïne enig perspectief op lidmaatschap of echte Europese integratie heeft. Komt echt als gevolg dat in de EU de zaakjes niet op orde zijn. Technisch is het ook erg moeilijk, bevolking en publieke opinie is tegen (m.u.v. Polen en nieuwe lidstaten, die zijn wel erg pro). Is meer een uitdaging van de EU. Dit beseft wordt nogal eens onderkend in Oekraïne. Ik denk wel dat dat het grootste probleem is op politiek gebied voor Oekraïne om echt aansluiting te vinden, om lid te worden.

In Oekraïne zelf zou ik zeggen de politieke instabiliteit, is een belangrijke politieke factor. Veel regeringswisselingen, de oranje revolutie. Nu ook, de nieuwe regering die er zit, is allemaal fragiel en het democratische proces is nog maar net begonnen. De hervormingen moeten ook verder worden doorgezet. En dan met name ook op economisch gebied, toetreding tot de WTO is nu de belangrijkste stap. Dat zal ook wel gebeuren in de nabije toekomst.

*Ja, dat komt ook terug in de ENP, in het Actionplan dat dat één van de belangrijkste stappen is...*

4: 14. Ja, zoals ik het begrepen heb is het creëren van de vrijhandelzone het meest belangrijke wat de EU op dit moment te bieden heeft aan Oekraïne. En dan moet er natuurlijk aan allerlei regels worden voldaan en die hervormingen moeten worden doorgevoerd. Maar dat is natuurlijk wel afhankelijk van de daadkracht van de regering. En met zo'n fragiele meerderheid in het parlement blijf ik het heel spannend vinden, of het ook echt allemaal wordt voortgezet. Dan heb je de politieke instabiliteit weer.

*Denk je dat de democratie op dit moment goed functioneert in Oekraïne?*

Nou, er is vrijheid van meningsuiting. Er zijn tig kranten, persvrijheid. De verkiezingen zijn eerlijk geweest. Ik vind dat ze op de goede weg zijn. Er zijn natuurlijk wel dingen die beter kunnen. Bv de vermenging van politiek en zaken belangen, corruptie. Kijk dat ondermijnt de democratie natuurlijk wel. Maar in principe vind ik wel dat er een stijgende lijn is, in ieder geval geen terugval. En daarin is de oranje revolutie wel een breekpunt. Er is natuurlijk heel veel kritiek op wat er na de oranje revolutie is gebeurd, mensen hadden heel hoge verwachtingen, in Oekraïne en ook in het westen. Ik vind dat je moet realiseren dat het gewoon veel beter is dan voor de oranje revolutie. Geen politieke gevangenen, geen journalisten die worden verhoord. Dit soort praktijken zijn er niet meer, je kan er gewoon heen gaan, gewoon een veilig land, met kranten en alles er op en eraan, mensen kunnen demonstreren, doen wat ze willen.

*Denk je dat de Russische elites zijn afgenomen op overheidsniveau, door de oranje revolutie?*

Nou er zijn ook wel mensen blijven zitten. Moeilijk om een totale wisseling te hebben vd wacht te hebben van het ambtelijke apparaat. Het is natuurlijk altijd een strijd tussen belangen, strijd over zakelijke belangen geweest in Oekraïne. En de partij voor de regio's, (wat dan de Russische sprekende elite vertegenwoordigt, Yanukovych) zijn gewoon nog het machtigst hoewel ze nu niet in de regering zitten. Zijn de grootste partij, hebben de meeste stemmen gehaald in de laatste verkiezingen. Dus die machtsfactor is er nog steeds.

*Wel pro-Europa toch?*

Ja, tenminste... ja er zijn ook een hoop mensen die dat dan niet geloven he. Maar de praktijk is gewoon dat de onderhandelingen met de EU gewoon altijd zijn doorgestaan zijn toen hij aan de macht was. Hij is pro-Russisch, maar ja ik vind, in een land als Oek, hoe kan je niet pro-Russisch zijn, het is je grote buurland met wie je culturele banden hebt, wat economisch heel belangrijk is. Dus ik vind het meer dan logisch dat er 2 kanten wordt opgekeken. Maar dat pro-Russische, dat wordt door veel mensen ook aangemerkt als oh, dan zijn ze anti-Europees en antidemocratisch. Ik denk dat dat verband veel te snel gelegd wordt. En doordat ook steeds maar te zeggen wordt het ook een soort van self-fulfilling prophecy.

*Denkt u dat de komende jaren ook nog steeds een pro-Europese koers gevolgd gaat worden?*

## BAND 2

Nou ja, die huidige regering die er zit, zowel de president als de regering, zijn gewoon allemaal ontzettend pro-Europees, zoals die er blijven zitten denk ik wel dat de pro-Europese koers wordt voortgezet. Maar ja, zoals we al net al zeiden, Yanukovych heeft zich ook toch altijd uitgesproken voor Europese integratie, Dus ik vraag me af of de Europese koers, ongeacht wie er aan de macht is, überhaupt wel onder druk zou kunnen staan als zelfs Yanukovych dat altijd ook altijd voor is geweest, zij het misschien wat kritischer, wat minder enthousiast. Maar in de praktijk... is het toch ook ehm ja het probleem is wel dat hervormingen toen niet zo snel gingen. We moeten wel een beetje kritisch naar kijken, ik denk dat je sneller vooruit gaat, of pro-Europees, , sneller Europese toenadering krijgt met deze regering dan met die van Yanukovych.

*1:25: Is het geen gevaar dat bv... want in het begin van de jaren 90 kwam er eigenblijk een pro-Europees regime, en toen werd het in 1999 tot 2004 weer meer naar Rusland. Is het geen gevaar dat dit weer terugkomt?*

Als ik kijk naar het politieke spectrum in Oekraïne, dan zie ik dat alleen vertegenwoordigt in de partij vd regio's van Yanukovych, ook belangrijk om naar de bevolking te kijken. Vooral vertegenwoordigt in het oostelijke deel van de Oekraïne. Als, kijk, als die de grootste machtsfactor is dan zou dat zo kunnen gebeuren. Je ziet ook wel, volgens mij, dat in de laatste opiniepeilingen die daar onder de bevolking gehouden worden dat de steun voor de Europese toetreding ook wat aan het afnemen is.

*Komt weer voornamelijk dat Europa Oekraïne maar een beetje aan het lijntje houden?*

Ja, of dat de regeringen in Oekraïne steeds veel te hoge verwachtingen hebben gewekt v de Europese integratie. Want kijk, Europa heeft gewoon nooit wat beloofd, geen lidmaatschap niks. En Yushchenko, die roept de hele tijd heel hoog van de toren dat we lid gaan worden van de Europese unie. Terwijl dat helemaal niet realistisch is op het moment, Ik vind dat dat ook een verantwoordelijkheid is van de leiders van Oekraïne om hier verantwoordelijk mee om te gaan. Daarom vind ik het niet echt realistisch.

3:15: Nog een voorbeeld, wel grappig, over in hoeverre de vorige coalitie nu echt pro-Europees was... 1 van de junior coalitie partners was de socialistische partij van Oekraïne, ook links georiënteerde partij, hadden zelfs als slogan: let's build Europe in Ukraine, dus die hadden ook echt duidelijk voor ogen, we willen een brug zijn tussen oost en west. Dus ze zijn, maar ja goed het zal altijd een land zijn wat tussen 2 grote mogendheden in zit, en ik vind ook dat dat samen moet gaan,

*Het hoeft niet altijd het of pro-Europees, of pro-Russisch te zijn...*

Nee, Het is niet altijd het 1 of ander. Dat zie je ook, zowel bij Yanukovych als Yushchenko als bij de socialistische partij dat er toch ook wel wordt ingezet op die 2 richtingen, en dan bij Yushchenko wat meer op het westen, en Yanukovych meer op het Rusland. Maar beiden realiseren wel dat beide richtingen nodig zijn,

*Wel duidelijk ja... gaan we nu meer richting het identiteit verhaal. Hoe hangt de huidige politieke situatie samen met de huidige nationale identiteit van Oekraïne?*

Ik heb daar ook over nagedacht, maar hoe heb je nationale identiteit dan gedefinieerd vroeg ik me af.

*Ik heb eigenlijk voornamelijk 3 groepen, opgehangen aan de politieke situatie, westelijke tegenover de oostelijke, die de Russische taal spreken. 73 Oekraïense, 22 russisch en overig.*

7:40: Baseer je het vooral op taal. Er zijn ook veel Oekraïners die zich zowel als Oekraïense als Russisch zien, dus dat het niet... ik denk dat ook dat de mensen die in het oosten wonen, Donetsk , die spreken ook wel Russisch, maar zijn nog wel even geod Oekraïense. Ze spreken de Russische taal wel. Dus wat is hun nationale identiteit dan? Ja ik zou zeggen wel Oekraïense.

*Misschien hebben ze meer een gespleten identiteit, niet echt eenduidig, heb ik ook in een hoofdstuk geschreven, dat ze meer een multiple identity hebben die ook een beetje veranderd, die identiteiten.*

Het is natuurlijk wel zo, politiek, dat je een duidelijke scheidslijn ziet, in het westen vooral Tymoshenko, Yushchenko, in het oosten is het heel eg Yanukovych. In die zin, als je er SPSS op zou loslaten zou je best correlatie kunnen vinden met stemgedrag en taal.

*Heb ik ook onderzocht met bronnen, en is ook wel waar, en de Russisch georiënteerden waren veel minder tegen Europese toenadering dan Europese georiënteerden tegen Russische toenadering .*

Ik denk dat dat ook wel komt omdat Russisch georiënteerden zich ook wel oriënteren als Oekraïner en niet zozeer als Rus. (10.00) En zij hebben ook gewoon het beste voor met hun land. Ik heb ook gevonden dat 30-35% die zichzelf als etnische Oekraïner beschouwen spreken toch het liefst Russisch. Volgens mij loopt het heel erg in elkaar over. Tymoshenko komt zelf trouwens ook uit het oosten van Oekraïne. Ook tijdens de Oranjerevolutie waren er ook demonstraties in oostelijke steden. Dus ik vind dat het heel erg zwart wit is om te zeggen dat in het oosten de mensen Russisch zijn en anti-Europees en in het westen dat ze democratisch zijn en op het westen gericht. Waar ze ook Oekraïns spreken.... Volgens mij is de scheidslijn veel minder duidelijk en zijn er veel meer gemixte identiteiten. Ook als wetenschapper vind ik dat je daar secuur in moet zijn. Doordat te zeggen doe je niet aan recht aan de waarheid, en krijg je ook een beeldvorming die schadelijk kan zijn. Want je zegt dat dan de Russisch sprekenden in Donetsk, die zijn anti-Europees en hebben

geen interesse in democratie, Dan denk ik ja, ddat zijn ook gewoon mensen die een goede regering willen hebben, en democratie. En misschien kiezen ze dan wel niet voor de EU, nou soi, dan maar niet tsja. Ik bedoel, het klinkt ook altijd zo negatief hè, de mensen in oosten....

*Er was ook een onderzoek dat iedereen haast wel in Oekraïne voor binding is met Europa, ook in het oosten, het is meer andersom, dat ze in het westen minder van Rusland moeten hebben.*

Ja, wat wel nog interessant is, maar ik weet niet of je dat in je scriptie ook wilt doen. Er zijn meer mensen tegen de NAVO zijn dan tegen de Eu.

*Kwam ik ook tegen ja, vooral om dat Rusland tegen de NAVO is.*

Ja, ik begrijp het ook wel, ben er niet echt bang voor als mensen/landen niet bij de NAVO willen. Oostenrijkse sociaaldemocraten zijn ook tergen de NAVO. Sommige wetenschappers, journalisten, politici, wordt het meteen aangegrepen zo van ja, om te bewijzen van, zie je wel, kijk die zijn niet democratisch ingesteld. Georgië zie je het ook.

13:32: NAVO is gewoon een keuze voor buitenlands beleid, die je maakt, die je ook niet kan maken en ook even goed democratisch kan zijn. Maar dat is de NAVO, ander verhaal.

(...)

*Volgende vraag hebben we eigenlijk al beantwoord. Dat gebrek aan een homogene identiteit... eigenlijk al gehad.*

Zeg ik dus, niet per se, pro-Russisch hoeft niet per se anti-Europees te betekenen. Maar kan natuurlijk wel, je weet nooit hoe dingen gaan.

*Dan komen we nu meer op de discussie op de natie staat uit, die discussie. Is dat gebrek aan homogene identiteit, kan dat hier een gevaar voor zijn?*

Ik kan niet ontkennen dat hoe meer nationale identiteiten er in een staat zitten hoe problematischer dat wordt. Zie je eigenlijk altijd, als er meer nationale identiteiten er in een staat zitten, moet er altijd voor worden gezorgd, bewust dat al die identiteiten geaccommodeerd worden, ze zich niet bedreigd worden, dat hun culturele rechten gewaarborgd blijven, hun eigen taal kunnen spreken. Ik denk dat dat, is altijd een probleem, zie je overal, zie je nu in België, is altijd een probleem, moet over nagedacht worden, maar als je dat goed vanuit de overheid accommodeert, hoeft dat niet per se een gevaar te zijn. En zeker niet, omdat ze al best lang in zo'n situatie zitten.

16.00 Hoe denk je dat op dit moment, de overheid met het beleid van nu hier toe....

Weet ik eerlijk gezegd niet genoeg van...Ik heb wel wat gehoord dat er een discussie was of Russisch als officiële taal moest komen, en met het onderwijs op scholen....

*Ja heb ik ook gehoord, Oekraïense wilden ze weer terug hebben als 1<sup>e</sup> taal, op sommige scholen was het nu Oekraïens...*

Als daar op een goede manier mee wordt omgegaan, als de Russische mensen ook toegang hebben tot Russisch onderwijs en andersom ook, dan lijkt me dat het gevaar wegneemt, is accommoderend, stel je ze gerust, Is belangrijk dat mensen zich thuis voelen in een land. En zoals daar, hoe het er nu precies is geregeld, ik hoor er nooit veel over, ik hoor nooit dat er spanningen zijn vanwege taal, lees het nooit in de media, dus het is goed lijkt me.

*Ik ben er tot nu toe ook nooit iets over tegen gekomen. Mensen zien het niet als een probleem geloof ik. Ze vinden het allemaal wel goed. En denkt u dat het ENP, of dat kan leiden tot afname van macht? Weet u enigszins wat dit beleid inhoudt?*

Ja, ik weet wel wat het is. Ik denk dat het belangrijkste is dat het ENP vooral gaat om verregaande samenwerking en niet om lidmaatschap. Daarmee is de afdracht aan macht naar de EU beperkt. Natuurlijk is het wel zo dat als je het hebt over bv de vrijhandel, dan ga je inderdaad aan bepaalde regels en standaarden voldoen om in dat vrijhandelszone te kunnen komen. Dan geef je op dat moment wel, voldoe je wel aan regels aan hogere hand. Maar dan nog is de beslissing om dat te doen, bij de NS. Dus ook als ze er niet meer aan willen voldoen, ligt de beslissing bij de NS. Met als consequentie dat ze dan weer uit de vrijhandelszone zullen gaan, weet ik niet precies, Maar ik denk dat de besluitvorming, de macht over dit soort belangrijke dingen nog altijd bij de NS. En hangt het succes of falen van verder Europese integratie altijd bij de Oekraïense regering. Dus in die zin, zie ik dat nog niet echt, Zeker niet als je nagaat dat het dan niet gaat om de hardcore dingen, zoals defensie, buitenlands beleid, onderwijs. Heeft de EU niets mee temaken, zeker niet in de ENP. Dus ik zie dat maar in heel beperkte mate.

20:25 Ben ik het wel mee eens, veel hangt af van de natistaat. Wat je wel kan denken is dat die stimulatie van die handel, dat dat leidt dat die lager liggende schaalniveaus steeds belangrijker worden, omdat je dat overal wel ziet, ook in de westerse staten. Dat zie ik zelf wel gebeuren, dat regio's steeds belangrijker worden om economische groei te genereren. Om sneller te kunnen inspelen op globalisering en zo..

Dat zie ik wel in de Europese Unie, in grensregio's bv Nederland Duitsland. Arbeidsmarktintegratie, handel,... daar zie ik dat wel. Maar ik weet niet of ik dat in de Oekraïne zie. Ehhm omdat het hele proces zo wordt aangestuurd vanuit de centrale regering, de onderhandelingen over het ENP is allemaal op regeringniveau. Heb je wel die programma's TACIS, Interreg (weet niet of ze daar al bij zitten, zijn allemaal regionaal georiënteerde programma's, dus in die zin...

*22:20 Maar Oekraïne is voornamelijk topdown denk je?*

Ik denk dat het vooral komt door het systeem zoals het is, die erfenis van enorm centralistische bestuur land. Waardoor lokaal regionale autoriteiten toch altijd afhankelijk zijn van beslissingen die op landelijk, nationaal niveau worden gemaakt.

*Denk je dat dat gaat veranderen door toenadering tot Europa? En het aannemen van al die regels, standaarden en zo?*

Wat ?

*Dat op nationaal niveau het iets meer gaat afnemen? Is misschien moeilijk te zeggen...*

Even denken. Je bedoelt dat door de aanname van de Europese regels, dat door de macht van de...

*Ja, want eigenlijk wordt het voor bedrijven makkelijker om te doen wat ze willen, minder regelgeving. Hierdoor wordt het gemakkelijker voor regio's om bedrijven te lokken en...*

Ja, als dat zo is dan zou dat wel een aantasting kunnen zijn maar ik betwijfel of dat zo is in Oekraïne. Ik betwijfel of regio's zomaar de eigen vrije hand krijgen om hun eigen regels te stellen, eigen vrijhandelregio's te stichten. Kan me dat haast niet voorstellen, kan het niet precies zeggen maar dit is het gevoel dat ik er bij heb, heb er niet zoveel kennis van.

*Even kijken, de vrijheid van Oekraïne wordt beperkt... even terug naar de 1<sup>e</sup> stelling, vrijheid van Oekraïne wordt beperkt.*

Ik denk dus dat het meevalt, beperkte mate

*En met de WTO? Is eigenlijk ook op hoger schaalniveau.*

Ja dan moet er dus wel aan allerlei regels worden voldaan. Hmm ja een beperking van vrijheid, ze kiezen er wel zelf voor he.... Maar ja ze moeten wel voldoen aan allerlei regels voldoen en als ze lid zijn hebben ze daarna niet meer zo maar de keus om daar niet meer aan te voldoen. Dat is wel een soort beperking van de vrijheid in die zin.

*Padafhankelijkheid...*

Ja. Maar die vrijhandel is eigenlijk ook wel het enige echte waar het om gaat. Ook in het ENP volgens mij. Ik vind dat dus niet echt de aantasting van de soevereiniteit van een land, omdat het niet echt gaat om de hardcore elementen als onderwijs, buitenlands beleid. Ik denk ook zelfs dat open grenzen, vrijhandel, vrij verkeer van personen, dat kan ook nog juist kan leiden tot versterking vd nationale identiteit en dus NS. Omdat mensen dan zien, je hebt altijd een ander nodig om een jezelf te kunnen identificeren. Door die open grenzen wordt dat duidelijker zichtbaar voor veel mensen.

Of bijvoorbeeld door die regels die dan voor zo'n vrijhandelszone worden opgelegd dat mensen die toch een aantasting vinden en er een soort van tegenreactie komt... zou kunnen. Dat is wat ik in Nederland nu zie.

(...)

*28:25 Eén van de laatste vragen, waar ligt volgens u voor Oekraïne de grootste uitdaging in relatie tot globalisering en internationalisering?*

Oké, dan ga ik een antwoord geven waar je misschien niet op zit te wachten. Ik vind de grootste uitdaging de aanpak van de milieuproblemen in Oekraïne. We hadden een conferentie voor de kerstvakantie in Kiev over energie en milieu. Ik was echt geschokt door het feit dat er een hele discussie over energie en klimaat en milieu totaal niet aan de orde is daar. Ik denk dat daar een enorme slag te slaan is, op bijvoorbeeld gebied van energiebesparing.

(...)

*Eén na laatste vraag, vindt u dat Oekraïne het lidmaatschap moet krijgen?*

Nog niet, te vroeg. EU is niet klaar, Oekraïne ook niet. Zou valse belofte in het leven roepen.

*Denkt u niet dat Oekraïne meer wordt aangemoedigd om te hervormen?*

Ja is wel zo, maar ik vind dat we eerst zelf onze zaakjes beter op orde moeten hebben. En dan pas weer met beloften voor de toekomst moeten kopen. Dat is echt niet e verkopen aan het publiek. We hebben nog de hele bubs van de westelijke Balkan te gaan, die hebben

allemaal een kandidaat-status of lidmaatschap in het vooruitzicht, Servië en al die landen, Turkije. Ik denk dat het op dit moment genoeg is, ik sluit niet uit dat het over 10 jaar niet aan de orde kan komen. Oekraïne ligt ook gewoon op het continent, en hebben ook formeel het recht om het lidmaatschapsaanvraag te doen. Is nog niet verstandig want dan krijgen ze gewoon nee op het rekest. Maar kijk, het kan natuurlijk wel een keer gebeuren, maar ik denk dat het op dit moment met het huidige politieke klimaat in de EU, niet realistisch is, en niet goed is.

*Ligt dus eigenlijk meer aan de EU zelf...*

Ja. En stap 2 is dan dat er ook in Oekraïne natuurlijk ook veel zou moeten gebeuren. Dat lijkt me duidelijk, Ik denk dat het heel belangrijk is om daarin realistisch te zijn en geen valse beloften te doen naar Oekraïne. Daar schep je zulke hoge verwachtingen mee. En natuurlijk hoop ik ook dat we uiteindelijk allemaal in dezelfde grote Europese familie zitten.

*Dat is wel een mooi einde.*

Ja, dat is waar.

**BAND GESTOPT**

**Interview Tatiana Zhurzhenko, Associate Professor, Department of Philosophy, V.N. Karazin Kharkiv National University (Ukraine) and Guest Lecturer at the Institutes for Political Science and for East European History, University of Vienna, 5 february 2008.**

*1) Do you expect that the polarised situation in Ukraine (inhabitants who are Russia-oriented on the one hand and Europe-oriented on the other) is a problem for Ukraine to keep a political pro-European direction in the future?*

In my view NATO membership is much more splitting issue. EU membership is unrealistic in mid-term perspective, and in the moment there is some kind of consensus among political elites on the cooperation with Europe. I think any Ukrainian government will cooperate with the EU, but on the more pragmatic ground. As for the public opinion, I do not think population is polarised in this sense. There are Western Ukrainians which are pragmatically more interested in the European integration because they work in Europe, and East Ukrainians which basically do not care.

*2) Do you think that the European Neighbourhood Policy (ENP) will lead to a decline of power of the Ukrainian nation-state? Can you give a reaction on the next two statements?*

I am not a big expert on the ENP- If you read in German, there was a recent issue of Osteuropa on ENP, with some good articles on Ukraine. Anyway, I don't think the ENP can be compared in this sense with the EU-membership, it is not so binding. It looks like the neighbour countries have very different format of bilateral relations with the EU and they are difficult to standardize.

*•The EU as an upper-level institution takes away some power. (Within the framework of the ENP the adoption of procedures, standards, rules and regulations of the EU will lead to a shrinkage of freedom of the national state of Ukraine.)*

Maybe you are right in some sense. But I don't think the "freedom of the national state" is in danger. The problem is that Ukrainian state is very young and still under construction. In this process of construction external influences and limitation are present anyway, some of them can be productive, others not. More serious problem is the so called "captured state".

Besides, in Ukraine, the EU is seen by experts rather as some kind of guarantor of national sovereignty, as a counterbalance to Russia.

*•The stimulation of trade will lead to more significance of lower scales, which also leads to a diminishing power of the Ukrainian nation state. (The stimulation of trade by the EU policy is mainly focused on the opening of borders with the final goal to come to a totally free trade area. To be able to compete in this world economy, local and regional governance is more and more viewed as crucial for the ability to effectively taking part in this world economy)*

Please see the article by Olga Shumylo (in Osteuropa and in the Internet, for example, [http://shop.ceps.eu/BookDetail.php?item\\_id=1321](http://shop.ceps.eu/BookDetail.php?item_id=1321)  
[http://www.icps.com.ua/doc/FTA\\_Impact\\_E.pdf](http://www.icps.com.ua/doc/FTA_Impact_E.pdf)  
who analyzed various models of the free trade zone for Ukraine.

**Interview Olga Mrinska, Research Director for the Institute for Public Policy Research, professional in the areas of regional socio-economic development and regional policy**

She is an expert on the design and implementation of policy documents for national, regional and local governments in Ukraine. In earlier times, Olga was the Deputy Head of the Department for International Development in Ukraine, managing a portfolio of projects in the areas of economic development, international economic policy, entrepreneurship and regional development.

Olga holds a PhD in economic and social geography from the Institute of Geography of the National Academy of Sciences of Ukraine (<http://www.ippr.org/aboutippr/staff/?id=2610>).

**Date of interview: 26 February 2008.**

*1) Do you expect that the multiple identities in Ukraine (inhabitants who are Russia-oriented on the one hand and Europe-oriented on the other) is a problem for Ukraine to keep a political pro-European direction in the future?*

Ukraine does have multiple identities. People are often divided onto those who support Europe and those who support Russia. But to be honest it's more complicated. People in the East and South are not so much Russia supporters – they are nostalgic for Soviet past. If you ask them now whether they want to be together with Russia (read Ukraine to be united with Russia) most of them will say 'no'. Independence has more advantages than disadvantages. These people are less familiar with Western life – they travel abroad less, do not speak foreign languages (at least in Western Ukraine quite many speak either Polish or German or English). They are less mobile and rarely have vision beyond their site of residence. That is why they are hostile to so called 'Western standards', but they are not aggressive, as Russians are. They rather lack an opportunity and information.

Among identities in Ukraine you can also identify Crimean one with the Tatar minority endogenous population which has quite a different agenda and you can't say that simple whether it's pro-European or not. Then you have Odessa region with its own identity and Carpathian region with even more of those. So, I would present a more complex picture. But overall dynamics of 'Europeanisation' is very positive if you compare the public opinion with the one say 5 or 10 years ago. So I think, as a young state, we are progressing really well. We just need to tackle better the challenges not to close the eyes and only exploit the opportunities. And now there is really no alternative to European integration in some form, especially as Russia launched its new and much more aggressive foreign policy where Ukraine is perceived as one of its biggest enemies.

*2) Do you think that the European Neighbourhood Policy (ENP) will lead to a decline of power of the Ukrainian nation-state in relation with the next statement?*

*The EU as an upper-level institution takes away some power of the Ukrainian nation-state. Within the framework of the ENP the adoption of procedures, standards, rules and regulations of the EU will lead to a shrinkage of freedom of the national state of Ukraine.*

I do not believe that ENP has a power to diminish the decision-making strength of the national government. You should be realistic – this is the element of EU foreign policy and though it does have strong harmonisation elements you can't really expect great changes. Yes, Ukraine is happy to harmonise and adhere to the European rules in certain spheres (trade, quality of goods, movement of people, capital flows, etc). But the sovereignty of Ukraine will not be harmed by ENP more than it is already harmed by our obligations before other international organisations, e.g. WTO (as a member we now have much stronger obligations which will be harmful for quite a few trade areas), Council of Europe (cancellation of capital punishment), UN (trade of arms), FATF (money anti-laundering) and we can go on. All this in a way is a limitation of the power of the national government.

So, in brief, I don't think Ukrainian Government will lose substantial authorities until the time when we will get official status of candidate country (not very soon). And even then the freedom of action is great (look at Turkey or Serbia...). Moreover, EU system is based on three pillars and most important functions of the state are not (yet) up-scaled to Brussels and it is not clear whether it will happen at all (thanks to countries like UK).

*3) The stimulation of trade by the EU policy is mainly focused on the opening of borders with the final goal to come to a totally free trade area. To be able to compete in this world economy, local and regional governance is more and more viewed in academic literature as crucial for the ability to effectively taking part in this world economy.*

*Do you expect that regional and local governments in Ukraine will grow in importance due to the 'European choice' of Ukraine? And, if yes, will it lead to a decline of power of the Ukrainian nation-state?*

Yes, there is a growing number of supporters of the paradigm of regional and local competitiveness and that open global economy require regions and cities to compete at the markets independently, along with the states. Free trade agreement between Ukraine and EU, when finally negotiated, will establish single rules for all regions and those which are better prepared (have relevant specialisation, necessary human and social capital, good location and infrastructure) will win. However decentralisation of power in Ukraine, which is gradually increasing, is not stimulated by European movement per se. If you remember the events of Orange revolution, one of the biggest calls for more autonomy for regions and even federal state were proclaimed in Eastern Ukraine, which was very anti-European at the stage. So, it's rather understanding that in such big state the central government can't really address effectively all local problems and that is why decision-making along with some fiscal autonomy, should be scaled down to the regions, rayons and cities. Ukrainian cities and regions, if use correctly all instruments available in EU (even potentially), like Committee of regions, regional policy, various cities and regions' forums, etc., might gain a lot. But it is only distant prospects, not reality.

National government does have a problem of 'letting go' regions, but in fact in many cases it has no choice. And if pro-European dynamics if sustained, our obligations before European Council as for the Charter of local self-government and future Charter of regional self-government will impose big expectations on the Ukrainian government as for how it should treat the regions/localities.

**Interview Michiel van Erkel, region manager Programma Samenwerking Opkomende Markten (o.a. Oekraïne) EVD, Den Haag**

*Waar denkt u dat voor Nederlandse bedrijven/investeerdere de grootste kansen liggen in Oekraïne? Waarom is Oekraïne speciaal?*

Vooropgesteld ik heb niet daarnet nog gekeken naar de kansrijke sectoren zoals we die door de EVD aanmerken maar ik ga er even vanuit dat mijn beeld van Oekraïne hetzelfde is. Ik zou zeker aanraden om naar het stukje kansrijke sectoren te kijken op de website. Wat ikzelf zie vanuit het programma waar ik verantwoordelijk voor ben, het programma PSOM, is uiteraard landbouw, blijft een kansrijke sector. Wat je daar ziet is denk ik dat je meer en meer Nederlandse boeren in de primaire productie ziet. Maar al je landbouw breder trekt, dan heb je het ook over de verwerking van landbouwproducten. Daar zien we de laatste tijd veel projecten in, ik noem melkpoeder, salades, kant en klare salades die je in de supermarkt neerlegt. Distributie van vers, dan zie ik de hele keten voor me. Daar liggen allemaal kansen. A als ondernemer om daar zelf in te stappen, maar ook als toeleveranciers. Bijvoorbeeld salades, heb je koelhuizen nodig. Zijn Nederlanders goed in. Melkpoeder fabriek zal je een bepaalde machine bij nodig hebben die kunnen wij als Nederland leveren. Dus dat is de eerste keten die je als potentieel ziet. Oekraïne blijft de graanschuur van Europa, in de ruimste zin van het woord, dus daar heb je grote kansen. Ook op het industriële vlak zien we een aantal terreinen waar we kansen maken. Bijvoorbeeld de textiel industrie zie je opkomen, de laatste tijd, het speelt al langer, maar zie je nu wat versterkt. Heeft er deels mee te maken dat Roemenië en Bulgarije toe zijn getreden tot de EU, en daarmee weer iets duurder zijn geworden. En een aantal kledingbedrijven die lange tijd dachten ik ga het wel uit China en India halen die komen weer iets terugkomen. En je ziet ze weer terug komen, ook uit Roemenië. Ik denk zeker dat je West Oekraïne dus rondom Lviv maar je ziet nu ook net toevallig net een project in het zuidwesten tegen de Moldavische grens aan daar doen we inderdaad op het gebied van kleding, naaiateliers, maar dan op een maatschappelijk verantwoorde manier, worden daar neergezet.

3.35 Maar ook productie, wat je meer ziet is het produceren van halffabrikaten. Bijvoorbeeld een rolstoelfabrikant die heeft een heel moderne rolstoel ontwikkelt, het maken van het frame is te duur om te maken in Nederland. Dus hij heeft die buizen buigmachine die staat zo straks in Oekraïne. Daar wordt het hele frame gebogen, de wielen gebogen, maar de assemblage, het afstellen op de klant, dat gaat in Nederland gebeuren. Daar zie je zeker ontwikkelingen in. Natuurlijk heb je ook nog een aantal grondstoffen, kolen, staal, ijzer, maar goed dat zijn, daar zijn we als Nederland ook bij betrokken, maar op een andere manier, bijvoorbeeld op het gebied van milieu hebben we veel expertise wat we kunnen bieden. Maar ook hardware, we kunnen filters bieden. Ook Oekraïne heeft zich geëngageerd aan Kyoto, aan CO<sub>2</sub>-emissie reductie. Daar kunnen we als Nederland een bijdrage aanleveren. Export van diensten hebben we het dan over. Ik denk dat je dan toch wel de voornaamste kansen hebt genoemd.

*4:42 En dat PSOM, wat is de omvang daar ongeveer van?*

Dat zijn relatief kleine projecten. Het is een programma dat voor meerdere landen open staat. Voor de landen waar Oekraïne uit dezelfde ruif moet eten, stat er op jaarbasis ik meen 15 mln., tot nu toe ging er gemiddeld naar Oekraïne 4 a 5 mln., zijn projecten van 750.000 euro, waar daarnaast nog eens 750.000 in het project wordt gestoken, wat er mee te maken heeft, maar dan commercieel wordt gefinancierd.

*Dat is een voorwaarde toch?*

Ja dat is een parallel project wat wij eisen. Maar goed dat zijn echt kleine springplankjes wat wij neerzetten, mkb-ondernemers die wij willen steunen. En dan merk je inderdaad dat er interesse is. Er is een dipje geweest na de oranje revolutie, heb je duidelijk gezien dat in Nederland toch een koudwater vrees krijgt, van goh waar gaat dit naar toe. Zelfde zag je nog sterker gebeuren na de gascrisis, de kraan die dicht ging, de ruzie met Rusland die er was. Het Nederlandse bedrijfsleven wat dan toch zeg, hey wacht even...

*Wat terughoudender...*

Ja precies.

*Ik weet niet hoe het precies zit met bedrijfsverplaatsingen. Is er sprake van clustering van Nederlandse bedrijven in Oekraïne?*

Nee dat denk ik niet, je zult dat misschien wat meer zien in West-Oekraïne. Ik denk dat je sowieso nu nog niet kunt spreken van clustering. Je zult misschien logischerwijs rond Barispol de internationale luchthaven wat meer logistieke bedrijven zien. Maar dat is niet zo van typisch dat al die Nederlanders daar gaan zitten met z'n allen. Volgens mij is het erge of leuke van Nederlanders, je komt ze overall tegen, ook in Oekraïne.

*6:45 Nu kom ik iets meer op het politieke gebied. Oekraïne was altijd zeer centraal geregeerd natuurlijk. Kunt u iets vertellen over, in hoeverre en op welke manier nu Nederlandse investeerders of bedrijven worden gestuurd of gereguleerd op bestuurlijk en politiek niveau. Is dat nog altijd op centraal niveau?*

Nou ja goed voor zover ik het beeld er van heb, ik denk op zich dat je die vraag beter aan de landenmedewerker kan stellen. Er zijn een aantal zaken die je op lokaal regionaal niveau kan doen. Iemand die op (onverstaanbaar) een bedrijf wil vestigen, dat kan, die zal er mee helpen, stimuleren dat je er komt. Er zijn een aantal punten dat je naar Kiev moet. Maar dat was ook al langer zo, je kon op zich al een heleboel in de regio doen. Maar er zijn toch altijd weer dingen, een registratie dat je toch in Kiev moet zijn.

*8:00 Want het is geloof ik zo dat het land in oblasten is verdeeld die dan weer in districten zijn onderverdeeld. Maar die oblasten die worden ook nog weer aangewezen door de minister president geloof ik.*

De gouverneur van de oblast, dat kan zijn dat die door de president word aangewezen, dat gebeurt in Rusland ook. En in Nederland, de commissaris wordt ook door de koningin aangewezen. Gebeurt ook in Nederland. Burgemeester, op districtniveau is denk ik weer op regionaler niveau. Maar dan nog, dit blijven allemaal politieke marginaties, spelletjes waar wij in Nederland nauwelijks weet van hebben, Ik denk dat je op zich ook in Nederland kunt stellen met de burgemeesters die wel of niet worden aangewezen zit ook een politiek spel om heen. Maar dat gaat in Oekraïne gewoon veel verder. Daar zitten ook consequenties aan, als iemand inderdaad op een gegeven moment op een post zit, dan wordt ook van hem verwacht dat die vervolgens voor de partij die die hem heeft daaraan heeft geholpen, hen daarna ook helpt. Dat zou in Nederland niet zo zijn, er wordt niet van je verwacht. De burgemeester hoeft niet iets voor jou te doen als jij hebt geholpen dat hij op die plek bent geholpen. Zover gaat het niet, dat is daar wel zo.

*9:31 En qua bedrijven/investeerd, lopen die tegen veel problemen aan, regelgeving?*

Ik weet niet hoe het tegenwoordig zo is, lange tijd ik vermoed dat het , en ik vermoed at het nog steeds zo is, de anekdote gaat, 5-6 jaar geleden geloof ik, als een Nederlands bedrijf zich gevestigd had, dan kon hij om de dag een instantie langs kregen die het bedrijf kon sluiten, brandweer, sanitaire dienst, inspectie van de belastingen.... om de dag. Dat betekent dus dat je om de dag werd gestoord met je werk soms dingen moest betalen. Hopelijk niet corrupte ambtenaren tegenkwam maar dert zou ook zeker zijn gebeurt. Nou daarvan weet ik in ieder geval dat dat gehalveerd is. Ik denk ook dat op zich de wil er wel is om daar iets aan te doen. Maar ja het is zo ingeslepen, in het systeem, in de regio. Laten we wel wezen, Roemenië en Bulgarije zijn nu in de EU, die krijgen geregeld op hun flikker van Brussel dat ze nog niks aan corruptie hebben gedaan. Dat kost waanzinnig vel tijd. En wij kunnen wel zeggen dat we in de top 6 zitten van corruptie, daar lukt het gewoon niet. In het zuiden oosten, gewoon andere cultuur, moeten we ook realistisch in zijn.

*Maar u zei wel dat het gehalveerd is, is dat ook sinds de oranje revolutie, of dankzij?*

Ik durf niet te zeggen of je die correlatie kan leggen tussen de oranje revolutie en het verminderen van de controles. Ik weet dat er hard aan wordt gewekt, moet ook wel, eergisteren zijn ze tot de WTO toegetreden. Toevallig een groep Oekraïner hier, die gingen applaudisseren. Dat moet ook betekenen dat er hier iets aan gaat gebeuren. Anders had de WTO , of de mensen die daarachter zitten nooit Ja gezegd tegen toetreding Oekraïne. Ik denk dat het wel een stimulans is geweest om er iets aan te doen. Ik denk dan ook dat er onder Yushchenko meer aan wordt gedaan, maar ik durf die correlatie niet direct te zeggen. De druk zat er al langer op om er iets te moeten doen.

*En de WTO, dat moet geloof ik nu nog geratificeerd worden?*

Alle onderhandelaars hebben nu JA gezegd. Eu hield het nog even tegen. Heeft toch wel 4 jaar geduurd.

*Ja heel tijd uitgesteld maar nu is het toch eindelijk zover. En dan heb je nog van de EU het ENP, het Nabuurschaps beleid. Wordt daar veel van gemerkt door Nederlandse investeerders/bedrijven?*

Ik denk het niet. Ik denk dat het erg moeilijk is om als zodanig het ENP beleid te herkennen, zeker als je ondernemer bent. Ik hoop dat het zo is dat er in de Oekraïense nationale wetgeving er meer harmonisatie plaatsvindt met datgene wat je gewend bent in West-Europa. Op zich is het voor Nederlanders ook nog best lastig om in Frankrijk aan de slag te gaan. We hebben niet voor niks als Nederland in Lille en nog op meer plekken ondersteuning. Business support office. Niet allen omdat ze er Frans spreken, maar ook echt om het bedrijfsleven te steunen omdat het anders is om zaken te doen in Frankrijk. Desalniettemin, wat voor zaken het relatief makkelijk is om in West-Europa zaken te doen, dat zou ook op een gegeven moment in Oekraïne moeten merken. Of die dat dan ook wordt gemerkt dat weet ik niet. Maar dat is de bedoeling achter het ENP. Andere bedoelingen zijn niet zo snel te merken voor bedrijven, civil rights, burgerlijke vrijheden, etc.

*14:20 Er gaan ook van die verhalen dat het ENP eigenlijk een verlengstuk is om maar het lidmaatschap uit te stellen.*

Het ENP wordt aan geboden aan alle landen aan de grens van de EU. Daar zitten ook landen, incl. Oekraïne bij waarvan je niet kan voorstellen dat die binnen 10 jaar, of ooit, lid gaan worden. Dat is een probleem, discussie die we binnen de EU voeren. Wat willen we met de EU. Je hebt nog een rare enclave zo rond voormalig Joegoslavië. Landen die er niet inzitten die omringt zijn met landen van de EU. Dat is raar, moeten we daar wat mee? Wat doen we met Oekraïne? Stel dat in Wit Rusland positieve ontwikkelingen komen? Wat doen we daarmee? Hoort die er ook in? Ik weet het niet. Ik kan me ook voorstellen dat er een buffer ontstaat. En dat de Russen het gaan zien als een soort van niemandsland.

*Inderdaad een soort tweedeling. Naar Rusland toe en naar Europa toe.*

Ja dat is heel duidelijk. Westelijk is europa georiënteerd en oostelijk Rusland. Alleen is het niet zo zwart-wit als dat het vaak door de Russen wordt geschetst. Ik denk dat het ook in het oosten best positief is naar Europa. En dat ze in West-Oekraïne, ik bedoel ik spreek Russisch, ik kan ook in West-Oekraïne met mijn Russisch terecht, Ik word niet in elkaar geslagen omdat ik Russisch praat. Dus zo zwart wit is het ook weer niet. Maar het is wel een grensland. Je ziet het ook in België, grens tussen Nederlands en Frans, is ook ruzie over dus het is niet verwonderlijk.

*16.15 Ik heb gelezen dat vooral in Oost-Oekraïne niet zeer tegen Europa is maar dat alleen het westen juist meer eigen Rusland is.*

Ik denk dat dat een juiste constatering is. En dan is het probleem altijd, dat het erg gemakkelijk is om te zeggen ik ben tegen Rusland, terwijl ze eigenlijk niet tegen Rusland, Russen zijn, het Russische, maar ze zijn tegen het Bolsjevistische autoritaire regime dat hen destijds heeft onderdrukt. Het is dus een gevoel, ik zou het haast vergelijken met wat de Polen of de Nederlanders voor de Duitsers hebben, dat zullen zij ook hebben voor de Russen inderdaad. Ik denk dat dat ook een hele mooie is, als je zegt het is niet zozeer tegen de EU als wel tegen de Russen. En dan dat in het westen en oosten plaatst...

*Ja, maar denkt u dat die tweedeling in de toekomst nog problemen kan opleveren voor bijvoorbeeld handel tussen Nederland en Oekraïne.*

Nee, ik denk dat de Nederlander daar, de Nederlandse ondernemer heeft daar geen last van. Ze krijgen er pas last van als de nationale politiek, of last, dan merken ze het pas, als 1 van de 2 de overhand gaat nemen. Dat merk je inderdaad, onder Tymoshenko zal er meer een pro-westerse koers worden gevaren, en onder Yanukovych zal dat moeilijker zijn, dan zal je het als investeerder misschien iets moeilijker krijgen, maar dat hoeft niet eens. Ik denk dat ook Yanukovych er geen enkele bezwaar tegen heeft, als een Nederlands bedrijf een paar miljoen wil investeren in een bedrijf. EN werkgelegenheid creëren. Hij komt geloof ik ook uit Donetsk Als hij daar als voormalig burgemeester kan zorgen, de mijnen sluiten maar ik heb voor werkgelegenheid gezorgd, dan zal het hem een worst wezen waar het geld vandaan komt. Alleen de Russen zouden misschien makkelijker toegang krijgen.

*Even terug naar het beleid, dat ENP. Verwacht u nog dat dat gaat leiden tot minder macht van Oekraïne zelf, van de nationale politiek?*

Nee, macht op welk niveau?

*Op nationaal niveau, ook naar het buitenland toe*

Nee de bedoeling is juist om daar een betrouwbare, goede, stabiele overheid neer te zetten. Als dat ideaal van het ENP ook gerealiseerd wordt, dan heb je alleen maar een sterkere overheid. Maar ik heb het over het ideaal hè, pas op, maar als daar de bevolking vertrouwen in heeft, dan zorgt dat voor stabiliteit in het land. Als het een betrouwbare partner is voor de EU, dan zal dat alleen maar in hun voordeel spreken. Dus nee, ik denk dat het ENP hun zeker niet zal verzwakken. Als ik dit zo hoor dan merk ik alsof je het associeert met een sterker Brussel betekent een zwakker Den Haag, of Parijs, maar dat is natuurlijk niet zo.

*Ik stel die vraag, omdat ik geografie studeer, en er is een discussie in de wetenschappelijke literatuur dat natiestaten op zich steeds minder macht krijgen, en dat dat vooral komt door supranationale overheden, bijvoorbeeld de EU.*

Ik had toevallig André Gerritsen, ik weet niet of je die kent van het Oost-Europa instituut in Amsterdam, daar hadden we het ook over pre-modern, modern en postmodern, dus de moderne natie staten, nation states. A die verdwijnen niet. Als je kijkt naar Rusland, een typische nation state die heel sterk aan het worden is. Ja of er dan in de EU met een gedeelde soevereiniteit of iets dergelijks of daar de nationale overheden... ja op bepaalde terreinen wordt je wat zwakker. Maar ja zwakker, je kunt wat minder gemakkelijk je eigen wil doordrukken. Maar dat is een keuze die je maakt. Als jij er voor kiest, van nee ik vind het belangrijk, in mijn eentje ben ik klein en niet sterk genoeg dus ik vind het belangrijk om in het buitenland op te trekken in een heel team dan moet je ook de consequentie accepteren dat dat team niet altijd doet wat jij wil. Dat kan gewoon niet. Kijk Oekraïne wordt geen lid van de EU, ze wordt partner daarin, en tuurlijk het probleem is dan ook, dat die partner die andere dan zegt, geldt voor alle lidstaten, ook voor Oekraïne, en burens, het wordt nogal opgelegd. Als jij mijn vriendje wil zijn,... dan mot je wel dit en dit en dit doen. Ze willen dat vriendje zijn want het biedt economisch perspectief, het is glorieus om in die groep te horen maar misschien zijn er dingen bij die niet bij je passen. Op dat punt zul je wat moeten inboeten op macht. Ik denk per saldo, als het goed is in het ideaal en daarom doen we het ook. Dat ook per land het er sterker en stabielier op moeten worden. Anders hoeven we het als Nederland ook niet te doen. Waarom zouden we als Nederland ons bezig houden met de mensenrechten in Oekraïne? Zou me een worst wezen wat ze daar doen. Als het hier maar goed is. Nee, als ze het daar goed hebben, even los van het menselijke aspect dat ik graag wil dat ze het daar goed hebben, dan betekent het ook dat het in onze regio goed is en rust. De kans op oorlog is kleiner. Hoe zijn we ooit tot de EU gekomen, de rust. Zorg dat mensen brood op de plank hebben, brood en spelen...

*22:10 Aan de andere kant, zeggen ze juist binnen de geografie dat er onderaf ook steeds meer geknabbeld wordt aan die natiestaat. Door globalisering dat er steeds meer transnational governance, inc's bedrijven die zich overal gaan vestigen. En dat dat juist meer druk legt op regionale en lokale overheden omdat die beter kunnen inspelen op regio's en behoeften van bedrijven. Dus die discussie werkt aan 2 kanten...*

Goed dan kom je dus op de discussie de voordelen of nadelen van globalisation. Ik heb daar zelf niet echt een mening over. Ik denk het enige gevolg wat je echt ziet en je kan afvragen of dat erg is. Stel inderdaad dat TNT zegt, goh ik ga een hub in Oekraïne neerzetten voor Oost-Europa. Zoets. Ja dan zul je iets competitie zien tussen regio's want het is interessant om een bedrijf in je regio te krijgen met 1000 werknemers. Noem maar wat. Dus dan zal er geconcurrereerd worden tussen regio's. Dat vind ik niet zo erg. De bevolking, dat vermoedt, ik waar wij ons druk om maken, of iig in kleine kring, ik heb niet het idee dat men in Oost Europa zich daar druk over maakt. Ik verwacht niet dat dit als een probleem wordt gezien.

*Merkt u daar iets van voor het bedrijfsleven vanuit Nederland dat ernaar toe gaat, dat dat meer op lokale en regionale schaal te maken heeft met overheid.*

Nee ik denk dat het nog steeds zo is. Sommige dingen zijn decentraal gegaan, ik zou niet eens kunnen zeggen wat nog centraal zit. Er zijn bepaalde belastingvoordelen die vanuit een oblast kunnen worden gegeven. Ik vermoedt dat ook de Craai bv ook bepaalde belastingen voor een bepaalde tax holiday period kan weg schelden. Dat was eigenlijk vroeger niet anders. Ik vermoedt dat dat iets gemakkelijker is geworden, dat er iets meer transparency is ingekomen. Maar het is interessant, de wereldbank die brengt jaarlijks een rapport uit over het zakenklimaat in verschillende landen. Dat maken ze een ranking van, wordt dus gerant op; hoe makkelijk is het om een bedrijf te vestigen, hoe makkelijk is het om werknemers te ontslaan, hoe lang duur het ook om een bedrijf te krijgen. Nou het best was het in Hong Kong, in twee dagen heb je een bedrijf, heb je alle papieren etc. In Nederland is het tien dagen geloof ik. In Tsjechië 64 dagen, dan moet de rechtbank, die heeft dat de functie als kamer van koophandel hier. Moet de rechtbank dat bedrijf registreren. In Oekraïne zal dat ook zijn. Is heel interessant om dat rapport door te kijken. Ik durf te wedden dat Oekraïne in die ranking omhoog is geschoten. Transparency zal verbeterd zijn. Alle terreinen zullen wel verbeterd zijn, maar het gaat heel langzaam. Als je het vergelijkt met Rusland, ze hebben natuurlijk niet de olie zoals Rusland die heeft. 26:00 Ze lopen ongeveer 5 jaar achterop Rusland. Het enige voordeel is dat democratie beter is, hoewel wij er daar nog vraagtekens bij zetten.

*Het gaat langzaam wel de goede kant op...*

Ja, alleen is het nog erg onstabiel. Het heeft heel lang geduurd voordat Tymoshenko premier was. Er moet nog wel heel wat gebeuren voor er daar stabiliteit in is.

*26:40 Ja, de partij van de regio's is eigenlijk de grootste partij...en die heeft othc iets meer een pro-Russische invalshoek*

En de coalitie die zij heeft gesmeed met Yushchenko, daar hoeven er maar een paar uit te stappen en het is weer afgelopen. Zitten we weer aan verkiezingen, en komen we er weer niet uit. Zit er dik in. Italiaanse toestanden.

*Ik heb nog één vraag, de laatste. Hoe ziet u de toekomst in voor wat betreft investeringen van Nederland in Oekraïne? Waarschijnlijk positief...*

Ja ik zie ze zeker positief in. We hebben goede relatie als Nederland met Oekraïne. Kijk, Oekraïne is één van de kiesgroeplanden van Nederland. Dat betekent dat wij Oekraïne vertegenwoordigen bij de wereldbank. Dat brengt voor ons verplichtingen mee, maar dat brengt ook met zich mee, dat wij ons ook vrij duidelijk profileren ook naar Oekraïne toe, van kijk, wij zijn jullie vriend, we willen graag jullie belangen vertegenwoordigen. We moeten als Oekraïne ons niet meer wil hebben als vertegenwoordiger in de groep, dan hebben wij een probleem. Want dan hebben we niet meer voldoende stemmen om een eigen zetel te hebben in het bestuur van de bank. Met Oekraïne erbij hebben we dat wel. En voorlopig ziet het er in ieder geval niet zo uit dat Oekraïne zegt we gaan ons heil ergens anders zoeken, bij de Zwitserse of weet ik veel waar. Dus we hebben daar een hele goede relatie in, op verschillende niveaus, politiek, economisch, ook cultureel. Nee ik heb daar het volste vertrouwen in, en het Nederlandse bedrijfsleven bouwt daar ook gewoon een goede relatie, ook met Oekraïners zelf. Ik zie dat wel zitten.

BAND GESTOPT.

**Vragen aan Svitlana Iarmolenko en haar vriendin, graduate geography students in Kyiv, Ukraine:**

1) Do you think that the Ukrainian national identity can be problematic for keeping a pro-European direction in the future (because of the part of the inhabitants with a Russian-oriented identity)?

*Svitlana:*

You say 'Ukrainian national identity', but as you very cleverly admitted, there is no 'identity' as nation is torn apart between European and Russian directions. And exactly this absence of identity, of common point of view is problematic for keeping any direction, including pro-European. But it also greatly depends on the person ruling the country. In fact, when politics come to power, they forget they are elected by people and play their own games. They do what THEY think is good instead of doing what PEOPLE want. So in this situation people's mind do not matter that much. If a Europe-oriented politic is at power, we go to Europe, if a Russia-oriented one – we're getting closer to Russia. Thank God, Yuschenko and Tymoshenko are Europe-oriented politics.

*Vriendin:*

I don't think so. People don't care about direction. They care about good life and it doesn't matter for them "to live well with Europe" or "to live well with Russia". My point is that if cooperation with one of the sides (Europe or Russia) will be productive and the level of life, economic situation etc. will start to increase people will be pleased with this direction (no matter if it is Russian or European).

2) The stimulation of trade by the EU policy is mainly focused on the opening of borders with the final goal to come to a totally free trade area. To be able to compete in this world economy, local and regional governance is more and more viewed as crucial for the ability to effectively taking part in the world economy. It is thought that they are more flexible and effective to support trade in a region than the central, national government.

Do you think that regional and local forms of governance in Ukraine will grow in importance because of the ENP and thereby the more stimulation of trade (for example the joining of the WTO this year)?

*Svitlana:*

I believe joining the WTO and stimulation of trade will really give the opportunity for local government to show what they are worth and they will gain more power and importance. It's easier for them to see what is going on in the region, what areas are perspective for trade and which ones are in stagnation. So they should activate their functioning as a result of ENP.

*Vriendin:*

Actually, I'm not acquainted with this issue well. But I think that regional development is very important for entire economy development. Dunno about influence of WTO on stimulation of regional development.

3) Do you think that the central Ukrainian government will lose some power or diminish in importance, because of more globalisation pressures and more openness to multinationals and transnational corporations?

*Svitlana:*

I do not think that central government will somehow loose the power because of the multinationals... Of course they have big influence on country's economy and politics, because they make money and have lobbies in parliament... But do they have such a crucial meaning? Not in Ukraine, I think. But it is hard to estimate right now, as not so much multinationals have their headquarters here, Ukraine just starts to open itself to the world...