

The Europe goes East:

“The Eastern Neighbourhood Policy”

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After the five round of European Enlargement process in 2004 and 2007 the European Union (EU) became very close to the Eastern Europe countries, and have started to border directly with some of Eastern Europe countries. To decrease the influence of unstable economic situation, bad governance in the neighbouring countries on the EU and to protect the EU from illegal migration, the European Commission proposed to create the European Neighbourhood Policy (ENP). This policy had the aim to create friendly relation, to enforce economic integration and political co-ordination with neighbours.

In the Chapter 1 we have introduced the historical background of the ENP and the objectives of its creation. The objective of our dissertation is to find out the results of implementation of the ENP, to research possible costs and benefits of the ENP and to find the proper structural reforms for Ukraine.

In Chapter 2 we have introduced European Union Association Agreements. The main section of this chapter is the analyses of the transition process in Poland and Romania. We have researched the process of transition of these two countries, beginning from 1989 for Poland and 1994 for Romania. Based on the Regular Reports of the European Commission, we have analyzed the structural reforms conducted in two countries and found the reforms, which have succeeded and reforms, which have failed. We have concluded that the example of structural reforms in Poland and Romania could be a great lesson for Ukraine in its process of building market-oriented economy.

The Chapter 3 addresses the issues of the European Neighbourhood Policy. This external policy of the EU is very broad policy, which address 16 countries in 3 regions. In this chapter we have introduced the historical background of the ENP, its instrumental, the three regional initiatives of the ENP and the relations between the ENP and the EU membership.

The Chapter 4 has been devoted to Ukraine. In this chapter we researched Ukrainian economic development starting from 1991, when Ukraine became an independent country. We also research here the relations between the EU and Ukraine and the participation of Ukraine in the ENP. The main objective of this chapter is to analyze the Action Plan created by the European Commission for Ukraine, to find out the level of implementation of the Action Plan and to watch the changes in Ukraine before the participation in the ENP and after the participation. We have concluded this chapter with the summarizing the costs and benefits of the Ukrainian participation in the ENP.

The Chapter 5 is conclusion of the dissertation. In our research we have found out that Poland's and Romania's transition process presented a lot of lessons for Ukraine. Ukraine needs to learn the restructuring process and the process of structural reforms from the neighbours. This would insure successful transition to the market-oriented economy. We also have understood that Ukraine is extremely corrupt country, which is the obstacle for the development of small and medium-enterprises and for the

inflow of foreign direct investments. Ukrainian government needs to address the corruption to create a clear from corruption society, favorable for development of economy. It is a great chance for the future of the country.