

UKRAINE'S EUROPEAN INTEGRATION: ADVANTAGES AND DISADVANTAGES

It has to be mentioned that a characteristic feature of the modern world development is an activation of integration processes in the world and Europe in particular. However, even those countries that are not members of the integration associations inevitably feel the significant impact of integration processes. The perspective of EU membership is a strategic guideline of the Ukrainian aspirations to transform and it is a key objective for which the reforms are carried out;

Ukraine has signed the Association Agreement with the European Union and this makes the process of integration even more topical.

The European integration is a way to modernize Ukrainian economy, to overcome technological backwardness, to attract foreign investments and new technologies, to create new jobs, to improve the competitiveness of domestic producers, to give an access to world markets, especially the EU market. As an integral part of Europe, Ukraine focuses on the model of socio-economic development prevailing in the leading western countries.

The aim of this study is to analyze the perspectives of Ukraine's integration into the EU, to define Ukraine's place in trade with the EU and to define problems during integration, which are to be overcome.

The European integration association is an association of the developed countries which interact, trade and exchange products, services, factors of production and labor. That is a zone of free trade, but not just a free trade area, but expanded one, as only expanded FTA offers such a range of mobilization. And this FTA has been the aim of Ukraine for a long period of time.

The main advantages of the Ukraine's membership in EU can be defined as follows:

1. Political benefits. As a member of the EU, Ukraine will be involved in the Common European Security and Defence Policy (CESDP) which will guarantee the state sovereignty and territorial integrity of Ukraine.

2. Economic benefits. Primarily they include a macroeconomic stability, additional investment in the economy, subsidies to agriculture and a positive trade balance.

Concerning macroeconomic stability, in this case respect, Ukraine when joining the EU should tighten its economic performance to European standards, create developed market, consolidate tendency to economic growth which will bring Ukraine positive results. Ukraine will also benefit from the introduction of the single currency when joining the EU.

Concerning further investments in the economy of Ukraine, the European market is a large outlet for products and a source for meeting people's needs.

Regarding agriculture subsidies, Ukraine will be engaged in the effective EU common agricultural policy after joining the EU.

Obtaining a positive balance of trade will take place through the sale of Ukrainian goods on the EU markets. The overall decline in the weighted average of rate will have a positive role for Ukrainian importers as the result of the EU's expansion. In addition, the EU will promote to the full the integration of the Ukrainian energy, transport and telecommunication networks in the European infrastructure.

3. Social benefits provide the effective protection of human rights in the EU institutions, opening of borders for free movement of people, e.g. the Schengen zone, that includes a free

movement of persons within the EU, ensuring a high standard of living and other.

Furthermore, the major EU integration and membership perspectives are referred to as the following:

- 1) the political perspectives provide stability of the political system, the perception of Ukraine as an important partner of political relations;
- 2) economic perspectives provide the development of small and medium businesses and introduction of EU standards in manufacturing;
- 3) social perspectives are aimed at the formation of the middle class and education, health, social security reforms.

Nevertheless a few important disadvantages of Ukraine's membership in EU have been

concluded such as:

1. Political disadvantages are of a partial loss of sovereignty and jurisdiction of the EU territory, the uncertainty of development strategy, which affects the economic situation. There is to some extent a competition between the EU countries, so you need to focus on less competitive industries. Another negative factor is the deterioration of relations with CIS countries, especially with Russia, because today Ukraine faces the question of cooperation with the Customs Union of Russia, Belarus and Kazakhstan.

2. Economic disadvantages involve the loss of competitiveness of certain sectors, the complexity of the transition to European prices, quotas of certain products.

3. Social disadvantages entail a complication of the visa regime concerning its Eastern neighbors.

It is quite important to outline the existing threats to Ukraine after EU integration, which mainly can be grouped the following way:

1. Political threats presuppose a risk of involving of Ukraine in the conflict of civilizations between the West and the Muslim world.

2. Economic threats involve a possible move to Ukraine the hazardous industries, using Ukraine as a raw appendage or as a provider of cheap labor.

3. Social threats are aimed at deepening demographic decline, illegal migration and outflow of personnel.

Conclusions. Summarizing the results of this study we can conclude that Ukraine's European integration is the way for improving and modernizing the economy, attracting foreign investments and new technologies, increasing the competitiveness of domestic product, providing the free movement of skilled labor, goods, services and factors of production within association, providing the access to the single market as well.

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