

# Ukraine's EU Association Agreement a prelude to further bloodshed

**Chris Marsden****28 June 2014**

The signing of a trade and political partnership between Ukraine, Georgia and Moldova and the European Union (EU) marks a new stage in the plan to economically and militarily encircle Russia. It raises the immediate prospect of an escalation in the military offensive being waged in the east of Ukraine by the Western-backed regime in Kiev.

The Association Agreement, the economic element of a political agreement signed in March following Russia's annexation of Crimea, was signed by Ukraine President Petro Poroshenko. It will need to be ratified by every national parliament in the EU by this autumn. Georgia and Moldova signed both the political and economic parts.

Moscow has economic concerns over the agreement being used to push cheap EU imports into Russia via Ukraine, but its major concern is geo-strategic—the incorporation of all the states that once constituted its “near abroad” into a Western military and economic bloc. Poroshenko made this clear when he declared that “Ukraine is underlining its sovereign choice in favour of membership of the EU.”

The refusal of Ukraine's then-president, Viktor Yanukovych, to sign the deal last November was used by the United States and Germany to initiate a coup led by pro-Western oligarchs and fascist forces such as Svoboda and the Right Sector.

Such high-sounding rhetoric as Poroshenko's description of the deal as a “symbol of faith and unbreakable will” cannot conceal the predatory aims of the European powers. The Association Agreement and Deep and Comprehensive Free Trade Area (DCFTA) replace the Partnership and Cooperation Agreement Ukraine signed with the EU in 1998. The aim is to incorporate the maximum number of former Soviet Republics into the EU free trade zone, leaving only

Armenia, Belarus, Azerbaijan and Kazakhstan in Russia's Eurasian Customs Union.

The cost extracted from Ukraine for membership is vast. It threatens \$500 billion in lost trade with Russia and possible bans on Ukrainian imports. Yanukovych, when he refused to sign, estimated costs of an additional \$104 billion to adopt new trade laws and comply with EU standards.

The EU states and global companies will be the main beneficiaries of free trade—wiping out much local business. In 2013, EU exports to Ukraine were worth €23.9 billion. They were made up of industrial equipment, chemicals and manufactured goods, whereas Ukraine exported €13.8 billion to the EU, mostly in raw materials such as iron, steel and minerals. This highly unequal relationship, which is similar for Georgia and Moldova, will only worsen.

Described by the BBC as “Ukraine's sink or swim EU agreement,” it could wipe out many smaller businesses. But its worst effects will be felt by the working class of all three states, which already faces some of the deepest levels of poverty and worst working conditions in Europe.

A report released this month by the Clean Clothes Campaign, made up of trade unions and NGOs in 16 European countries, found that in 10 Eastern European countries, including Ukraine, Georgia and Moldova, working conditions are sometimes worse than in China and Indonesia.

The report added that “nearly all those producing clothes for major European retailers such as Hugo Boss, Adidas, Zara, H&M or Benetton are paid below the poverty line, and many have to rely on subsistence agriculture or a second job just to survive.” Legal minimum wages cover only a fraction of a basic living wage—just 14 percent in Ukraine. Moldova and Ukraine

have the lowest net minimum wage, at €71 and €80 a month, respectively.

However, the greatest danger arising from the Association Agreement is the degree to which it deliberately brings conflicts between the Western powers and Russia to a new peak of intensity.

Russian President Vladimir Putin is desperately seeking an accommodation with the Kiev regime and its backers in Washington. On Tuesday, he backed up his appeal for an extension of the ceasefire announced last week by Poroshenko, due to end yesterday, by calling on Russia's parliament to rescind a March resolution authorizing the use of Russia's armed forces to protect Russian speakers and citizens in eastern Ukraine.

Nevertheless, speaking at a ceremony for foreign diplomats in the Kremlin, Putin warned, "The unconstitutional coup in Kiev and the attempts to impose on the Ukrainian people an artificial choice between Europe and Russia pushed society towards a schism, a painful internal confrontation ... In the southeast of the country, blood is flowing, there is a real humanitarian catastrophe, tens of thousands of refugees are forced to seek shelter, including in Russia."

A long-term ceasefire, he said, was "a necessary condition for substantive talks between the authorities in Kiev and representatives of the southeastern regions."

Putin's statement was borne out by the United Nations in a report describing the terrible cost of the conflict. The UN High Commissioner for Refugees said on Friday that 110,000 people had fled from Ukraine to Russia this year, with 9,500 seeking refugee status. The number of people displaced internally has reached 54,400, with 16,400 fleeing fighting last week alone, the UN said. Some 700 others went to Poland, Belarus, the Czech Republic and Romania.

The UN stated that at least 423 civilians and fighters had been killed in the conflict in eastern Ukraine, but the separatist leadership in Donetsk has said that a much higher number of its fighters—around 800—and around 250 civilians have been killed in the Donetsk and Luhansk regions.

This contrasts with Poroshenko's statement in Strasbourg that almost 150 Ukrainian servicemen had been killed by rebels, and indicates the unequal character of the conflicting forces in Ukraine that is

masked by the media's almost exclusive focus on the far smaller military actions carried out by the separatists.

Poroshenko and Ukraine's National Security Council initially only reluctantly agreed to extend the ceasefire by 12 hours until 10 pm yesterday—reportedly under pressure from German Chancellor Angela Merkel, who had spoken twice to Putin. He threatened that "if our conditions for the peace plan are not accepted, then we will make a very important decision" and would switch to a "detailed Plan B."

At the Council of Europe, Poroshenko accused Russia of backing the insurgency, stating, "Instead of them calling back their mercenaries, even more new, well-equipped and motivated fighters are arriving from the Russian Federation." A normalisation of relations with Russia was impossible, he added, without Moscow returning the Crimean peninsula to Ukraine.

In an interview with European newspapers, Poroshenko said separatists had carried out "more than 150 attacks" against government troops since the ceasefire began on June 20. "Russia is the leader of these banned groups," he said. We are talking of Russian citizens, Russian officers, Russian soldiers-of-fortune."

On his return to Kiev, Poroshenko announced that the ceasefire would be extended until Monday. The EU warned that Russia has until Monday to take (unspecified) concrete steps towards securing a peace agreement or face sanctions against sectors of its economy, including energy, finance and defence.

Ukraine Interior Minister Arsen Avakov spelled out that Poroshenko's "Plan B" is a savage attack on the east when he warned of an "adequate and harsh" response to all those who did not lay down their arms within the extended deadline.



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