

Ukrainian and European parliaments adopt EU Association Agreement

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On Tuesday, the parliaments in Kiev and Strasbourg adopted the Association Agreement between Ukraine and the European Union. The refusal of President Viktor Yanukovych to sign this agreement last November triggered the protests on the Maidan in Kiev and the Western-backed coup against Yanukovych.

In the European Parliament, 535 deputies supported the agreement, 127 voted against and 35 abstained. In Kiev, all 355 deputies present voted in favor, while 95 did not attend the vote. The two sessions were connected by video transmission.

It was left to the Chairman of the European Parliament, the German Social Democrat Martin Schulz, to praise the adoption of the agreement as a “triumph for democracy”. Ukrainian President Petro Poroshenko spoke of a “historic moment” and pathetically declared: “We are treading the path towards victory.”

In fact, the Association Agreement will go down in history as a dirty deal struck between the imperialist powers of Europe and Ukrainian oligarchs at the expense of the working class and world peace.

At the heart of the Agreement are geopolitical interests. The main issue, the *Frankfurter Allgemeine Zeitung* noted, is “not trade or if the Ukraine can participate both in a customs union with the European Union and with Russia. It's about spheres of influence.”

Poroshenko for his part declared in parliament that the ratification of the agreement meant that Ukraine had made its “geopolitical choice.”

The oligarchs who rule Ukraine are integrating the country into the spheres of influence of the EU and NATO, receiving in return guarantees protecting the wealth they illegitimately acquired during the dissolution of the USSR. The Kremlin can only perceive this as a geopolitical threat, after the world's

biggest military alliance has increasingly surrounded Russia militarily since the dissolution of the Soviet Union a quarter of a century ago. The threat of war, which could end in nuclear disaster, has grown accordingly.

Claims that the signing of the agreement was an act of national self-determination, or a step towards the rule of law and democracy, prove to be absurd when one examines more closely the content of the agreement. By committing itself to adopt EU law, Kiev is largely handing over legislative authority to the unelected EU bureaucracy in Brussels, even though it will not be an EU member. About 80 percent of all laws and regulations are subject to EU provisions.

The agreement subordinates Ukraine to the financial and budgetary dictates of the International Monetary Fund and the EU. The consequences will prove to be even more devastating for the desperately poor population of Ukraine than for the Greek people. There, average incomes have dropped by a third due to the financial dictates of the troika, social provisions and education have been eradicated, and broad swathes of the population have been condemned to abject poverty and unemployment.

The economic consequences of the Association Agreement are so devastating, that its centerpiece, the free trade agreement, is only due to come into force at the beginning of 2016. The delay was agreed by the EU Commissioner for Trade Karel De Gucht, Ukrainian Foreign Minister Pavlo Klimkin, and Russian Economy Minister Alexei Ulyukayev last Friday in Minsk. Russia presented a long list of objections which it wants to negotiate beforehand.

Ukrainian nationalists have condemned the delay of the FTA as an inadmissible concession to Moscow. Fatherland Party chair Yulia Tymoshenko called it “a

betrayal of the national interest,” while the chair of the Greens in the European Parliament, Rebecca Harms, ranted: “Mr. Putin has sabotaged the deal.”

In fact, the delay in implementing the free trade agreement is “a sudden and dramatic step to protect the Ukrainian economy,” as *Die Zeit* writes. The immediate abolition of customs duties on goods from the EU would not only flood Ukraine, but through Ukraine also Russia, with competitive imports from Europe that would threaten to undermine domestic industries.

Russia currently does not levy taxes on imports from Ukraine but has threatened to do so if the free trade agreement is implemented immediately.

Russia is, besides the EU, the main market for Ukrainian products, and the introduction of customs controls would have a devastating effect on the Ukrainian economy, which is already in free fall. The national currency, the hryvnia, has lost 36 percent of its value against the US dollar since the beginning of the year, the inflation rate is 25 percent, and economic output is expected to shrink by ten percent by the end of this year.

The Ukrainian regime also fears the withdrawal of Russian investment. The two economies are closely intertwined, and Ukraine depends on Russian capital. One seventh of the banking sector is in the hands of Russian financial institutions, and large parts of the country's power system, telephone lines, mobile phone providers, steel mills and real estate are owned by Russian companies. Any sudden withdrawal of capital would lead to severe shocks.

The aim therefore of the free trade delay is primarily to buy time. The same purpose is served by two other laws agreed by the Ukrainian parliament shortly before the adoption of the Association Agreement. One law grants more autonomy to the embattled regions of Donetsk and Lugansk, allowing them have their own elections and set up their own militia. The second law grants an amnesty to separatists who have not committed serious crimes.

These laws have been rejected out of hand by the ultra-right nationalists, upon which the Kiev regime relies. Just 287 of the 450 deputies voted in favor of the amnesty law and 277 for the Autonomy.

There were tumultuous scenes in front of the parliament with at least one deputy assaulted and dumped into a trash can.

Nevertheless, President Poroshenko insisted on the adoption of the laws. The vote was held in secret because this was probably the only way to secure a majority. Poroshenko needs time to reorganise the Ukrainian army with the support of NATO. It has suffered significant setbacks in recent weeks and is presently incapable of defeating the separatists militarily.

For its part, NATO is currently carrying out military maneuvers in Ukraine and the Black Sea, thereby demonstrating that it will escalate its military pressure on Russia.



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