

Polish-Ukrainian Cross-Border Cooperation Opportunities and Challenges

Edited by

Wojciech Gizicki
Pavlo Sheremeta
Olena Kovalchuk

VOLUME REVIEWERS:

Paweł Marzec

Serhiy Troyan

PUBLISHING EDITOR

Mirosława Michalska

TECHNICAL EDITOR

Krystyna Samsel

PROOFREADING

Jan Kobyłecki

COVER DESIGN

Krzysztof Galus

© Copyright by Wydawnictwo Adam Marszałek

All rights reserved. The book you have purchased is the work of the author and the publisher. No part of it may be reproduced in any manner whatsoever without permission in writing from the copyright owner. In case of brief quotations of the work, do not change the contents and make sure to note whose it is

Toruń 2019

ISBN 978-83-8180-223-9

This publication has been produced with the financial assistance of the John Paul II Catholic University of Lublin and the European Union, under the ENI CBC Programme Poland–Belarus–Ukraine 2014–2020. The contents of this document are the sole responsibility of The John Paul II Catholic University of Lublin (Poland) and Lutsk National Technical University (Ukraine) and under no circumstances can be regarded as reflecting the position of the European Union, the MA or the Joint Technical Secretariat of the ENI CBC Programme Poland–Belarus–Ukraine 2014–2020.



FRIENDLY
BORDERS



Sales Department:

tel./fax 56 648 50 70; e-mail: marketing@marszalek.com.pl

Wydawnictwo Adam Marszałek, ul. Lubicka 44, 87-100 Toruń

tel. 56 664 22 35, 56 660 81 60, e-mail: info@marszalek.com.pl, www.marszalek.com.pl

Drukarnia, ul. Warszawska 54, 87-148 Łysomice, tel. 56 678 34 78

Table of Contents

| | |
|--|----|
| Introduction | 5 |
| Łukasz Jasina | |
| There Will Be No Common Historical Policy | 9 |
| Jerzy Nikołajew | |
| Ukrainian Inter-Faith Relations after 2014 within the Context of Cross-Border Security for Poland and Ukraine | 15 |
| Aleksander Kuczabski | |
| Decentralization of Public Authority in Ukraine and Development of Polish–Ukrainian Cross-Border Cooperation | 34 |
| Tadeusz Iwański | |
| Ukraine–Russia. Analysis of Selected Trends in Economic Cooperation in 2014–2018 | 55 |
| Nataliia Vavdiuk | |
| Correlation-Regression Analysis of Economic Security in Ukraine | 71 |
| Olena Kovalchuk, Olga Sazonets | |
| Challenges for Small and Medium Business in Ukraine in Entering the Polish Market | 79 |
| Olha Osadcha | |
| Sustainable Economic Activity as One of the Most Important Factors of Competitiveness for Enterprises: International Practices of Management and Accounting .. | 91 |

Ryszard Suduł

Infrastructure Changes of the State Border
of the Republic of Poland and Ukraine in 1991–2018 ... 104

Leszek Maksymowicz

Cooperation of Poland and Neighboring Countries
in Implementing Cross-Border Operational Procedures .. 131

Streszczenie 147

Анотація 149

Notes about the Authors 151

Introduction

The geographical proximity of Poland and Ukraine not only favors cross-border cooperation between the two countries, but also makes it necessary to raise it to a higher level. Contemporary Polish–Ukrainian relations can generally be positively assessed. For obvious historical reasons, there are many unresolved and deep problems. Both nations must make many efforts to overcome them as quickly as possible. The geopolitics of Central and Eastern Europe and current threats and challenges faced by the region obviously affect the deepening mutual relations. The strategic partnership between Poland and Ukraine, though not easy and presenting a number of difficulties, is a fact. Both countries are aware of this. At the political level, it is currently associated mainly with the imperial threat from Russia. Vladimir Putin’s policy openly refers to the idea of great Russia, with the direct dependence or even conquest of “nearby-abroad” countries in the immediate vicinity.

For Ukraine, Poland is certainly a country that successfully underwent a series of difficult political, economic and social reforms. Poland’s membership in NATO and the EU is another example for Ukraine’s good practices and any possible avoidance of negotiation difficulties in the pre-accession period. Poland is a good place for Ukrainians to undertake work and study. The benefits of this fact are visible on both sides of the border. Poland thus gains support in the sectors of the economy that experience recruitment difficulties, while migrations from

Ukraine include people who come from a close social and cultural circle.

Although Ukraine's nominal GDP currently is only one fifth of Poland's, both were equal in 1991, according to the World Bank data. What is Ukraine learning from the Polish experience to speed up its economic growth?

1. After the decades of the ineffective "multi-vector" foreign policy, during the last 6 years Ukraine is moving consistently towards the EU and NATO. The Comprehensive Association Agreement with the EU was signed in 2014. The visa free regime with Schengen was established in 2017.
2. Ukraine is strengthening its anti-corruption institutions and processes to create a much more transparent governance and level field for all the players. Pavlo Sheremeta was serving in Ukraine's government when based on Maidan demands The Parliament adopted a corruption-free procurement law. Ukrainians immediately started to create a brand new totally transparent procurement system, called Prozorro.
3. The country is enhancing the rule of law and protection of private property through the comprehensive judicial reform.
4. Ukraine is improving its macroeconomic fundamentals. As of March 2020, the national currency is largely stable for the last 5 years, budget deficit is below 3%, inflation is lower than 5%, and interest rate is going down quickly.
5. Ukraine is preparing the next, big wave of privatisation of state companies. After decades of procrastination, The Parliament is finally close to adopting a law allowing private ownership of land.

6. Ukraine is implementing a far-reaching decentralisation reform, empowering communities and municipalities with authority and financial resources to stimulate local economic and social development.
7. Doing business in Ukraine gradually is becoming easier, and the country slowly but surely goes up in the corresponding World Bank ranking from 152nd place in 2011 to #64 in 2019, although more needs to be done to catch up with Poland (#40).

The other areas where Ukraine needs to improve its act significantly is generating domestic and attracting foreign investment. Ukraine invests only around 17% of its GDP, and it needs at least to double that ratio. Also being a relatively small market, Ukraine desperately needs to build up its export potential. All of this is based on nurturing the national entrepreneurship capacity.

Needless to say, all three factors: investment, export and entrepreneurship are developed best through the cross-border cooperation where the opportunities for communication, benchmarking and innovation are much more favourable.

The border between Poland and Ukraine is still a huge barrier in mutual contacts. However, Poles and Ukrainians undertake specific, joint cross-border activities. This applies to many dimensions, primarily economic, social and cultural.

This publication contains studies dealing with several opportunities and challenges in the mutual reactions between Poland and Ukraine. The authors of the texts mainly focused on political, economic and social conditions. The book is one of the effects of a project supporting cooperation between two Universities: the John Paul II Catholic University of Lublin, Poland and the Lutsk National Technical University, Ukraine within the Poland–Belarus–Ukraine 2014–2020 program.

Łukasz Jasina

There Will Be No Common Historical Policy

“A common look at history would not be the result of a compromise, but the imposition of an opinion by the stronger. Perhaps it is better that such a view would not arise”

Introduction

The right to naivety, sometimes also called credulity, seems to be one of man's rights. The belief that our generation will be able to do certain things better, and that we will certainly not repeat the mistakes of our ancestors, is a peculiar variety of such naivety. Progress has obviously occurred and there is nothing to generalize, but the disappointment resulting from broken expectations is great and affects us in a very negative way.

Agreement at the Expense of Historical Truth

An attempt to cope with the past and create a common Europe in which history will no longer cause a problem turned into such a broken expectation and, what's more, a common historical memory remains present. Europe has worked on the

former, and we Europeans have worked on the latter as well. In the wonderful new world, conflicts over interpretations of history were to be replaced by reconciliation, by building a community at the expense of great sacrifices. We were to seek agreement at all costs, yet at the expense of historical truth.

Such an attitude has undoubtedly solved many problems in the short term, including the case of Poland. Solving problems linked with Poland's historical relations with Germany has contributed to our country's accession to the European Union and thus the improvement of our country's economic situation.

Many people idealizing the changes at that time were set on reconciliation between Poland and Germany as a model, but we can see from today's perspective how many mistakes were made back then. The ideal image of historical reconciliation began to fall apart very quickly, already at the moment of Poland's accession to the EU's structures.

It was then that, for the first time, public debate in Polish showed that no form of compensation followed our gestures (the discussion about war reparations on the part of Germany was not invented in the past few years). To sum up, no such common memory has ever been created!

In recent years, our historical policy has become one of the most important policy factors in Central and Eastern Europe. We can more often also say, unfortunately, that the dream of a timeless European historical narrative has collapsed, and so we are now observing a return to thinking about history in the categories of the nation and state.

Since history is once again becoming a hostage to state policy (as if it ever ceased to be), the age-old fight paradigm is also returning. The fight is usually won by the stronger side, the side that can impose his vision of the past. Being cunning is efficient in this fight. However, truth and justice are not necessary

here. It is important to understand that we will not idealize this matter.

Concluding this part of the text, it is worth mentioning that, viewed from a broad perspective, Poland has learned a fairly good lesson in settling accounts with its own history. We started the debate about difficult fragments of heritage much earlier than even our Eastern neighbours did. Aleksander Kwasniewski apologized in Jedwabne, and Lech Kaczynski apologized to the Czechs for the partition of Zaolzie.

Historical Truth as Part of Poland's National Interest

However, it can be stated that we have done far too little to remind our neighbours of their guilty actions against the Polish state and nation. Most modern Germans today still do not know about the scale of the genocide perpetrated against Poles by Germany, and this even includes a significant part of that nation's elite.

Despite the ritual gestures by politicians (including German Foreign Minister Heiko Maas on the 75th anniversary of the outbreak of the Warsaw Uprising), they still appear in mainstream German press publications (even in *Die Welt*) as calling into question the genocidal nature of the crime. Moreover, they accuse Poland of almost participating in unleashing World War II, blaming us with joint liability for the murders of Jews and undermining the meaning of building a monument in Berlin for Polish victims of the war.

It is worth noting, however, that the German delegation at least confirmed its participation in the Warsaw and Wieluń anniversary celebrations commemorating September 1, 1939.

The measure of the success of Germany's multi-annual and long-term historical policy is that during the past year's crisis in relations between Poland and Israel, Germany as a state appeared not as the heir to the perpetrators of the crime, but rather as a role model.

The Federal Republic of Germany strongly clings to the conviction that the settlement for the perpetrators of crimes was adequate and that the historical processes related to the past war are now closed. German policy is consistent and extremely assertive. It is true that Poles can count on gestures and apologies, but the road to specific compensation seems to be closed.

The current differences in viewing history and its effects on Poland and Germany are nothing new and did not simply appear after 2015. All this encompasses a wider issue.

Fears appearing here and there that the issue concerns the lack of a common historical viewpoint between Poland and Germany are mistaken. For some, it is not an intrinsic value, worth keeping at all costs.

Inter-state cooperation does not require aligning our view of history. On the contrary, it is in Poland's interest in light of Germany's growing political position in Europe that we do not include the symbolic and historical sphere. This is actually our last chance to remind the world how things were in the past from our perspective and to talk about the fact that Germany has historical obligations not only towards Israel but also towards Poland. There is no other way to achieve this than to try to make our western neighbours aware of this by building institutions and distributing publications and information.

The matter is different in the case of Russia. In this case, Germany does not have such memory problems as it does concerning relations with Poland. Even in the period of the strongest verbal criticism of Moscow and Vladimir Putin's policies,

Chancellor Angela Merkel could not even imagine that she would not be there at the celebration of the anniversary of the “Victory” (despite the fact that her visit to Moscow in 2015 took place the day after the May 9th parade).

Germany, as a state, feels a deep, historical complex towards Russia, because they defeated them. After several decades, they agreed to the revival of a uniform statehood. The Russians are taking good advantage of this complex.

The Jewish-Israeli card is equally well played by the Russians. It builds a positive (far from the truth) image of Russia and the Red Army as a liberator of Europe, also saving Jews from annihilation. Jewish-Russian diaspora communities in Israel play a significant role here.

In the final analysis, Poland suffers on account of each of these matters. Germany’s historical commitments to Russia push their obligations towards Poland into the background. The idealized role of Russia and the USSR in its relations with Israel tempts us to look for a “negative hero” that our country turns out to be. Poland, with a negative “historical PR,” is a potentially weak partner, especially in the face of attempts appearing to create a compromise in relations between Germany and Russia.

Poland’s historical relations with its neighbours show that an attempt to build a consensus concerning the past does not make sense at the present moment. Ukraine conducts its own historical policy. It can already be seen that any modifications under the rule of Volodymyr Zelensky, especially in matters of interest to Poland, will be minimal. Belarus, the Czech Republic, and Slovakia also have particular interests in this respect. The relaxation of Lithuania’s attitude towards our common past and consenting to numerous commemorations of the Home Army in the Vilnius region are associated with the improvement

of political relations. Contemporary Russia, however, has no desire for dialogue at all. On the contrary, it permanently sparks conflicts with Poland over the past.

In the case of Poland, the new definition of the role of history in relations with Ukraine is of particular importance. Incorrectly understood compromises and concessions (on both sides) have not led to eliminating problems related to the past or placed them in the background. On the contrary, the historical crisis that began in 2016 was there despite attempts to transfer debates concerning “difficult conflicts” to a nave reserved for researchers and historians.

Over the next three years, historical problems remained most important within the negative Polish–Ukrainian inter-state relations. They not only remained as such, but also taught the political class that the past was a useful tool, both in Poland and Ukraine.

From what happened between Poland and Ukraine, one important conclusion emerges: conflicts that we remember should be solved immediately and it makes no sense to hide them.

Conclusions

Therefore, we have no chance of creating an ideal world in which only historians will deal with history. We should get ready for a “return to history” and its accompanying many clashes that cannot be bypassed by elegant dodges full of oratory news.

A common look at history, if it were ever to be developed, would not be a compromise but a classic imposition of narration based on the stronger over the weaker. Perhaps it would be better for such a view to never arise. History does not need to unite us.

Jerzy Nikołajew

Ukrainian Inter-Faith Relations after 2014 within the Context of Cross-Border Security for Poland and Ukraine

Introduction

The events of 2014 can be boldly determined as groundbreaking in the history of the Ukrainian state. First, the Dignity Revolution in Kiev and other cities of Ukraine, then the unlawful annexation of the Crimean part of this state by Russia and the war in Donbas, later called a hybrid war, significantly changed the entire functioning of the state of Ukraine in virtually all its aspects. Fundamental changes have also taken place in the area of inter-faith relations. After 2014, the previously open conflict in the Ukrainian Orthodox Church intensified, and the “leading” role of the Ukrainian Orthodox Church of the Moscow Patriarchate’s hierarchically subject patriarchy to Cyril of the Russian Orthodox Church was curtailed. This church was treated by most Ukrainians as “the occupant church”. It also changed the relations between the Ukrainian Orthodox Church of the Kiev Patriarchate and the Autocephalous Church, as well as the relations among Christian churches (Catholic, Orthodox,

Protestant communities) and the relations among religious organizations belonging to the Mosaic religion and Islam.

These changes had a lasting and rather irreversible character, especially in the Crimean area of Ukraine, where the Russian annexation was accompanied by the forced incorporation of the Crimean communities into the appropriate religious structures functioning in the Russian Federation. This clearly demolished the current religious belief of Ukraine and the relatively stable situation of various religious communities developed from 1991–2014, although it was also dynamic. However, after this borderline date, significant changes occurred regarding the canonical affiliation of the so-called Moscow Orthodox Church and their transition to the church jurisdiction of the Kiev Patriarchate. The main regions undergoing change included: Volyn, Rivne, Lviv and Tarnopol (there were around 70 such “transitions” in 2014–2015). As a consequence, this had to lead to mutual accusations regarding the actual or alleged seizure of church property taken over or left at the current sites (parish).

In addition to property disputes, the problem of mutual relations between Orthodox Churches, which remains difficult to solve, poses the question of obtaining autocephaly by the Ukrainian Orthodox Church and thus, the creation of a single national Church. For the majority of Ukrainians, it seems to be both a national matter and a priority. Therefore, in December 2018 (i.e. on the date of this report’s preparation), both state authorities and Ukrainian Orthodox communities (apart from the Moscow Church) undertook intense efforts to grant Ukraine autocephaly by the Ecumenical Patriarchate in Constantinople and thus Kiev would gain religious independence from Russian structures. From this point of view, it seems that the issues indicated in the title of this study can not only have a cognitive (research) but a practical dimension as well. What is more,

inter-confessional relations can also significantly affect the internal security of the Ukrainian nation and reduce the level of cross-border security (which is particularly important from the point of view of security, not only for Ukrainians, but also for Poles and the entire European Union).¹ For these reasons, they decided to deal with the above issues, all the more so since no wider exploration of the issues in terms of religious law, canon law and security sciences has been undertaken in Poland and Ukraine. It should be noted, however, that this analysis is only a fragment of a very complex and thus complicated whole that also consists of typically political and religious study elements.

The Religious Structure of Ukraine before and after 2014

The Law on the Freedom of Conscience and Religious Organizations entered into force in 1991, and from that time on, a dynamic increase in the number of religious organizations has taken place². The adoption of new legal solutions regarding the possibility of the registration of religious communities based on their statutory activity introduced religious pluralism in the Ukrainian state instead of the well-established over decades Soviet state policy which merely tolerated Orthodox structures, yet to a limited extent³.

¹ See also A. Szeptycki, *Ukraina wobec Rosji. Studium zależności [Ukraine against Russia. Dependency Study]*, Warsaw 2013, p. 71.

² See the Law on the Freedom of Conscience and Religious Organizations, "News of the Verkhovna Rada of Ukraine" 1991, no. 25. Ukrainian legislature uses the term "religious organizations" there, not e.g. churches and other religious organizations, as was adopted in the Polish legal system.

³ See J. Babinow, *Poszukiwanie ukraińskiego modelu stosunków państwowo-kościelnych [Search for the Ukrainian Model of State-Church Relations]*, Krakow 2001, p. 15.

Immediately after obtaining Ukrainian independence, the strongest position (measured by the number of parishes and faithful) was obtained by the Ukrainian Orthodox Church of the Moscow Patriarchate. However, statistical and very approximate data was published as late as 2003, 2006 and 2007, which shows a large numerical discrepancy, indicating successively 11.7 million; 14.9 million and 32.4 million believers. In 2013, the Church had 11,790 parishes, 20 educational establishments, 179 men's and women's monasteries and 9,158 clergy. After 2014, dioceses in Simferopol, Theodosia and Dzhankoj were absorbed into the structures of the Russian Orthodox Church (synodal resolution of March 9, 2015). The second-largest Ukrainian Orthodox community declares that it belongs to the Ukrainian Orthodox Church of the Kiev Patriarchate (in 2007, there were 34 dioceses, 4,281 parishes, 16 educational establishments, 45 monasteries and the number of believers numbered between 10.9–20.9 million). In turn, the Ukrainian Orthodox Autocephalous Church includes 1,197 parishes, also foreign, 688 clergy, 14 eparchies, 7 educational establishments, 9 monasteries and about 1 million believers in Ukraine.

In turn, the largest Catholic Church in Ukraine is the Ukrainian Greek Catholic Church, with its structures outside Ukraine. It has 2,347 priests, 105 monasteries, 3,599 clusters (parishes), and 15 educational establishments. Approximately 10% of Ukrainian society, mainly in the western part of Ukraine, confirms belonging to the Church. However, the Roman Catholic Church in Ukraine is a relatively small religious community with 566 clergymen serving in 909 parishes and 96 monasteries. Most clergymen are citizens of the Republic of Poland or persons of Polish origin. After the annexation of the Crimea and the tightening of Russian visa regulations, foreigners from Simferopol-Odessa's diocese were mostly forced to leave the

parish, which in turn resulted in the suspension of Church structures in this area.

On the other hand, many Protestant communities in Ukraine constitute a diverse religious mosaic (Baptists, Evangelical faith Christians, Adventists, Pentecostals, Lutherans, Presbyterians). Statistical data from 2004 regarding the number of believers give a very broad estimate (a discrepancy from 200,000 to 2.4 million). After 2014, Ukraine's Ministry of Culture and Sport did not publish newer estimates due to the high dynamism associated with the migration of people in large industrial cities of southern and eastern Ukraine, where the majority of believers of Ukrainian Protestantism previously lived.

The Ukrainian communities of the Mosaic religion are also not uniformly organized (the Union of Jewish Organizations of Ukraine, Chabad Lubavitch Chasidic Union, All-Ukrainian Congress of Jewish Religious Organizations). After the annexation of the Crimea and the events in Donbas, a large group of believers from this religion left the Odessa, Dnipropetrovsk, Kharkiv, Donetsk and Crimea regions and for Israel (four times more Odessan Jews left Odessa in 2014 than in 2013). The reason for this was the difficulties in performing religious practices and religious discrimination.

As in the case of Jewish communities, in Islamic religious organizations, in Ukraine, there is a lack of unity within the same religion. By 2014, the largest concentration of Muslims was definitely recorded in Crimea, but after that time, the Muslim diaspora there clearly dispersed. The Crimean Tatars who stayed on the peninsula needed to accept the supremacy of the new Russian (Taurian) Muftiate and submit to the denominational legislation of the Russian Federation. This phenomenon is more dangerous since Crimean Muslims began to be unjustifiably identified with Islamic religious extremism,

and so special security measure began to be applied to them (as in relation to terrorists). This clearly weakened the sense of security of believers themselves and guaranteed improving the situation for the Crimean Muslims.

In the case of Ukraine, we are also dealing with an underestimated number of religious organizations forming the so-called new religious movement. In the common point of view, they are treated as sects, but this term is not a statutory term. According to the Razumkov Center in Kiev, the Church of Scientology, the White Brotherhood, Buddhists and followers of Krishna's faith belong to the category of religious organizations⁴.

Taking into account the cited above statistics on religious organizations, one can get the impression that this number is extremely high. However, it must be taken into account that every Ukrainian religious organization (each parish, religious school, monastery) is treated as a separate entity, even if it belongs to the same religion. It is rather a false conviction that there is a disproportionate number of religious organizations in relation to, for example, the number of Ukrainian citizens⁵.

Autocephaly for the Ukrainian Orthodox Church

The creation of one undivided national church was present at the beginning of Ukrainian statehood after it gained independence from the Soviet Union. However, the creation of canoni-

⁴ I provide statistics on individual religious communities citing: J. Nikołajew, *Wspólnotowy wymiar wolności światopoglądu i przekonań religijnych oraz jej realizacja w ukraińskim systemie prawnym [Community Dimension of Freedom of Belief and Religious Beliefs and Its Implementation in the Ukrainian Legal System]*, Lublin 2016, p. 57 n.

⁵ See A. Grajewski, *Za Boga i "Ruski mir" [For God and the "Russkiy Mir"]*, "Gość Niedzielny," no. 7/2015, p. 11.

cal unity in Ukraine is not possible without the consent of both patriarchs, whose jurisdictional influence in this country is by far the strongest. The agreement of “Moscow” and “Constantinople” would be possible only in the situation of the mutual concessions of each party. Its absence for decades prevented even the approximation of positions, and the arguments about the non-canonicity of the Ukrainian Orthodox Church of the Kiev Patriarchate and the Autocephalous Church proved to be an insurmountable obstacle. The severance of all contacts concerned relations at the level of patriarchs as well as Church superiors in Ukraine⁶. Only the intensive involvement of state authorities after the Russian annexation of Crimea and the events in Donbass started the autocephalous process of the Ukrainian Orthodox Church⁷. First, the Verkhovna Rada of Ukraine filed a motion to dismiss the decree of 1686 stating the division of the Orthodox Church, and the church process that has not yet been completed was formally initiated on July 27, 2018 (the so-called Tomos, i.e. the canonical act on creating a new church is needed). On the other hand, he succeeded in removing the anathema (church curse) on Patriarch Filaret, and the Holy Synod of the Ukrainian Orthodox Church of Kiev Patriarchate adopted a resolution to grant a new title for the future Patriarch of a unified church, or the patriarch of Rus-Ukraine and the Metropolitan of Kiev and all of Russia–Ukraine on

⁶ See M. Potocki, *Wojna Ukrainy z Rosją przeniosła się do cerkwi. Potwierdzenie autokefalii priorytetem Poroszenki [The War of Ukraine with Russia Has Moved to the Church. Confirmation of Autocephaly Is Poroshenko's Priority]*, “Gazeta Prawna,” October 17, 2018, p. 7.

⁷ Autocephaly means nothing but full church self-governance and the fact that “nobody is above one another” (in the case of Ukraine, it concerns Moscow’s influence). From the point of view of canon law, however, it is required to have at least four active bishops. In the case of church autonomy, such independence no longer exists. See A. Grajewski, *Przed wielką zmianą [Before the Big Change]*, “Gość Niedzielny,” no. 38/2018, p. 6.

October 20, 2018. At the same time, the chairman of the Ukrainian parliament, Andrij Parubij, proposed the Sofia Cathedral in Kiev become the cathedral chair of the autocephalous church. This caused obvious protests in Russia expressed by ecclesiastical and secular authorities. The Holy Synod of the Russian Orthodox Church officially broke relations with the Ecumenical Patriarchate and Dmitry Peskov, spokesman for Russia's President, criticized the decision of Constantinople⁸.

Continuing the process of uniting the Ukrainian Church can turn out to be even more difficult than anticipated due to the imprisonment of Ukrainian prisoners of war in the Straits of Kerch on November 25, 2018 by the Federal Security Service of Russia⁹. It is hard not to notice the convergence of the dates of both events and not to regard the actions of the Russians as a retaliation against the process of the ecclesiastical independence of Kiev from Moscow. The introduction of martial law in some regions of Ukraine can delay the process of autocephaly but at the same time strengthen secession tendencies. As a consequence of adopting autocephaly, the Russian Church can lose its influence in Ukraine, where the largest diaspora of

⁸ It should be clearly noted that the Ukrainian Orthodox Church of the Moscow Patriarchate is strongly opposed to the creation of a single national church. However, Archbishop Aleksandr Drabinko, for example, according to whom the auto-malfunction process is needed by Ukraine, broke away from this monolith. Such a position should also be confronted with a statement issued by the authorities of the Polish Autocephalous Orthodox Church (PAKP) after the Holy Synod of this church dated November 15, 2018, in which the Church's liturgical and prayer contacts with the clergy of the Ukrainian Orthodox Church of Kyiv Patriarchate and the Autocephalous Church were forbidden. The PAKP adopted the decision of autocephaly in 1924.

⁹ It is worth emphasizing the involvement of Archbishop Agafangela from Odessa (Patriarchate of Moscow) who on December 3, 2018 asked Patriarch Cyril for help in the release of Ukrainian sailors. At the same time, the bishops of the place, that is, the Orthodox metropolitans from Kercza and Simferopol, behaved passively.

this Church is located outside the borders of the Russian Federation. The loss can also have the effect of depleting the material substance of the Russian Orthodox Church, but above all Moscow's position in relations with the other (14) Orthodox patriarchates throughout the world¹⁰.

Changes in the Canonical Affiliation of Ukrainian Orthodox Churches

Changes in the subordination of the jurisdiction of Orthodox parishes previously belonging to the Ukrainian Orthodox Church of the Moscow Patriarchate and their transfer to the structures of the Ukrainian Orthodox Church of the Kiev Patriarchate after 2014 were a frequent phenomenon. We can explain this in several ways. First of all, it is about the anti-Russian attitude of the majority of Ukrainian society after the annexation of Crimea and their social opinions after the hybrid war in the East. This was also connected with the demands of the liquidation of the Russian language from the liturgy in Ukraine and omitting liturgical prayers for Patriarch Cyril as the head of the occupant's church. Criticism concerning the head of the Russian Orthodox Church was related to his close relations with Vladimir Putin and the passivity of the hierarchy towards the Crimean annexation. What is more, reluctance towards the "Moscow" church was explained by the church's clergy supporting pro-Russian separatists, which was granted not only in the religious dimension. The Pochayiv monks were accused, for example, of their involvement in Russian affairs consisting in hiding separatists and their weapons in the monastery. This

¹⁰ See W. Radziwinowicz, *Historyczna decyzja Konstantynopola. Moskiewska Cerkiew traci Ukrainę [A Historical Decision of Constantinople. The Moscow Orthodox Church Is Losing Ukraine]*, "Gazeta Wyborcza," September 7, 2018, p. 2.

increased the tendencies of jurisdictional changes to the extent that there were approx. 70 of them in the period of 2014–2015 (in 2014 – 30, in 2015 – 40).

These changes consisted in the fact that corrections were made to the statutes of religious organizations at the request of parish councils (including parish priests) or as a result of a referendum vote of members of parish communities. The results of such votes were not always fair, because in some cases, the number of voters exceeded the number of the empowered, that is, the faithful belonging to a given parish. During the referenda, there were police interventions related to crimes of domestic violence, personal injury, property damage, punishable threats and religious hatred.

The canonical changes mainly concerned western districts of Ukraine and included, among others, the following parishes: Sołoniów, Ostrów, Rachyn, Milejewo, Kulbaki, Subodycze, Uchrynów, Peczychwosty, Warwary, Nowostaw, Turce, Strilcze, Butyń, Pticza, Wieliki Łazy, Nowosiółki, Borsuki, Łanowce, Czudnica, Kołosów Krzemieniecki, Stawiszczany, Grybowica, Myrosław, Michałków, Pilipec, Duliby, Wołoczyska, Baszuk, Kutiwka, Oranje. In addition to western Ukraine, changes also covered the Kiev region, the Poltava region and Kirovograd, but to a lesser extent.

The progressing jurisdictional changes were to be prevented by the “grassroots” initiative of the Orthodox bishops of both churches from Rivne, who in the city signed a memorandum regarding the creation of common organizational structures on November 13, 2014. However, after a few days of this initiative, they withdrew due to the critique of church authorities. At that time, Ukraine’s Ministry of Culture appointed the so-called working group, but it did not reach the assumed agreement.

Property-Related Disputes

In general, mutual property claims related to contentious issues concerning either the lack of organizing the “former” property issues of religious organizations or “new” problems related to new statutes of religious organizations after changes in canonical affiliation. Taking into account historical events, attention should be paid first of all to the policy of the Soviet state carried out before 1991, which forcibly and successively appropriated the property of religious organizations. After obtaining state independence, the new Ukrainian authorities undertook to restore the lost property rights of church entities originating from pre-nationalization, and the statutory possibility of property restitution was already provided for in the Civil Code, in the Act on the Freedom of Conscience and Religious Organizations and in the executive acts issued on their basis.

However, it has not been possible to fully implement legislative solutions regarding, for example, the legal title to use church property (ownership, lease), the form of property return (in kind, asset compensation), the manner of the existing use of facilities (sacred and non-sacral functions), exclusions regarding the return of buildings of historical and cultural value and facilities important for public safety, and procedures for submitting refund requests and appealing against decisions that are not in line with the wishes of applicants. In practice, this was to mean difficulties related to the possible transfer to the State Treasury of objects important to Ukrainian Orthodoxy and the state tradition (the Kiev Pechersk Lavra and the Pochayiv Lavra)¹¹. Other church objects whose legal status had

¹¹ The takeover of the Peczerska and Pochayiv Lavras by a specific religious community not only incorporates religious and state aspects, but also boils

not been regulated by that time also became the subject of a church-state dispute. They are, for example, the areas of the former Sofia Council in Kiev, the A. Sheptytsky hospital in Lviv and Lviv military facilities at Piekarska and the local Churches of St. Mary Magdalene, St. Kazimierz and St. John the Baptist. Not adopting the so-called Church's reprivatization law also makes it impossible to avert the conflict over the ownership of church property created within the same church but varied with respect to the rite. In Lviv alone, the dispute between the Latin and Greek Catholic Churches regarding the possibility of using sacred buildings concerns at least a dozen or so temples. These functioned as "Polish" churches before 1939, and included the churches belonging to the Dominicans, Carmelites, Jesuits, Bernardines, Our Lady of the Snows, Our Lady of Candlemas and others¹².

In addition to Lviv, the new authorities made an inventory of the property of religious organizations in the Crimea after 2014 in a direction that would prevent "theft and export of works of art from the Crimea". At the same time, the rates of the existing fees for renting religious facilities were increased, in some cases even being several times higher, and all religious organizations were obliged to register once again and disclose all components of church property. Its size could be taken into account in determining not only lease fees, but also fees for the

down to a strictly commercial dimension. Therefore, the current "user" of the Lavra in Kiev is trying to maintain the *status quo* also with the use of available media. In response, the Security Service of Ukraine initiated criminal proceedings against the rector of Pecherska Lavra, Archbishop Paweł, charging him with art. 161 para. 2 of the Criminal Code of Ukraine on inciting religious hatred in this way.

¹² See T. Krzyżowski, *Odrodzenie Kościoła rzymskokatolickiego w Ukrainie południowej (i Krymie) w epoce posttotalitarnej [The Revival of the Roman Catholic Church in Southern Ukraine (and Crimea) in the Post-Totalitarian Era]*, "Nowa Ukraina," no. 13/2014, p. 38.

utilities supplied. In the case of including Moslem, Jewish or some Orthodox communities into Russia's structures also meant taking over their existing property. Tatar organizations began to be treated as extremist and the use of property security with church property was practiced in the form of a preventive measure or against future penalties, including property ones, in criminal proceedings against them. On the other hand, the property of the Roman Catholic Church left by the parishes located in the Crimean area of the Simferopol–Odessa diocese was taken over by the State Treasury, which unreasonably treated it as abandoned property.

In the Donetsk and Luhansk oblasts, the property relations of church entities significantly impeded the war effort, within which a clear tendency of encouraging the Ukrainian Orthodox Church of the Moscow Patriarchate to emerge from the pro-Russian separatists was visible. At the same time, the financial status of other religious communities has significantly weakened. For example, in Donetsk, the separatists unlawfully occupied the building of the Christian University belonging to the Evangelical Church, as well as the church rooms belonging to the Adventist and Baptist community, and used them as barracks or military hospitals. Baptist Church authorities also revealed data on the destruction of 3 temples and 7 houses of prayer belonging to them located in the Donetsk and Luhansk oblasts at the turn of 2014/2015. Two Donetsk churches belonging to the Ukrainian Orthodox Church of the Moscow Patriarchate were also destroyed as a result of the bombing, and arson fire attacks on churches of various Protestant denominations functioning in the city were recorded.

At the same time, property relations in Donbas were influenced by media information coming from the Moscow region's church regarding the necessity of introducing the Russian ruble,

with a significant increase in church fees charged for religious rites and the sale of religious articles. According to them, Metropolitan Hilarion from Donetsk also threatened to exclude the clergy who would not want to apply the new rules in his diocese. The so-called Russian Orthodox Army, as an organ of security of the self-proclaimed folk republics established in Donetsk and Luhansk, was to be the guarantor on the part of the state in this respect.

The dynamically developing religious situation in the Donbass (also providing property guarantees for local religious organizations) is subject to continuous monitoring by the Ukrainian Helsinki Committee and the Institute of Religious Freedom (IRF). The IRF report, with recommendations published in Kiev on October 24, 2018, indicated the need to convene a special meeting of the UN Human Rights Committee on the implementation of religious rights in the community, taking into account individual dimensions in eastern Ukraine and its ongoing monitoring by specialized United Nations agencies.

Confessional Security and Cross-Border Security

Undoubtedly, the proper arrangement of interfaith relations is a guarantee of the internal order and security of the state. The case of Ukraine is a typical example of a denominational religion divided within the same Orthodox religion. There are also divisions visible in the eastern and western parts of the state which poses a real external threat on the part of their stronger and more powerful neighbor's aspirations. In view of such a complicated internal and external situation in Ukraine, it seems necessary to take decisive measures to stabilize and mitigate all real and potential threats. The obligations related

to this should primarily focus on ensuring religious order also understood in terms of confessional security. Such a concept is not yet popularized in the doctrine of security sciences or religious law, but the case of Ukraine provides an obvious incentive to undertake this kind of consideration. Regardless of whether we use such conceptual instruments as “confession security” or “religious security” (despite the fact that they are semantically different terms), they will always be about preserving the identity of beliefs and world-views in the community and individual dimensions¹³.

In the case of Ukraine, religious security can be ensured only after the autocephalous process and the creation of a national church that is strong and supported by the authorities in Kiev. Second, changes in canonical affiliation and property claims arising from it must be resolved through mediation between the parties in the dispute. The third guarantor of such security is regulating the church-state relationship on the subject of property restitution or compensation for losses suffered by church organizations as a result of the prior nationalization of their property. Fourth, it seems justified to continue to support all Ukrainian religious communities in order to achieve internal stability and consolidate Ukrainian society in order to obtain security guarantees and maintain the integrity of national borders.

However, it should be emphasized that the lack of ensuring religious security can also be treated in terms of non-military

¹³ See A. Harbatski, *Tożsamość religijna a bezpieczeństwo konfesyjne: Współczesne wyzwania (na przykładzie Republiki Białoruś) [Religious Identity and Confession Security: Contemporary Challenges (as Exemplified by the Republic of Belarus)]*, “Pogranicze. Studia Społeczne,” vol. XXV (2015), pp. 140–141. In the study there are deliberations on the differences between cultural, religious, confessional and denominational security, and despite the fact that the author bases them on the Belarusian example, they also seem to be useful for the analysis of relations in Ukraine.

threats, despite the fact that the cases of the former Yugoslavia, Kosovo or Georgia clearly contradict this claim. Undoubtedly, however, any violation of the religious order inside the state can imply the emergence of a threat to external security in the cross-border dimension but also in other areas. This will also be about social, economic or IT threats. At this point, particular attention should be paid to increased migration (including illegal border crossing), epidemiological threats, the potential economic breakdown of neighboring countries and cross-border organized crime¹⁴.

Therefore, the case of Ukraine and Poland in their mutual cross-border relations after 2014 has slightly changed. It mainly concerns the fact that the border traffic related to refugees from Crimea and Donbass intensified, taking advantage of the convenient railway and road connections with Lviv, and through this city, they continued their journey to Poland and Germany. Among the people leaving the occupied or war-torn areas, there was also a group of Catholic clergy from Poland who were not protected by the new restrictive Russian legislation regarding visa requirements. At the same time, religious communities from Poland donating humanitarian aid to war zones are involved in charity work for Ukrainian society. They provide, not just occasionally, aid on the occasions of religious feasts¹⁵.

¹⁴ See C. Marcinkowski, *Zagrożenia i wyzwania transgranicznego bezpieczeństwa współczesnego świata [Threats and Challenges of Cross-Border Security of the Modern World]*, "Doctrina. Social and Political Studies," no. 8/2011, pp. 137–140.

¹⁵ See T. Bąk, *Bezpieczeństwo transgraniczne Polski [Cross-Border Security of Poland]*, "WSOWL Scientific Journals," no. 3(161)/2011, pp. 88 and 94.

Conclusions

The proper regulation of inter-faith relations in Ukraine requires state authorities to undertake decisive actions. Generally, there is no (and has never been) effective religious state policy as the foundation of stabilization, not only in the confessional dimension, but also to ensure Ukraine's order, internal security and external security. The residual denominational legislation of Ukraine does not fully guarantee the possibility of securing confessional order between particular religious organizations, especially in the field of canonical subordination of some Orthodox parishes, property claims and the creation of a Ukrainian national church. Particularly after 2014, the religious situation became highly tense, and the rise of the anti-Russian attitude in Ukraine began to be explained by the new geopolitical reality (in the following: difficulties related to the association agreement with the European Union, the events at the Maidan, the annexation of Crimea, and Russian separatism in Donbas).

The strong connection (even hierarchical dependence) among the structures of a part of the Ukrainian Orthodox Church and the Russian Orthodox Church was a direct reason for the departure of many religious communities from the Ukrainian Orthodox Church of the Moscow Patriarchate to the "competitive" Ukrainian Orthodox Church of the Kiev Patriarchate. Remaining in the "old" church structures personally identified with the President of Russia began to be treated in terms of national treason and collaboration with the occupiers of the Ukrainian Crimea. Reluctance towards the Russian Federation was also explained by the fact that in the areas annexed by Russia and by its controlled entities, the efforts of religious communities in ensuring religious order throughout Ukraine (including Crimea and Donbass) were destroyed. Russia's new

religious legislation has prevented all religious communities that do not belong to the “Russian” church structures from carrying out their religious and ideological freedom, not only in the community, but also in the individual dimension. Difficulties involved the necessity of the “old” (previously Ukrainian communities) to forcibly join the organizations already registered in the Russian Federation, a “new” fee incurred in the registration of religious organizations, raising excessive fees for using sacred buildings, appropriating church property and treating Crimean Muslims as religious extremists. After 2014, discriminatory state policy towards religious communities not identified with the Russian tradition (“strangers”) was initiated in Crimea and partly in Donbass, and they were called sects, despite having already well-established religious doctrines and developed organizational structures with their own clergy.

Religious antagonisms within the Ukrainian Orthodox Church revived along with the implementation of the concept of creating a single national church independent of the church structures associated with Moscow. Involvement of the clergy of the Ukrainian Orthodox Church of the Kiev Patriarchate and the Ukrainian Autocephalous Orthodox Church was accompanied by the support of Ukraine’s highest state authorities, with the clear disapproval of the Russian Orthodox Church and the President of Russia. As a result, this has led to tensions and quite difficult relations between the Patriarchates in Moscow and Constantinople in the background of mutual canonical influence and property-related dependence.

The intensification of these tensions undoubtedly has an impact on reducing the level of Ukraine’s internal security and the country’s border security. This is not only about intra-ecclesiastical migrations, but also about the need to leave the current territory motivated by religious discrimination reasons

and moving outside the Ukrainian state or artificially created border cordons in the Luhansk and Donetsk regions on the so-called border with Ukraine. This creates a serious threat to the protection of the state border and Ukraine's relations, e.g. with Poland, especially in border areas.

Considering the complicated and still unregulated political situation (the introduction of martial law in December 2018 on part of Ukraine's territory) and not completing the canonical process aimed at creating a new autocephalous church (decisions are independent of state power), it seems that Ukrainian inter-faith relations will evolve towards strengthening the security of this country in the internal and external dimensions. The strong political commitment of Ukrainian church hierarchs has become part of the functioning of this nation after it gained independence and it will be difficult to change this practice even with the creation of the Ukrainian national church.

Aleksander Kuczabski

Decentralization of Public Authority in Ukraine and Development of Polish–Ukrainian Cross-Border Cooperation

Introduction

The area of the Polish–Ukrainian borderland has a unique potential for integration in the economic, social and cultural fields. This primarily results from the artificial nature of the border between Poland and the USSR established in the years 1945–1951. The new border politically divided the previously uniform area in terms of the common historical heritage, economic, family and neighborhood bonds. Even the massive Polish–Ukrainian ethnic repatriation carried out in the region in 1944–1946, and the dominance of the closed character of the new border, did not neutralize the mutual desire to revive former ties on both sides of the border almost until the creation of independent Ukraine in 1991.

The reactivation of former ties and the activation of cooperation on the Polish–Ukrainian borderland encounter many limitations and obstacles. Among others, this is due to the different levels of the advancement of both countries into European integration. Poland has been a member of the EU since

2004, while Ukraine has only been a country associated with the EU since 2014. Therefore, the Polish–Ukrainian border has been at the same time the external EU border since 2004. The disproportions in the economic development of both neighboring countries, growing since the early 1990s, is another problem limiting the development of Polish–Ukrainian cross-border cooperation. Significant impediments to such cooperation include the different nature of society in terms of involvement in public affairs, or sometimes even considerable differences in the competences of the public administration structures of Poland and Ukraine.

The aim of our study is to examine the impact of the decentralization of public authorities in Ukraine on the development of Polish–Ukrainian cross-border cooperation. In a broader perspective, it shows the extent to which systemic transformation towards democratization and self-governance development can become a key element of Ukraine’s integration with the EU.

Reconstruction of the organizational system of public authorities in Ukraine has been a permanent matter since its independence in 1991. Apparently, as with other post-communist countries in Central and Eastern Europe, Ukraine implements a strategy of transforming the former highly centralized structures of public administration towards democracy and decentralization. In contrast to Poland and other countries in the region, the transition of Ukraine from totalitarianism to democracy is a much longer process. What is more, this process has not yet ended. The democratization process of Ukraine is also not linear and is characterized by frequent changes in their transformation phases¹.

¹ T. Michalski, A. Kuczabski, *Uwarunkowania procesu transformacji na Ukrainie [Determinants of the Transformation Process in Ukraine]*, “Acta Universitatis Lodzianis. Folia Geographica Socio-Oeconomica,” no. 17/2014, p. 305.

An acute political discussion about the necessity and principles of rebuilding the public administration system in Ukraine did not allow for a long period of transition to specific changes in the nation's territorial structure. Until 2014, all of the changes mainly concerned maintaining a certain balance of the central and self-government powers, achieved during the constitutional agreement in the mid-1990s. The basic principles and key elements of the administrative system based on the idea of self-government of Ukraine's territorial units were included in the Constitution of Ukraine (1996), the Act on Local Self-Government (1997) and the Act on Organ Self-Organizing Bodies (2002). After an unsuccessful attempt to reform the administrative division in 1997, the issue of reorganizing the administration several times became the reason for sharp political discussions.

Only after the so-called "Dignity Revolution" in 2014 and the takeover of power by the pro-European political elite did the process of creating active and effective local self-governments based on the reform of the administrative division begin. The most important element of such a reform was the creation of new, much more self-sufficient administrative units, referred to as "capable clusters", at the local level. A combination of the existing small clusters, according to a scientifically established plan, was the mechanism used for the creation of such new clusters. As a result of the implementation of new rules of the territorial organization of public authorities in Ukraine, there is a chance to create an adequate administrative infrastructure, similar to the one functioning on the Polish side in terms of competences and financial possibilities².

² A. Kuczabski, L. Zastavetska, T. Zastavetsky, *The Reform of Administrative Division in Ukraine: Problems of Territorial Communities' Formation in the Polish-Ukrainian Borderland*, "Journal of Geography, Politics and Society," no. 7/2017.

Assumptions of a Decentralization Reform and Their Implementation in Ukraine

The vision and strategic tasks in the field of territorial self-government were defined in the “Concept of Reforming Local Government and the Territorial Organization of Power in Ukraine” of 2014. The document after the failed attempt by the Verkhovna Rada to adopt the act, acquired the status of a law under the relevant Government Regulation. Then, on June 18, 2014, the Government of Ukraine approved the “Action Plan” regarding the implementation of the above-mentioned Concept by a separate regulation. In this way, an active legislative phase has actually begun, aimed at amending the existing legislation in the field of the functioning of public administration structures.

According to the Plan, the legal basis for decentralized budget was introduced through appropriate changes in the Ukrainian Budget and Tax Codes. The changes to the Budget Code mainly concerned the simplification of relations between new clusters and the central budget. In the case of adopting to the government’s recommendations regarding the merger of municipalities, new units are given the competences and resources that until now belonged only to cities of peripheral importance.

The necessity of budgetary decentralization results from the dynamics of their income in the consolidated budget of Ukraine, unfavorable for the subjectivity of local government units, which has been consolidated in recent years (Table 1). A slight decrease in the share of own revenues while increasing the role of transfers from the central budget undermines the consistency of central authorities in continuing the declared policy of decentralization.

Table 1.

Share of revenues of local self-government budgets in the consolidated budget of Ukraine

| Type of income | 2006 | 2009 | 2012 | 2015 | 2017 |
|---|------|------|------|------|------|
| Own income, including transfers from the central budget,% | 41.2 | 41.3 | 44.9 | 45.2 | 49.4 |
| Own income without transfers from the central budget,% | 23.2 | 26.0 | 22.6 | 18.5 | 22.6 |

Source: own study based on data from: Річні звіти Державного Казначейства України про виконання Державного та місцевих бюджетів України³.

The vast majority of legislative initiatives regarding the reform of the public administration system belonged to the Government of Ukraine, in particular to the structures of the Ministry of Regional Development, Construction and Housing and Communal Economy. The key role in the organization of territorial management and reform of the administrative division belonged to such bills developed by the Ministry as “On Cooperation of Territorial Clusters” and “On the Voluntary Connection of Territorial Clusters.” Until now, contrary to the constitutional findings in Ukraine, there has been no mechanism for bottom-up creation of territorial self-government units through consolidation.

The Law of Ukraine on the voluntary merger of territorial communities, passed in 2015, was aimed at, among others, creating legal conditions and strengthening the guarantee of the functioning of local self-governments, supporting the creation of the so-called “capable” rural territorial clusters, as well as supporting sustainable territorial development and rational

³ Державна казначейська служба України, www.treasury.gov.ua/ua (accessed on 11 February 2019).

use of budgetary resources. The Act provides for the right of the residents of the cluster to initiate a voluntary merger of the existing clusters, and the very merger procedure does not exclude holding local referenda.

In turn, the Law of Ukraine on the cooperation of territorial clusters (2015) provides for the legal foundation of cooperation of local government units. The existing Ukrainian law provided for only a general framework for inter-municipal cooperation. The new law classifies the cooperation of territorial clusters as forms of relations on the basis of appropriate agreements between two or more clusters in order to implement socio-economic and cultural development, improve the quality of public services, and the effective implementation of the tasks of self-government bodies. It is precisely through the development of this type of cooperation that the legislator attempted to solve the problem of the development of suburban zones of large cities.

Detailed guidelines on the new administrative division were included in the “Methodology for Creating Capable Territorial Clusters”, introduced by the decision of the Ukrainian Government on April 8, 2015. The methodology contains a precise definition of a “capable cluster” defining it as a territorial cluster of villages (towns, cities) that will be able to provide the appropriate level of service provision, especially in the fields of education, culture, health care, social policy, municipal economy, based on human resources, financial and infrastructure resources of the relevant territorial-administrative unit as a result of a voluntary merger.

A characteristic feature of Ukraine’s decentralization reform is the very important role of central administration in the decision-making process, which can be explained by the persistent tradition of making political and administrative top-

down decisions without extensive public consultation. The Law of Ukraine on the voluntary merger of territorial communities (2015) recognized the so-called “Perspective Plan to Connect Territorial Clusters” to be the basic document designing the territorial shape of future units of the administrative division. It was precisely the preparation of such a plan that was planned at the level of each region and it became the task of state administrations in individual regions. Then, each prospective plan was subject to approval by oblast boards and, as a last resort, the Cabinet of Ministers of Ukraine.

As assumed by the government expectations, the deciding incentive of the consolidation consisted of financial benefits. Adapting to the recommendations of the reform projects on joining the clusters opens access to funds from the central budget, important in Ukrainian and national conditions, provided for the construction of local infrastructure. The dispersal of this subsidy into individual clusters, let alone locally, unfortunately does not allow for the start of major investments of strategic importance. Perhaps an improvement in the economic situation in the country will have a more positive impact on the collection and spending of funds.

In the course of the reform, there were also significant changes in the income structure of part of the budgets of local government units. The share of own revenue during the first year of the reform increased by 10%, which confirms the tendency to subject the self-government and gives grounds to talk about steps towards financial decentralization. Nevertheless, a significantly lower share of own revenues of the budgets of new communes could be observed (29.7% in the Volyn Oblast and 31.4% in the Lviv Oblast) in comparison to the respective index of all clusters (44.8% in the Volyn Oblast and 56.0% in the Lviv Oblast). This rather indicates that merging at this stage

concerned the weakest entities in terms of financial self-sufficiency, because they are on average weaker than most old clusters even after the consolidation procedure⁴.

Reforming the Administrative Division

One of the conditions for a successful systemic and economic transformation of the state is the reconstruction of its public administration in both its functional and spatial dimensions⁵. In this respect, the implementation of the decentralization reform in Ukraine is associated with changes in the current administrative division of the country. The realization of the reform practically allows reactivating self-management in the examined area as a basic element of territorial management.

There is always a fundamental reconstruction of the public administration system at the basis of every reform of the administrative division. It is also important that the administrative division is not only a spatial form of the functioning of public administration bodies. A. Miszczuk draws attention to the tendency changing the essence of the administrative division, which ceases to be only an “administrative force”, and acquires the characteristics of “infrastructure force”⁶. The territorial division is a construction by means of which a specific spatial order

⁴ A. Kuczabski, *Reforma podziału administracyjnego na Ukrainie jako uwarunkowanie rozwoju pogranicza polsko-ukraińskiego* [The Reform of the Administrative Division in Ukraine as a Condition for the Development of the Polish–Ukrainian Borderland], [in:] A. Miszczuk (ed.), *Wyzwania rozwojowe pogranicza polsko-ukraińskiego* [Development Challenges of the Polish–Ukrainian Border], Lublin 2017, pp. 215–234.

⁵ H. Izdebski, M. Kulesza, *Administracja publiczna – zagadnienia ogólne* [Public Administration – General Issues], Warszawa 2004.

⁶ A. Miszczuk, *Regionalizacja administracyjna III Rzeczypospolitej. Koncepcje teoretyczne a rzeczywistość* [Administrative Regionalization of the Third Polish Republic. Theoretical Concepts and Reality], Lublin 2003, p. 7.

is achieved in the implementation of public tasks. This division is used not only by the administration. It is of organizational and ordering significance on a much broader political, economic and social scale⁷.

At present, the reform of the administrative division in Ukraine is in the active phase. This is only the initial stage of a wide-range system and administrative reform, which should implement the foundations of local democracy and go beyond the decentralization reform at the regional level at an appropriate time.

The reform in the Volyn Oblast is carried out on the basis of the Plan of merging territorial clusters approved by the Cabinet of Ministers of Ukraine on September 23, 2015 (Regulation No. 993-p). The original text of the regulation has already been amended twice (June 21, 2017 and May 16, 2018). 51 new clusters had been created to replace the former 222 clusters since the beginning of the reform in the region (until the end of 2018). This result is much better than the national average, placing Volyn at the forefront of the most reformed oblasts in Ukraine (Table 2).

In the Lviv Oblast, the prospective plan to merge territorial clusters was approved by the Regulation of the Cabinet of Ministers of Ukraine on November 11, 2015 (Regulation No. 1158-p). Since then, changes have been made to the adopted arrangements three times (December 4, 2015, July 19, 2017 and November 21, 2018). The latest edition of the plan assumes the creation of 85 new ones to replace the existing 711 clusters. 10.8% of the territory of the region (the Drohobycz and Stryj Oblasts) is still not included in the plan to merge the clusters⁸.

⁷ T. Kaczmarek, *Struktury terytorialno-administracyjne i ich reformy w krajach europejskich [Territorial and Administrative Structures and Their Reforms in European Countries]*, Poznań 2005, p. 31.

⁸ Ibidem.

Table 2.

Dynamics of merging clusters in Lviv and Volyn Oblasts (2015–2018)

| | Lviv Oblast | Volyn Oblast | Ukraine (without occupied areas) |
|---|-------------|--------------|----------------------------------|
| All the clusters before the reform | 711 | 412 | 10 952 |
| Clusters liquidated as a result of consolidation | 164 | 222 | 4 010 |
| New clusters created as a result of consolidation | 40 | 51 | 876 |
| Share of reformed clusters % | 23.1 | 53.9 | 36.6 |

Source: own study based on data from the Ministry of Regional Development, Construction and Housing and Communal Economy of Ukraine⁹.

The hitherto implementation of the administrative division reform in Ukraine, especially the situation in the Polish–Ukrainian border area, revealed a number of problems related to the organization of a new local government system, including the development of the local economy and cross-border cooperation prospects. The most important problems include:

- the unfavorable general economic situation in the country, caused by military actions in the east and a consequent lack of market-oriented reforms. In the future, this can affect the further development of disproportions in living standards on both sides of the border and disturb the parity in the form of cross-border cooperation;

⁹ Моніторинг процесу децентралізації влади та реформування місцевого самоврядування на 10 січня 2019 (за грудень 2018), Міністерство регіонального розвитку, будівництва та житлово-комунального господарства України, <https://storage.decentralization.gov.ua/uploads/library/file/359/10.01.2019.pdf> (accessed on February 11, 2019).

- the cabinet nature of the reform, which translates into a lack of sufficient social acceptance. Acceleration in the implementation of the reform has contributed to the consistent lack of information policy of the authorities. In this way, the created units of the administrative division do not emerge in the course of discussions among broad social strata, but they arise mainly as a result of compromises of the interest groups of regional and local importance;
- focus on the reorganization of rural areas. One of the fundamental drawbacks of the reform is that in many cases, there is a simple reshuffling of smaller towns among newly selected centers for local development. In this way, the issues of managing larger cities and agglomerations remained without a proper solution.
- possible intensification of the degradation of peripheral areas. In fact, one of the key reasons forcing the central authorities to speed up the reform is the intention to rationalize the costs of maintaining the administration and social infrastructure at the local level. There is no doubt that this will result in the reduction of numerous unprofitable facilities, so far maintained from local government budgets. This will make the situation worse in peripheral towns, which may result in the intensified degradation of such areas;
- uneven redistribution of funds from the reformed administrative units to new clusters. The mechanism for implementing the reform was based on a financial instrument. Units, merging into new structures, receive larger subsidies from the state budget. Nevertheless, such additional funds arise from cuts in the budget's budget expenditures on other purposes and entities. If such cuts

result in lowering financial support for units delayed in the reform, this can lead to some sabotage, and even worse, to organizing and politicizing anti-reformist communities.

The mentioned issues and the lack or insufficient response to them from the central authorities translate into some fears in relation to ensuring the implementation of basic goals or democratic principles of the reform. The following cause specific anxiety:

- the build-up of conflicts within top-down merged clusters as a result of the lack of sufficient identity among the residents of the new administrative units;
- moving public services away from citizens. Enlarging the size of clusters will drastically reduce the physical and communication availability of administrative offices, especially in conditions of underdeveloped means of transport;
- reduction of peripheral social and cultural infrastructure facilities (primary schools, outpatient clinics and clinics, cultural centers, libraries), caused by the natural desire to optimize budget costs, but lowering living standards in smaller towns, distant from new administrative centers;
- avoiding the reform by old groups, not willing to connect with neighboring units through the existence of various barriers (from mental to economic), which threatens the growing marginalization of entire areas and can necessitate the finalization of the reform in a prescriptive manner;
- permanent destabilization of the functioning of local administration, through necessary adjustments and improvements of the administrative subdivision which are not very substantively justified and hastily approved;

- possible failure to reform as a result of the change of the ruling political elite in the next election, which can also be caused by the existing errors related to the implementation of the administrative reform.

Translating Political Changes into Polish–Ukrainian Cross-Border Cooperation

The reconstruction of administrative structures in the border areas is characterized by a certain specificity due to its impact on the social and economic development of respective territories. The socio-economic development of the Polish–Ukrainian border area is conditioned by many factors. The key element of this development is the border, crossing the relevant area and dividing it into parts, different in terms of the applicable law, the nature and shape of administration or the intensity of economic activities. The current course of the Polish–Ukrainian border was determined in the years 1945–1951, as a result of the geopolitical aspirations of the totalitarian regime of the USSR. The collapse of the USSR and the establishment of an independent Ukraine in 1991 did not affect the course of the border, but fundamentally changed the nature of the border itself. Since then, the revival of pre-war social, economic and cultural ties has begun.

Currently, the Polish–Ukrainian border is a 524.39-kilometer long line and has 14 border crossings serving regular passenger transport. The intensity of traffic at individual crossings varies. The most popular border crossings are: Dorohusk – Jagodzin, Hrebenne – Rawa Ruska, Korczowa – Krakowiec and Medyka – Szeginie, altogether accounting for 77% of individual traffic. The bandwidth of border crossings remains permanently insufficient, which increases the waiting time at the

border. In order to solve the problem only within the limits of the Lviv Oblast, the start-up of subsequent crossings is planned: Malhowice – Niżankowice, Budynin – Bełz, Smolnik – Boberka, Bystre – Mszaniec, Zbereże – Adamczuki, Kryłów – Kreczów, Ambuków – Gródek, Uśmierz – Waręż, and Dyniska – Uhnów (Zastawne)¹⁰.

The issue of the administrative division of the Polish–Ukrainian border area should be considered in various aspects. First, the administrative division creates a territorial basis for the functioning of public administration bodies and institutions. Second, it determines the emergence and development of territorial social systems with a specific territorial identity. Third, it is a spatial form of distributing financial resources that determines the territorial character of public investments. All of the aspects more or less significantly translate into the nature and intensity of cross-border cooperation.

The concept of “cross-border cooperation” is precisely defined and described in numerous international legal acts. For example, in the European framework convention on cross-border cooperation between communities and territorial authorities, the Council of Europe document of 1980 ratified by Poland in April 1993, cross-border cooperation is considered “any joint action taken to strengthen and further develop neighboring contacts between communities and territorial authorities of two or more Contracting Parties, as well as the conclusion of agreements and the adoption of arrangements necessary for the implementation of such plans”¹¹. The expres-

¹⁰ Розвиток транскордонного співробітництва: науково-аналітична доповідь, Національна Академія Наук України. Інститут регіональних досліджень імені М.І. Долишнього НАН України, науковий редактор В.С. Кравців, Львів 2016, pp. 44–45.

¹¹ European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities, done at Madrid on 21 May 1980, OJ 1993

sion “community and territorial authorities” refers to units, offices and bodies carrying out local and regional tasks and others considered as such by each country’s internal law.

In the European Charter of Border and Cross-border Regions, published in 1981 by the Association of European Border Regions, cross-border cooperation is defined as cooperation neighborly, adjacent border regions and foreign, regional and local authorities, organizations or institutions representing border areas. Cross-border cooperation refers not only to the actions of local or regional authorities, but also to joint initiatives of enterprises, organizations and residents. Cross-border cooperation is a special case of international cooperation whose characteristic features include the proximity of contacts and the local or regional level of cooperation.

The relevant law of June 24, 2004 is the basic act of law in the field of cross-border cooperation in Ukraine. In turn, the issue of the development of cross-border cooperation is devoted to “The State Regional Development Strategy of Ukraine for the Period up to 2020”. The implementation of the Strategy is supported by state programs of cross-border cooperation, aimed at supporting the development of Euroregions, the elimination of infrastructural and administrative barriers in deepening border areas cooperation, the implementation of joint activities in the field of small and medium business, increasing the level of competitiveness of regions, and developing their production and social infrastructure¹².

No. 61 item 287, <http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WDU19930610287/O/D19930287.pdf> (accessed on February 11, 2019).

¹² Державна стратегія регіонального розвитку на період до 2020 року // Офіційний вісник України від 09.09.2014, № 70, стор. 23, стаття 1966, код акту 73740/2014, www.kmu.gov.ua/ua/npas/247566248 (accessed on February 11, 2019).

In Polish–Ukrainian relations, bilateral agreements were the basis for cross-border cooperation. The Polish–Ukrainian intergovernmental agreement on trade and economic cooperation of October 4, 1991 played a significant role at the time. The legal basis of bilateral economic relations currently includes, *inter alia*, the Agreement between the Government of the Republic of Poland and the Government of Ukraine on mutual support and investment protection, signed in 1993 (Journal of Laws of 1993 No. 125, item 575), the Convention between the Government of the Republic of Poland and the Government of Ukraine on the avoidance of double taxation and prevention of tax evasion with respect to taxes on income and assets signed in 1993 (Journal of Laws of 1994, No. 63, item 269), and the Agreement between the Government of the Republic of Poland and the Cabinet of Ministers of Ukraine on economic cooperation signed in 2005 (Official Gazette of 31.08.2006, No. 59, item 628)¹³.

New realities of cross-border cooperation organizations took place after 2004 as a result of Poland's accession to the EU. Due to this fact, the issues of Polish–Ukrainian cross-border cooperation are regulated by agreements concluded between the EU and Ukraine. The basic legal act regulating bilateral EU–Ukraine relations is the Ukraine Association Agreement with the EU, whose political part was signed on March 21, 2014 and the economic part was signed on June 27, 2014.

International agreements on bilateral cooperation are not limited to the implementation of cooperation at the national level, but they create, among others, the basis for the involvement of other entities in such cooperation, including local government structures. Bilateral agreements usually include

¹³ Ukraine, Ministry of Foreign Affairs, <https://www.msz.gov.pl/resource/478d295a-387c-4271-8a62-a16f7ba3a02d> (accessed on February 11, 2019).

the conditions upon which local governments of neighboring countries can establish cooperation and their consequences in internal law. Local authorities can conclude contracts only within their competences. Democratic procedures in the local community must be observed, and cooperation must be started with respect to the national law and international obligations of the state¹⁴.

One should also be aware that compatibility of administrative division in the case of border areas is one of the key factors shaping cross-border cooperation. The compatibility of administrative division is based on two basic elements. The first reflects the correlation of competences of relevant territorial public administration structures. Maintaining a certain level of competency correlation is an important premise in establishing, maintaining and developing direct cross-border cooperation. The second element is characterized by the size parity of territorial units on both sides of the border, which is extremely important for providing adequate resources necessary for the implementation of cooperation. The element can be quite broad: from the population and the size of the territory of the relevant administrative units to the amount of their budget or the costs of completed investments¹⁵.

The issue of the compatibility of administrative divisions in the Polish–Ukrainian border area has been thoroughly analyzed

¹⁴ A. Żelazo, *Pojęcie współpracy transgranicznej samorządu terytorialnego [The Concept of Cross-Border Cooperation of the Local Government]*, “PISM Bulletin,” no. 24/2004.

¹⁵ A. Kuczabski, *Reforma podziału administracyjnego na Ukrainie jako uwarunkowanie rozwoju pogranicza polsko-ukraińskiego [The Reform of the Administrative Division in Ukraine as a Condition for the Development of the Polish–Ukrainian Borderland]*, [in:] A. Miszczuk (ed.) *Wyzwania rozwojowe pogranicza polsko-ukraińskiego [Development Challenges of the Polish–Ukrainian Border]*, Lublin 2017, pp. 215–234.

by A. Kuczabski and A. Miszczuk¹⁶. Their analysis showed a relatively high degree of compatibility of the divisions, especially at the regional (voivodeships and districts) and subregional levels (poviats and regions). With respect to Ukraine, there have been more or less significant changes in this area. At the moment, they mainly concern the shape of administrative units at the lowest level. The reform of regional level units in Ukraine (oblasts and regions) has been announced, but suspended for various reasons. It is to lead to another increase in the compatibility of the division units of both countries, especially at the local level (municipalities and clusters).

The Polish–Ukrainian Intergovernmental Coordination Council for Interregional Cooperation is an important element in the coordination of cross-border and interregional cooperation. Its work focuses on issues important for the borderland: the development of border regions, the functioning and development of border crossings, the promotion of economic cooperation and cross-border tourism, environmental protection, culture and education, and the prevention of disasters and natural disasters¹⁷.

The Podkarpackie and Lublin voivodships show the greatest activity in the development of regional cooperation, and Lviv, Odessa, Volhynia and Ivano-Frankivsk Oblasts show the same on the Ukrainian side. Cooperation is focused on such areas as: economy, trade, tourism, environmental protection, culture and science. All sixteen Polish voivodships have signed

¹⁶ A. Kuczabski, A. Miszczuk, *Podział administracyjny [Administrative Division]*, [in:] B. Kawalko, A. Miszczuk (ed.), *Pogranicze polsko-ukraińskie. Środowisko. Społeczeństwo. Gospodarka [The Polish–Ukrainian Borderland. Environment. Society. Economy]*, Zamość 2005, pp. 67–76.

¹⁷ Ukraine, Ministry of Foreign Affairs, <https://www.msz.gov.pl/resource/478d295a-387c-4271-8a62-a16f7ba3a02d> (accessed on February 11, 2019).

partnership agreements with Ukrainian oblasts. Seventeen Ukrainian oblasts have done the same (some with several partners). The most active in this respect are Lviv (5 agreements), Volyn and Ivano-Frankivsk (3 each), as well as Odessa (4) Oblasts. According to the data prepared on the basis of information from the Ministry of the Interior, the Union of Polish Cities and the Polish Embassy in Kiev, 89 Polish cities had agreements on partnership cooperation signed with Ukrainian cities. The most active (and attractive) partner for Polish cities is Kamieniec Podolski (9 partnership agreements), in addition to Lutsk (7), Kiev, Lviv and Turek (5 each)¹⁸.

In 2015, a survey was conducted by the Institute of Regional Research of the National Academy of Sciences of Ukraine on the development of cross-border cooperation of Ukraine. The survey was participated by 91 representatives of local authorities from 16 of the country's border regions as experts¹⁹. Contrary to expectations, the development of cross-border cooperation in the Polish–Ukrainian cross-border region was rated as average (3 points out of 5). 81.8% of experts believe that Polish–Ukrainian cross-border cooperation is developing actively, while the remaining 18.2% are convinced that the activity of such cooperation is decreasing. The most advanced development level of cross-border cooperation was indicated in the sphere of water supply and waste management (21.43% of five-point indications) and in tourism (21.43% of five-point indications). In turn, the lowest level of cooperation was indi-

¹⁸ Ukraine, Ministry of Foreign Affairs, <https://www.msz.gov.pl/resource/478d295a-387c-4271-8a62-a16f7ba3a02d> (accessed on February 11, 2019).

¹⁹ Розвиток транскордонного співробітництва: науково-аналітична доповідь, Національна Академія Наук України. Інститут регіональних досліджень імені М.І. Долишнього НАН України, науковий редактор В.С. Кравців, Львів 2016, pp. 17–18.

cated in the mining industry (19.64% of one-point indications) and construction (19.64% of one-point indications)²⁰.

The most active entities and participants in cross-border cooperation were recognized by non-governmental organizations as experts at 39.1%. Local government administration bodies (according to 32.2% of respondents) and local governments (27.6%) are also active in the cooperation. Medium level of activity is represented by territorial clusters, enterprises and entrepreneurs²¹. According to 74.7% of respondents, local self-government bodies should initiate such cooperation, and 70.3% say that territorial communities are responsible for the development of cross-border cooperation. In turn, 68.1% are of the opinion that government administration bodies should show initiative here²². Experts believe that cross-border cooperation on the Polish–Ukrainian border should be activated in the first place in such industries as agriculture, forestry and fish farming (15.24%), education (13.33%), arts, sports, tourism and recreation (12.38%)²³.

Conclusions

The creation of new clusters, much more powerful than at Ukraine's local level, instead of the existing small units, serves the local development and, consequently, the development of the entire Polish–Ukrainian borderland and the activation of cross-border cooperation. In this case, the point is, for example, to create a more compatible administrative division on both sides of the border, with respect to the competences of local

²⁰ Ibidem, p. 19.

²¹ Ibidem, p. 22.

²² Ibidem, p. 25.

²³ Ibidem, p. 27.

administration bodies and the size of territorial division units. The pro-European orientation of the political elite currently ruling in Ukraine is an additional factor supporting and stimulating such cooperation in the area of the Polish–Ukrainian borderland.

The most important tasks faced by the central and regional authorities of Ukraine in the context of the development of cross-border cooperation should include:

- activation of economic reform towards market-oriented reforms in order to improve the quality of life of the society and create a larger financial base for the functioning of local administration;
- financial decentralization, resulting in an increase in the share of municipalities' own revenues in their budgets, and not in their orientation on support from the central budget;
- support for all initiatives related to the development of cross-border cooperation, allowing the creation of new opportunities resulting from the benefits of the border geographical location. Participation in the projects that could be co-financed from the EU funds is a very important element here;
- creating a mechanism for flexible border corrections of the new clusters, created pursuant to top-down decisions against the interests of local communities, which should reduce the level of distrust among citizens.

Tadeusz Iwański

Ukraine–Russia. Analysis of Selected Trends in Economic Cooperation in 2014–2018¹

Introduction

The annexation of Crimea by Russia and the military aggression of that country in Donbass in 2014 resulted in the deepest crisis in Ukrainian–Russian relations since the establishment of Ukraine and Russia after the collapse of the USSR in 1991. The war brought consequences in almost all spheres of cooperation between the two states: political, economic, cultural-social and religious, resulting in a radical limitation of bilateral contacts.

The response to aggression was a strong reorientation of Ukraine's foreign policy. New authorities, selected in Ukraine after the victory of the so-called Revolution of Dignity in 2014, took a clearly pro-European and pro-Western course. In June 2014, Ukraine finally signed the Association Agreement (AA) with the EU, thus fulfilling the demands of the Euromaidan².

¹ The article is part of a report of the Center for Eastern Studies on the economic disintegration of Ukraine and Russia in 2014–2018 developed by the author.

² R. Sadowski, *UE ratuje swoją politykę wschodnią [The EU Saving Its Eastern Policy]*, Analyses of the Centre for Eastern Studies, 2014-03-26, <https://www.osw.waw.pl/pl/publikacje/analizy/2014-03-26/ue-ratuje-swoja-polityke-wschodnia> (accessed on January 2, 2019).

The political part of the agreement came into force on November 1, 2014 and concerned political dialogue, support for political reforms in Ukraine, cooperation in the foreign policy dimension, justice and security, and sectoral cooperation. The so-called DCFTA economic part, which was much more important, came into force on January 1, 2016, partly as a result of Russia's opposition³. The DCFTA Agreement is a key element and assumes not only the establishment of a free trade zone, but also the implementation by Ukraine of the necessary reforms and the adoption of EU legislation in the sphere of trade, and partly in the sphere of investment, the financial sector, the activity of companies in the internal market, etc. The implementation of the provisions will result in the close integration of the Ukrainian market and the EU market. Ukraine also obtained a visa-free regime with the EU. After many months of delay, difficult reforms, and first adopting anti-corruption legislation, since June 11, 2017, Ukrainian citizens have been allowed to travel to the EU without visas when certain criteria are met⁴.

The new authorities in Kiev also radically separated themselves from cooperation with Russia in the military and security spheres. The war triggered the rise of the popularity of Ukraine's membership in NATO, which since then has clearly outweighed the idea of neutrality, let alone membership in the

³ R. Sadowski, A. Wierzbowska-Miazga, *Rosja blokuje strefę wolnego handlu Ukrainy z UE [Russia Blocking Ukraine's Free Trade Zone with the EU]*, Analyses of the Centre for Eastern Studies, 2014-09-17, <https://www.osw.waw.pl/pl/publikacje/analizy/2014-09-17/rosja-blokuje-strefe-wolnego-handlu-ukrainy-z-ue> (accessed on January 2, 2019).

⁴ Ukrainians can now travel to EU Member States without a visa, Schengen Visa Information, 11.07.2017, <https://www.schengenvisa.info.com/news/ukrainians-can-now-travel-to-eu-member-states-without-visa/> (accessed on January 2, 2019).

Collective Security Treaty Organization⁵. Kiev began to talk about full membership in NATO, as was the goal, just like their membership in the European Union, and in 2018 these demands were included in the Ukrainian constitution.

Russia as the Enemy of Ukraine

Breaking ties with Russia is the official state policy. In 2018, Kiev decided not to renew the Treaty on Friendship, Cooperation and Partnership Agreement between Ukraine and the Russian Federation, concluded on May 31, 1997, and in force since March 31, 1999⁶. In the meantime, after the incident in Kerch Strait in November 2018, the issue of breaking diplomatic relations with Russia returned⁷. Breaking them up, as is also demanded by some media and civil society⁸, is not excluded during the campaign before the presidential and parliamentary elections in Ukraine in March and October 2019, respectively. Kiev also began the process of leaving the Commonwealth of Independent States.

⁵ Що українці думають і знають про НАТО? Опитування населення України проведене Фондом «Демократичні ініціативи» імені Ілька Кучеріва та Київським міжнародним інститутом соціології з 16 по 28 серпня 2018 року, 11.09.2018, <https://dif.org.ua/article/shcho-ukraintsi-dumayut-i-znayut-pro-nato243> (accessed on January 2, 2019).

⁶ K. Nieczypor, *Kres traktatu o przyjaźni Ukrainy i Rosji* [*The End of the Treaty on Friendship between Ukraine and Russia*], 2018-09-19, Analyses of the Centre for Eastern Studies, <https://www.osw.waw.pl/pl/publikacje/analizy/2018-09-19/kres-traktatu-o-przyjazni-ukrainy-i-rosji> (accessed on January 2, 2019).

⁷ K. Nieczypor, A. Wilk, J. Strzelecki, W. Konończuk, *Konsekwencje incydentu na Morzu Azowskim* [*Consequences of the Incident in the Sea of Azov*], 2018-11-26, Analyses of the Centre for Eastern Studies, <https://www.osw.waw.pl/pl/publikacje/analizy/2018-11-26/konsekwencje-incydentu-na-morzu-azowskim> (accessed on January 2, 2019).

⁸ Від редакції, Порошенко має розірвати дипвідносини з Росією. Аргументів проти – не існує, Європейська правда, 26.11.2018, <https://www.euro-integration.com.ua/articles/2018/11/26/7089847/> (accessed on January 2, 2019).

At a practical level, political relations between Ukraine and Russia have been broken. In the bilateral format, the presidents of Ukraine and Russia have not met since the annexation of Crimea, and meetings of foreign ministers were sporadic. Telephone conversations between presidents Putin and Poroshenko rarely take place, only the heads of presidential chambers keep working contacts. Since March 2014, the heads of state have met five times in the multilateral format under the so-called Four of Normandy (also the German Chancellor and the President of France in addition to Putin and Poroshenko), whose goal was to develop a real ceasefire in Donbass and implement provisional arrangements for future relations between Kiev and the part of Donbass controlled by the so-called separatists. The last took place in Berlin, in October 2016, and did not bring tangible results. The meetings and talks between the prime ministers of both countries also stopped, both at the bilateral and multilateral levels, as well as between individual ministers.

The war and open hostility towards Russia in the rhetoric of the authorities and the main political forces in Ukraine are not without influence on the contacts between the societies of Ukraine and Russia. According to the research carried out regularly by the Kiev International Institute of Sociology and the Moscow Levada Center, 50% of Ukrainians had a positive attitude towards Russia in September 2018, although in June 2010, shortly after the election of Viktor Yanukovich to the post of the President of Ukraine, over 90% of Ukrainians responded to Russia positively. The lowest rate was observed on May 2015, when only 30% of Ukrainians were positive about Russia⁹. The

⁹ Т. Пясковська, Як змінювалося ставлення населення України до Росії та населення Росії до України в першій половині 2017 року, Прес-релізи, Результати спільного проекту Київського міжнародного інституту соціології і російської недержавної дослідницької організації «Левада-Центр»,

relative improvement over the past four years is primarily due to the de-escalation of military activities in Donbass and the “every-day nature” of the war for a certain proportion of Ukrainian citizens, but it does not seem possible that even in the medium-term this rate has approached the values recorded in the period preceding the war. This will have an impact, in addition to the natural reaction of the public to Russian aggression and the anti-Russian rhetoric of the authorities, also on a number of measures taken by them to create a new Ukrainian national identity built in opposition to Russia. The activities include: de-communization of public space, limitation of the Russian language in the Ukrainian media, blocking Russian social networks, introducing restrictions on the entry of Russian citizens to Ukraine, a new educational act limiting the use of Russian in education¹⁰, and the most important initiative is the achievement of autocephaly by Ukrainian Orthodoxy¹¹.

Ukraine – Russia: A Sanction War

Cooperation between individual plants and trade exchange did not stay off the track of political and social processes. A collapse occurred between Ukraine and Russia in the sectors of cooperation after 2014. For Ukraine, this was a particularly

10.7.2017, <http://www.kiis.com.ua/?lang=ukr&cat=reports&id=707&page=1> (accessed on January 2, 2019).

¹⁰ A. Sadecki, T. Piechal, T. Dąbowski, *Ukraina: uderzenie w szkolnictwo mniejszości narodowych [Ukraine: An Impact on the Education of National Minorities]*, Analyses of the Centre for Eastern Studies, 2017-09-27, <https://www.osw.waw.pl/pl/publikacje/analizy/2017-09-27/ukraina-uderzenie-w-szkolnictwo-mniejszosci-narodowych> (accessed on January 2, 2019).

¹¹ T. A. Olszański, *Historyczne zjednoczenie Kościołów prawosławnych Ukrainy [Historical Unification of the Orthodox Churches of Ukraine]*, Comments of the Centre for Eastern Studies, 2018-12-17, <https://www.osw.waw.pl/pl/publikacje/komentarze-osw/2018-12-17/historyczne-zjednoczenie-kosciolow-prawoslawnych-ukrainy> (accessed on January 2, 2019).

strong blow due to the position of the weakest partner in relation to Russia, resulting from strong trade and industrial ties with the country. It must be remembered that industrialization in the nineteenth and twentieth centuries took place in the period of the presence of Ukrainian lands in the composition of the Russian Empire: Romanov until 1917 and the Soviet Union until 1991. This caused economic, industrial and cooperative ties to be built in a manner appropriate for one country. The break-up of the USSR followed by the establishment of independent Ukraine and the Russian Federation gave rise to the process of loosening their ties, but for almost the next quarter-century, Ukraine especially remained dependent on Russia in many areas. While Moscow has taken some effective measures to replace imports and become independent of Ukrainian suppliers, for many sectors of Ukrainian industry, the Russian market was crucial, and for some, they almost had no other alternative.

After 2014, there was a deep crisis in the economic contacts between Ukraine and Russia. The main reason for the crisis was the military aggression of Moscow in Crimea and in Donbass, but some of its symptoms were visible in 2013. The Kremlin is inclined to instrumentalize economic cooperation, including trade, in relations with foreign partners in order to achieve political goals. It applies incentives such as loans, investments or promises to implement joint investment projects, as well as penalties or blackmail, which often take the form of an embargo or non-tariff restrictions imposed at the request of the Russian Federal Veterinary and Phytosanitary Surveillance Service.

In the case of Ukraine, such a policy by Russia could be observed in 2013, when the Eastern Partnership summit was approaching in Vilnius and Kiev had the opportunity to sign an association agreement with the EU (US). In order to pre-

vent the institutional approximation of Ukraine from the West, Kremlin exerted political pressure on the authorities in Kiev, strengthened by imposing a number of trade restrictions on the import of Ukrainian products (including canned fish, chocolate products, some cheese and dairy products and parts of plant products)¹².

Nevertheless, this change of power in Kiev after the Revolution of Dignity became the cause of the Russo–Ukrainian trade war. While in 2014 and 2015 Russia was still pursuing its political goals in Ukraine, primarily by military means in Donbass¹³ and energy blackmail (including cutting Ukraine off from gas supplies)¹⁴, since 2016, new regulations have entered into force, strongly affecting the Ukrainian–Russian economic exchange¹⁵. It was a package of three documents: the Act on Suspension of CIS Free Trade Agreements with Ukraine, which in practice meant Russia's increase in customs duties in bilateral trade (so

¹² This pressure, combined with an incentive in the form of a loan of 3 billion USD, turned out to be effective and in November 2013, Kyiv resigned from signing. More: W. Konończuk, *Ukraina rezygnuje z podpisania umowy stowarzyszeniowej w Wilnie: przyczyny i implikacje* [Ukraine Resigns from Signing the Association Agreement in Vilnius: Causes and Implications], Analyses of the Centre for Eastern Studies, 2013-11-27, <https://www.osw.waw.pl/pl/publikacje/analizy/2013-11-27/ukraina-rezygnuje-z-podpisania-umowy-stowarzyszeniowej-w-wilnie> (accessed on January 2, 2019).

¹³ W. Rodkiewicz, R. Sadowski, A. Wilk, “Hybrydowy” rozejm w Donbasie [A “Hybrid” Truce in the Donbas], Analyses of the Centre for Eastern Studies, 2015-02-18, <https://www.osw.waw.pl/pl/publikacje/analizy/2015-02-18/hybrydowy-rozejm-w-donbasie> (accessed on January 2, 2019).

¹⁴ Sz. Kardaś, W. Konończuk, *Rosyjsko-ukraińska gazowa “zimna wojna”* [Russian-Ukrainian Gas “Cold War”], Analyses of the Centre for Eastern Studies, 2014-06-25, <https://www.osw.waw.pl/pl/publikacje/analizy/2014-06-25/rosyjsko-ukrainiska-gazowa-zimna-wojna> (accessed on January 2, 2019).

¹⁵ W. Górecki, współpraca T. Iwański, *Pakiet rosyjskich sankcji wobec Ukrainy* [A Package of Russian Sanctions against Ukraine], Analyses of the Centre for Eastern Studies, 2016-01-13, <https://www.osw.waw.pl/pl/publikacje/analizy/2016-01-13/pakiet-rosyjskich-sankcji-wobec-ukrainy> (accessed on January 2, 2019).

far in most cases zero rates were applicable) to the amount agreed within WTO that both countries belong to. The Russian government also issued a decision on inscribing Ukraine on the list of countries subject to sanctions in the form of a ban on imports of agricultural production, raw materials and food. The decision can be seen as a counter-sanction, introduced in response to Ukraine joining the EU sanctions against Russia in July 2015¹⁶. Finally, the third document, the provisions of which came into force on January 1, 2016, was the decree of President Vladimir Putin to limit the road and rail transit of goods from Ukraine to Kazakhstan. The document provided that Ukrainian goods intended for Kazakhstan had to enter Russia from the territory of Belarus, and means of transport would have to be equipped with special devices enabling their monitoring using the GLONASS system. Putin's decree seriously limited Ukraine's exports not only to Kazakhstan but to entire Central Asia, Mongolia and partly also China¹⁷.

Further economic sanctions against Ukraine were introduced by Russia twice more. On November 1, 2018 funds, securities and assets of selected Ukrainian entities were blocked on the territory of Russia, moreover, they were not able to transfer capital outside of Russia. Apart from 322 natural persons, including politicians and businessmen, 68 legal persons were also subject to restrictions, among them one of the largest

¹⁶ Стали известны подробности санкций Украины против Путина: опубликован документ, Апостроф, 07.08.2015, <https://apostrophe.ua/news/politics/government/2015-08-07/stali-izvestnyi-podrobnosti-sanktsiy-ukrainiyi-protiv-putina-opublikovan-dokument/31886> (accessed on January 2, 2019).

¹⁷ More about the changes in Ukrainian exports after 2014, see: S. Matuszak, *W poszukiwaniu nowych szlaków. Handel zagraniczny Ukrainy po rewolucji godności [In Search of New Routes. Foreign Trade of Ukraine after the Revolution of Dignity]*, Works of the Centre for Eastern Studies, 2018-10-02, https://www.osw.waw.pl/sites/default/files/Prace75_W%20poszukiwaniu-nowych-szlakow_net.pdf (accessed on January 2, 2019).

Ukrainian chemical plants Dniproazot (owned by Ihor Koloymoysky), Wiktor Pinczuk's energy company Geo Alliance and a truck manufacturer, Kostiantyn Żewago's AwtoKrAZ¹⁸. In turn, on December 29, Moscow introduced a ban on imports of a number of Ukrainian goods from Ukraine, including food products and agriculture, and their estimated value in 2018 by the Russian Ministry of Economic Development was 510 million USD¹⁹.

Ukraine, as already mentioned, also imposed trade and cooperation restrictions on Russia as an aggressor country, although it did not decide to block trade completely²⁰. Kiev joined the next wave of sanctions imposed on Russia by the EU and the USA, both personal and the so-called sectoral, or economic. What is more, the Ukrainian sanction list is much longer than the Russian one and currently includes 1,748 people and 756 enterprises and organizations.²¹ Kiev has also introduced other restrictions, such as a full ban on cooperation in the military field, including cooperation of specific plants manufacturing equipment and spare parts, e.g. Motor Sicz. It also left joint projects on cooperation in the field of high technologies: the Antonow aviation plant, the Dnieper carrier rocket (last flight in March 2015) and the PiwdenMasz plant in Dne-

¹⁸ I. Wiśniewska, S. Matuszak, J. Strzelecki, *Rosyjska odpowiedź na ukraińskie sankcje* [Russian Response to Ukrainian Sanctions], Analyses of the Centre for Eastern Studies, 2018-11-02, <https://www.osw.waw.pl/pl/publikacje/analizy/2018-11-02/rosja-odpowiada-na-ukrainskie-sankcje> (accessed on January 2, 2019). At this stage, it is difficult to determine exactly what losses this package of restrictions will cause in Ukraine.

¹⁹ Импорт товаров в РФ из Украины, на который введен новый запрет, оценивается в \$510 млн, заявляют в Москве, Interfax-Ukraine, 29.12.2018, <https://interfax.com.ua/news/economic/556419.html> (accessed on January 2, 2019).

²⁰ Such ideas in Ukraine appear periodically, however, as the break of diplomatic relations, they do not enjoy the favor of the authorities.

²¹ I. Wiśniewska, S. Matuszak, J. Strzelecki, op.cit.

propetrovsk. Kiev also took steps to become independent from Russia in the energy sector.

Effects of a Trade War on Trade in Goods²²

Due to the consistently imposed restrictions on the import of products from Ukraine, Russia's share in Ukraine's trade is falling. Nevertheless, Russia remains Ukraine's most important trading partner and a key outlet for Ukrainian production. According to the data of the State Statistical Service of Ukraine, exports to Russia accounted for 9.9% of the total domestic exports in 2016, in 2017 – 9%, and in January–October 2018 only 7.8%. The share of imports from Russia also fell. It is worth emphasizing that they are significantly lower values than before the outbreak of the Ukrainian–Russian conflict: in 2013, exports to Russia accounted for 26.5% of domestic exports, and imports – 31.6%. Over four years, the value of the sales of goods to Russia decreased by 74% (from 15.1 billion dollars in 2013 to 3.9 billion in 2017), and imports by 67% (from 22.2 billion dollars to 7.2 billion). As a result, the balance of trade in goods in 2017 decreased by 76%, as compared to 2012, from 46 billion UDS to 11 billion USD. As a result, Moscow has less and less room for economic pressure on Ukraine. While 23.7% of Ukrainian exports went to Russia in 2013, in January–August 2018 it was only 7.9%.

It is also worth mentioning that the restriction of Russia's transit in exports to Central Asian countries was a very painful blow to Ukrainian foreign trade. The new regulations particularly affected Ukrainian exports to Kazakhstan, Kiev's main trading partner in the region. As a result, in 2017, as compared

²² In this subsection, unless stated otherwise, the data comes from the State Statistics Service of Ukraine, www.ukrstat.gov.ua (accessed on January 2, 2019).

to 2013, export to the Kazakh market dropped by 82% from 2.1 billion USD to 372 million USD, and Astana fell from the position of the seventh recipient of Ukrainian production to the 33rd position. At the same time, due to a number of preferences from the EU and the entry into force of the DCFTA, the decline in trade with the Russian Federation has resulted in an increase in the importance of Ukraine's economic cooperation with the European Union: in the first ten months of 2018, trade with them accounted for 42.3% percent of Ukrainian export and 40% of the import of goods.

Hydrocarbons are still the main commodity in the Ukrainian imports from the Russian Federation, despite the fact that since the end of 2015, Ukraine has not bought gas from Russia. However, it still buys oil products and coal from Russia. In 2017 (according to preliminary Ukrainian data), the value of the position in Ukrainian import including mineral fuels, crude oil and petroleum products amounted to 4.2 billion USD, i.e. 58% of the total imports from the Russian Federation. The value of coal imported from Russia amounted to nearly 3 billion USD (41%), and crude oil and petroleum products were at 1.2 billion USD (16%). Another ca. 10% of imports covered mineral and artificial fertilizers. A part of Russian exports to Ukraine, which is difficult to estimate, booked in Russian statistics as trade with Ukraine, goes to the occupied part of Donbass (the so-called Donetsk and Luhansk People's Republics), inter alia groceries. Ferrous metals and products made from them (worth 1 billion USD, 25% of the total Ukrainian exports to Russia) are the key export goods of Ukraine to the Russian Federation. The second-most-important export position concerned "nuclear reactors, boilers and machinery", approx. 17% of exports (more than 0.67 billion USD in 2017), while another (less than 17%) concerned inorganic chemical products.

At the same time, trade between Russia and separatist republics in the Ukrainian Donbass is underway. Russia is supplied with, among others, Ukrainian coal from this territory. Only according to the official data of the Russian railways and customs services, 1.3 million tons of coal to Russia were transported from the so-called Donetsk and Luhansk People's Republics in 2015. In the following years, the quantities remained without major changes²³. What is more, Gazprom supplies gas to the "republics" – 1.7 billion m³ in the period from January to September 2018. The Russian giant estimated that the losses suffered on this account amount to over 3 billion USD only for the period from 2013 to 2017²⁴, however, the decision of the Arbitration Tribunal in Stockholm exempted Ukraine from fees for this raw material²⁵.

The Success of Gas Supply Diversification

It is worth treating the issue of Russian gas supplies to Ukraine separately from the general imports from Russia. In bilateral gas relations, Gazprom has had a dominant position for de-

²³ Росія поспіхом вивозить вугілля з окупованого Донбасу, *Gazeta.ua*, 07.06.2018 https://gazeta.ua/articles/donbas/_rosiya-pospihom-vivozit-vugillya-z-okupovanogo-donbasu/841091. Despite the fact that data is available proving half the volume: Щомісяця до 500 тисяч тонн вугілля потрапляють в Росію з території ОРДЛО – власники шахт, *Radio Svoboda*, 19.11.2018, <https://www.radiosvoboda.org/a/news-shakhty-donbasu/29608881.html> (accessed on January 2, 2019).

²⁴ Газпром поставил на оккупированный Донбасс еще 2,5 млрд кубометров газа, *nv.ua*, 15.02.2018, <https://biz.nv.ua/markets/hazprom-postavil-na-okkupirovannyj-donbass-eshche-2-5-mlrd-kubometrov-haza-2452128.html> (accessed on January 2, 2019).

²⁵ "Нафтогаз" оприлюднив рішення Стокгольмського арбітражу, РБК–Україна, 29.11.2018, <https://www.rbc.ua/ukr/news/naftogaz-obnarodoval-reshenie-stokgolmskogo-1543487062.html> (accessed on January 2, 2019).

cedes. The company has long been the only gas supplier on the Ukrainian market, and transported the raw material to Europe through the Ukrainian network. For the first 15 years after the collapse of the USSR, gas was relatively cheap, and Ukraine, while reducing imports, imported an average of 70 billion m³ of it annually. At the time, Kiev did not care about consumption restrictions or energy efficiency. On the contrary – the import of gas from Russia was the source of the greatest fortunes of the first wave of Ukrainian oligarchs, and the greater it was, the more substantial their income was. The interest was also mutually beneficial, because for Russia, Ukraine was one of the largest gas markets, and from 2005–2011, it was individually the largest recipient of the Russian raw material. The share of Ukraine in Russian deliveries to foreign markets was at the level of 17–22% in the years 2005–2012²⁶. This caused Ukraine to pay Gazprom more than 10 billion USD for 25 billion m³ of this raw material in 2013, and in 2012 it bought 32 billion m³ worth 14 billion USD.

Two years after the so-called Revolution of Dignity, Ukraine managed to relax their gas dependence on Russia, which was an important reason for the decline in bilateral trade in goods, primarily the reduction of Ukrainian imports and improved balance of bilateral exchange. Kiev was forced to take active measures, because in June 2014, as a result of the lack of compromise on gas prices for Ukraine and the size of Ukrainian debt, Gazprom stopped supplying gas to Ukraine and filed a lawsuit against Naftohaz for arbitration in Stockholm to en-

²⁶ Szerzej Sz. Kardaś, T. Iwański, *Od wasalizacji do emancypacji. Rewizja modelu ukraińsko-rosyjskiej współpracy gazowej [From Vassalisation to Emancipation. Revision of the Model of Ukrainian-Russian Gas Cooperation]*, Comments of the Centre for Eastern Studies, 2018-03-07, <https://www.osw.waw.pl/pl/publikacje/komentarze-osw/2018-03-07/od-wasalizacji-do-emancypacji-rewizja-modelu-ukrainsko> (accessed on January 2, 2019).

force the debt²⁷. Unlike the previous teams, post-revolutionary Kiev did not decide on a two-sided, behind-the-scenes closing of the dispute (like the government of Yulia Tymoshenko in 2009 and Yanukovych in 2010 and 2013), and subsequent stages of negotiations of the so-called winter packages²⁸ were held in a fully transparent manner and with the participation of the European Commission. Kiev's attitude was unprecedented in the past and is the expression of real measures taken for the first time since 1991 in favor of gas independence from Russia. As a result, Ukraine managed to reduce the share of gas imported from Russia in the total import from 92% in 2013 to 37% in 2015.

The success of Ukrainian diversification resulted from several reasons. Most important was **the increase in the purchase of gas imported from the west through reverse connections**. In 2013, Kiev bought 2.1 billion m³ of gas from the EU, while in the following year it doubled this amount, using infrastructure connections with Slovakia and Poland. However, a breakthrough already occurred in 2015 thanks to the opening of the so-called small reverse along the Wojany-Uzhgorod line on the Slovakian border and a capacity increase from 9.5 billion to 14.5 billion m³ per year (which was the result of cooperation between Brussels and Bratislava) and the oversupply of raw material (originating from Russia) on EU markets. Nevertheless, **the decline in domestic consumption** was an important reason for the successful diversification of supplies. In 2015,

²⁷ According to Gazprom, nearly USD 4.5 billion. More in Sz. Kardaś, W. Konończuk, op.cit.

²⁸ W. Konończuk, Sz. Kardaś, A. Łoskot-Strachota, *Sukces? Porozumienie gazowe Rosja – Ukraina – UE* [Success? Gas Agreement Russia - Ukraine - EU], Analyses of the Centre for Eastern Studies, 2014-11-05, <https://www.osw.waw.pl/pl/publikacje/analizy/2014-11-05/sukces-porozumienie-gazowe-rosja-ukraina-ue> (accessed on January 2, 2019).

gas consumption in Ukraine amounted to 33.8 billion m³, while in 2011 it amounted to 59.3 billion m³. This decrease in consumption resulted from the actual loss of the most industrialized part of Donbass as well as the general collapse of the Ukrainian economy (Ukraine's GDP in 2015 contracted by about 10%). Finally, diversification would not be possible without **financial cooperation with the West**. In the autumn of 2015, Ukraine obtained western loans, including from the European Bank for Reconstruction and Development (300 million USD) and the World Bank (520 million USD) for the purchase of gas, and they were extended in subsequent years²⁹.

The success of gas supply diversification, although it is the result of both the actions taken and the favorable economic climate, as well as financial and political support from the West, is undisputed. Similarly to the favorable verdicts of the Court of Arbitration in Stockholm, it ends the period of dependence on the Russian raw material and contributes greatly to the energy security of Ukraine³⁰. Despite the fact that Kiev must take further steps in the broadly defined energy sector³¹ to heal relations with their northern neighbor, an example of successful diversification of gas supply routes shows that it is possible to break a long-term dependence.

²⁹ More: T. Iwański, *Ukraina: udana dywersyfikacja dostaw gazu [Ukraine: Successful Diversification of Gas Supplies]*, Analyses of the Centre for Eastern Studies, 2016-02-03, <https://www.osw.waw.pl/pl/publikacje/analizy/2016-02-03/ukraina-udana-dywersyfikacja-dostaw-gazu> (accessed on January 2, 2019).

³⁰ Sz. Kardaś, W. Konończuk, op.cit.

³¹ More: T. Iwański, A. Sarna, *Partnerstwo polityczno-oligarchiczne. Stan i wyzwania sektora elektroenergetycznego Ukrainy [Political and Oligarchic Partnership. The State and Challenges of the Power Sector of Ukraine]*, Report of the Centre for Eastern Studies, 2017-04-11, <https://www.osw.waw.pl/pl/publikacje/raport-osw/2017-04-11/partnerstwo-polityczno-oligarchiczne> (accessed on January 2, 2019).

Conclusions

The decline in mutual economic relations between Russia and Ukraine is the result of many overlapping factors, above all the armed conflict between the two countries. The consequences of the outbreak of the war included, among others, mutual restrictions introduced in trade between the two countries, interruption of the previously operating production chains between enterprises in both countries (especially in the armament and space industries), and serious difficulties on transport routes; moreover, the economic crisis in both countries and the devaluation of their currencies were an important factor limiting mutual trade relations. The effective Ukrainian policy of diversification and economic independence from cooperation with Russia, especially in the energy sector was also not without significance. As a result, bilateral trade between Ukraine and Russia dropped in the period between 2012 and 2017 by almost 80%, and Russia lost a large part of the instruments of economic pressure on Ukraine, such as trade sanctions, embargoes or the suspension or restriction of gas supplies. Nearly five years from the beginning of the conflict with Russia, Ukraine is an economically weaker country (nominal GDP in dollars in 2017 was 38% lower than in 2013) and it is more exposed to Moscow's activities in the sphere of hard and soft security, but at the same time, any renewal of economic relations in the future will be based more on the free market principles and healthy competition, and to a lesser extent, as before 2013, on traditional trade ties, sectoral asymmetries and politicized, often based on corruption, economic agreements.

Nataliia Vavdiuk

Correlation-Regression Analysis of Economic Security in Ukraine

Introduction

In the past few years, economic, social, political and technological developments stressed insecurity. Economies in developing countries became more unstable. The increase in economic security leads to the increase of vulnerability in economies, which affected the autonomy decisions at the national level.

Finding a solution to the difficult tasks of managing economic security in Ukraine is impossible without an analytical study of the conditions of its functioning.

To this end, it is necessary to determine the research methodology and data in order to analyze the level of economic security of the state based on the indicators of economic security. This will allow assessing the dynamics and main trends of the nation's economic security in terms of correlation and regression methods.

Economic security is the condition of having a stable income or other resources to support a standard of living now and in the foreseeable future.

The level of economic security in Ukraine depends on the effectiveness of the interaction of fiscal and monetary policy.

The analysis of the economic security of fiscal policy implementation will be carried out by estimating the volume of state expenditures, tax revenues, and deficit or surplus of the state budget to GDP.

The analysis of economic security indicators for the implementation of monetary policy will be based on indicators of the economy's monetization, the official exchange rate of Ukrainian hryvnia to the US dollar, and balance of payments to GDP.

Interaction of fiscal and monetary policy is deterministic, and the result of their interaction will be expressed in the generalized result of GDP indicators, unemployment rate, and consumer price index.

We will select the indicators for the formation and implementation of fiscal and monetary policies and their thresholds for economic security in Table 1.

Statistical data for the period of 2007–2017 for comparison with the thresholds were obtained from the official sites of the State Statistics Service of Ukraine¹ and Central Bank of Ukraine Statistical Bulletin².

The deterministic connection implies the presence of additive and combined types of indicators that are selected by the correlation method, and horizontal and vertical comparison of fiscal and monetary policy variables will determine the strength of their influence and select the most significant for the level of economic security of the country.

For the correlation-regression analysis of the economic security level in Ukraine, we will use the standardization of indicators in accord with the indicative method. To standardize the indicators, we will differentiate between stimulators and de-

¹ State Statistics Service of Ukraine (2007–2017), <http://ukrstat.gov.ua> (accessed on January 7, 2019).

² Central Bank of Ukraine Statistical Bulletin (2007–2017), <https://bank.gov.ua> (accessed on January 7, 2019).

-stimulators. The stimulators include signs, the quantitative increase of which positively affects the state of economic security in the country. The de-stimulators include factors growth which adversely affects the level of economic security of the country.

Table 1.**Thresholds of the state economic security^{3,4}**

| Indicators | Threshold value |
|---|-----------------|
| Formation of fiscal policy | |
| The share of government expenditures in GDP, % | 18–21 |
| Index of tax burden, % | 30–35 |
| Deficit or budget surplus to GDP, % | 2–3 |
| Formation of monetary policy | |
| Monetary aggregate M3 to GDP, % | 60 |
| The rate of the official exchange rate index of Ukrainian hryvnia to the US dollar against the indicators of the previous period, % | 6 |
| Balance of payments to GDP | -1 до 1 |
| Realization of fiscal and monetary policy | |
| GDP growth rate, % | 115 |
| Consumer price index, % | 5–6 |
| Unemployment rate, % | 7 |

As a result of determining the index of the state of economic security, there should be an indicator \bar{x}_j , which will range from 0 to 1.0. Value $\bar{x}_j = 0$ will be the extreme critical state of the system, which will be characterized by the state of the

³ Методика розрахунку рівня економічної безпеки України, затверджена наказом Мінекономіки України №60 від, 2.03.2007, р. [Електронний ресурс]: Режим доступу: me.kmu.gov.ua/control/uk/publish/article?art_id (accessed on January 7, 2019).

⁴ Про затвердження Методичних рекомендацій щодо розрахунку рівня економічної безпеки України: наказ Президента України № 1277 від, 29.10.2013, р. [Електронний ресурс]: URL: http://search.ligazakon.ua/l_doc2.nsf/link1/ME131588.html (accessed on January 7, 2019).

country's economic danger, and $\bar{x}_j=1$ will be the extreme ideal state of the system, which will correspond to the state of economic security of the country.

If the indicators of economic security in a country do not reach the determined level, three conditions may exist in a country's economic development:

- economic risk, which is a probability of an unfavorable situation in the economy of the state;
- economic threat, which is the set of negative impact factors on the state's economy;
- economic insecurity, which contains a set of destructive influence factors on the state's economy.

To identify the factors for the formation and implementation of fiscal and monetary policies that have an impact on the level of Ukraine's economic security, we will conduct a multi-factor correlation-regression analysis for the years 2007–2017.

All indicators characterizing fiscal and monetary policies were standardized by the method of indicative analysis of the economic security indicators.

For the selection of indicators for the formation and implementation of fiscal and monetary policies, we will conduct a correlation analysis that will determine the tightness of the connection between the variables and the resulting characteristics and establish the direction of influence (Table 2).

As a productive sign (Y) we will adopt the standardized GDP of Ukraine for the period of 2007–2017. The factor indicators of the economic security of fiscal and monetary policy in Ukraine are:

- X_1 – government expenditures in GDP;
- X_2 – tax receipts;
- X_3 – deficit/surplus state budget;
- X_4 – monetization of the state's economy;

- X_5 – official exchange rate of Ukrainian hryvnia to US dollar;
 X_6 – balance of payments to GDP;
 X_7 – inflation rate;
 X_8 – unemployment rate.

Table 2.

Standardized indicators of Ukraine's economic security

| Year | X_1 | X_2 | X_3 | X_4 | X_5 | X_6 | X_7 | X_8 | Y |
|------|---------|-------|---------|---------|---------|---------|---------|---------|----------|
| 2007 | 0.5699 | 1 | 1 | 0.89297 | 1 | 0.15149 | 0.90909 | 1 | 1 |
| 2008 | 0.79957 | 1 | 1 | 0.98463 | 0 | 0 | 0.86672 | 1 | 1 |
| 2009 | 0.54313 | 1 | 0.79214 | 0.86493 | 0.09217 | 0 | 0.9439 | 0.72917 | 0.566344 |
| 2010 | 0.51558 | 1 | 0.50309 | 0.91994 | 0 | 0.27116 | 0.97159 | 0.79546 | 1 |
| 2011 | 0.55588 | 1 | 1 | 0.87422 | 1 | 0 | 1 | 0.81395 | 1 |
| 2012 | 0.51343 | 1 | 0.78935 | 0.91753 | 1 | 0 | 1 | 0.8642 | 0.936829 |
| 2013 | 0.52118 | 1 | 0.67989 | 1 | 1 | 0.90613 | 1 | 0.90909 | 0.90681 |
| 2014 | 0.7152 | 1 | 0.63325 | 0.96782 | 0.06826 | 0 | 0.84868 | 0.72165 | 0.625242 |
| 2015 | 0.67854 | 1 | 1 | 0.76182 | 0.11385 | 1 | 0.73971 | 0.73684 | 0.59782 |
| 2016 | 0.66651 | 1 | 1 | 0.76079 | 1 | 0.69294 | 0.94306 | 0.72165 | 0.895043 |
| 2017 | 0.65429 | 1 | 1 | 0.69093 | 1 | 0.43708 | 0.93888 | 0.70707 | 1 |

Let's measure the relationship between the factors of economic security of Ukraine's fiscal and monetary policy with the help of a pair correlation coefficients matrix (table 3).

Table 3.

The matrix of pair coefficients correlating economic security of the fiscal and monetary policies in Ukraine

| | Y | X_1 | X_2 | X_3 | X_4 | X_5 | X_6 | X_7 | X_8 |
|-------|----------|----------|---------|----------|----------|----------|----------|----------|-------|
| Y | 1 | | | | | | | | |
| X_1 | -0.15487 | 1 | | | | | | | |
| X_2 | #DEL/0! | #DEL/0! | 1 | | | | | | |
| X_3 | 0.172041 | 0.421921 | #DEL/0! | 1 | | | | | |
| X_4 | 0.079499 | -0.11765 | #DEL/0! | -0.55251 | 1 | | | | |
| X_5 | -0.12405 | 0.01042 | #DEL/0! | 0.559569 | -0.27926 | 1 | | | |
| X_6 | -0.13993 | 0.020455 | #DEL/0! | 0.11091 | -0.38134 | 0.143857 | 1 | | |
| X_7 | 0.559521 | -0.69378 | #DEL/0! | -0.27828 | 0.212934 | 0.048549 | -0.27266 | 1 | |
| X_8 | 0.538415 | -0.02937 | #DEL/0! | 0.129061 | 0.614636 | -0.03778 | -0.21623 | 0.145696 | 1 |

In order to estimate the multicollinearity of factors on the GDP, we find them the highest value in modulus. From the considered factors, the index of security by the level of inflation has the greatest impact on GDP (X_7), unemployment rate (X_8) and a deficit /surplus of the state budget (X_3). As between the factors X_3, X_7, X_8 there is no strong link (0.27828; 0.145696; 0.129061), then these factors are left for regression analysis. From the sample of indicators, we will exclude X_{1-2}, X_{4-6} , as these factors have a minor impact on the level of economic security of Ukraine's GDP.

Let's analyze the nominal GDP of Ukraine and its compliance with the threshold security value. The threshold value of the change of the GDP index to the indicators of the previous period is recommended at the level of 115%. In the period of 2007–2008, the value of GDP increased, respectively, and the indicator was characterized by a state of security. In 2009, it decreased by 35.0% and amounted to \$ 117.2 billion – a threat. In the period of 2010–2013, the value of this indicator increased, exceeding the level of 2008, respectively, a safe condition. But from 2014 to 2016, the GDP declined year by year, indicating the existence of risks and threats: by 28.1% in 2014 (state of risk) and by 31.3% in 2015 (state of threat). Comparing nominal GDP in 2016 and 2017, we see modest growth of 2.9% in 2016 and an increase of 20.2% in 2017 as compared to the previous year, which is a safe state. The use of fiscal and monetary policies did not lead to stabilization of economic indicators: during the period of 2007–2017, the real GDP decreased, inflation grew, the currency devalued significantly, and unemployment increased, requiring a revision of the applicable instruments for ensuring economic security in Ukraine.

For a more accurate assessment of the influence of factors of fiscal and monetary policy of Ukraine's economic security,

we will conduct a regression analysis. The results of the regression analysis are presented in Table 4.

Table 4.

Regression statistics on the impact of fiscal and monetary policies factors of Ukraine's economic security

| Regression Statistics | | Analysis of variance | | | | | | |
|-----------------------|--------------|----------------------|----------|------------|-------------|-------------|----------------|-------------|
| Multiple R | 0.990004 | | df | SS | MS | F | Significance F | |
| R Square | 0.980108 | Regression | 3 | 8.399643 | 2.799881 | 131.3929503 | 1.62261E-06 | |
| Adjusted R Square | 0.850135 | Residual | 8 | 0.170474 | 0.021309 | | | |
| Standard error | 0.145977 | Total | 11 | 8.570117 | | | | |
| Observations | 11 | | | | | | | |
| | Coefficients | Standard error | t Stat | P-Value | Lower 95% | Upper 95% | Lower 95.0% | Upper 95.0% |
| Y-intercept | 0 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| x variable 1 | -0.19381 | 0.370909 | -0.52252 | 0.61546621 | -1.04912419 | 0.66151 | -1.04912 | 0.66151 |
| x variable 7 | 0.612048 | 0.290722 | 2.105271 | 0.06837459 | -0.05835762 | 1.282454 | -0.05836 | 1.282454 |
| x variable 8 | 0.50475 | 0.320679 | 1.574003 | 0.15413339 | -0.23473729 | 1.244237 | -0.23474 | 1.244237 |

The coefficient of multiple correlation $R = 0.990$ has a direct connection between the factoring signs of the financial and monetary policy in one. Coefficient of determination $R^2 = 0.98$ shows that the 98.01% change of GDP in 2007–2017 is charged with the variation of the factors included into the model, and the other factors in the model fall by 1.99%.

The verification of the adequacy of the model is carried out by calculating Fisher's F-criterion: $F_{table} = 5.12$, $F_{fact} = 131.39$, therefore, the null hypothesis is rejected and the equation is statistically significant. Estimation of the significance of the parameters of the Student's t-criterion confirms the statistical significance of the regression parameters.

Regression equation:

$$\hat{Y} = (-0,19381)x_1 + 0,612048x_7 + 0,50475x_8.$$

The analysis of the parameters of the regression equation allows us to conclude that the decrease of the inflation index

and the unemployment index by 1% will lead to an increase in the level of economic security of GDP by 0.612 and 0.504%, while an increase in the share of government expenditures by 1% will lead to a decrease in the level of economic security for the GDP by 0.1%.

Conclusions

The correlation-regression analysis of the interaction of fiscal and monetary policies and their impact on the level of Ukraine's economic security contributes to the identification and coordination of the relationships between them, the discovery of new properties and characteristics. New knowledge about the process of coordinating the choice of types of implementation of fiscal and monetary policies will allow developing more effective measures to ensure the security of key macro-economic indicators.

Olena Kovalchuk, Olga Sazonets

Challenges for Small and Medium Business in Ukraine in Entering the Polish Market

Introduction

Poland as the direct neighbor of Ukraine has a great impact on the development of the country. Poland's contribution to Ukraine's integration into the EU is without a doubt important. Poland, together with Sweden, was an initiator of the Eastern Partnership. The signing of the joint declaration of the "Eastern Partnership" in Prague on May 7, 2009 by the heads of states and governments of the EU on the one hand, and six Eastern European countries on the other, was an important event. As an initiator of the Eastern Partnership, Poland actively supported our country in signing the EU-Ukraine Association Agreement.

The signing in 2014 of both parts of the EU-Ukraine Association Agreement (political and economic) created a favorable environment for the development of macro as well as micro-economic potential. Furthermore, convergence to the EU would require the transformation of Ukraine's economy. In this context, many researchers state that small and medium businesses are essential agents of change in the process of transition.

Thurik insists: “small business is a source of the fourth ingredient of economic growth” (besides capital, labor and technological progress).

There are many studies in the literature on the potential effects of the Free Trade Association (FTA) for Ukraine and the EU. In particular, special attention is given to the analysis of Poland–Ukraine cross-border cooperation as well as Poland’s impact on the economy of Ukraine. For instance, B. Kowalko noted that “the border between Poland and Ukraine created a number of barriers to the development of border regions that in turn would create inconveniences for the population and economic entities. However, the appropriate use of the chances of that border’s presence could create many opportunities to activate the Polish and Ukrainian border regions”. The signing of the Association Agreement only contributes to this process, because opening the markets would only facilitate an interregional and international trade. Wytse Sonema (2015) in the research paper gives the theoretical analysis of how the relationship between the EU and Ukraine developed over the past fifteen years. N. Baglai analyzed the evolution and modern development of the Polish–Ukrainian interregional cooperation at the regional level. He stated that Poland and Ukraine have reached a new qualitative stage of development where interregional cooperation for Ukraine (in the context of the long-term EU membership expectation) is a practical and perspective direction of a modern adaptation of Ukrainian regions to the European standards.

There are fewer studies that analyze the impact of Poland on the development of Ukraine in the context of the AA. That is why the article is aimed at studying the challenges that Ukrainian small and medium businesses face when entering the Polish market.

Research

On January 1, 2016, the Deep and Comprehensive Free Trade Area (DCFTA or FTA) between Ukraine and EU entered into force. This event has considerably expanded the access of Ukrainian enterprises to European markets: for export, most of the goods were set at zero customs rates, and another part of the tariffs will be canceled in the next ten years. In addition, the agreement provides for the harmonization of Ukrainian legislation in line with EU norms, which will significantly reduce non-tariff barriers for Ukrainian exports to Europe. At the same time, despite the openness of the European market for Ukrainian goods, many enterprises, and especially small and medium businesses (SMB), have not yet been able to take advantage of the FTA.

The importance of SMB development in the context of the FTA is recognized by Ukraine itself, the EU, and to some extent Poland. Various agendas, policies and programs are in place to support businesses to exploit the opportunities and also face the challenges which come with the implementation of the FTA. The reasons for this are: low access to financial resources, low access to knowledge and information; low access to technology and innovation.

According to the statistics of the State Statistics Service of Ukraine, there are about 11 thousand Ukrainian enterprises selling their products to EU countries, and the total volume of Ukraine's exports to the association in 2017 increased by 30% as compared to 2016. Ukrainian entrepreneurs who have already entered the EU markets say that with huge preparation and correct choices in the strategy for internationalizing the entrance to EU markets, they can become a catalyst for business development, a source of revenue growth and increased efficiency of the enterprise.

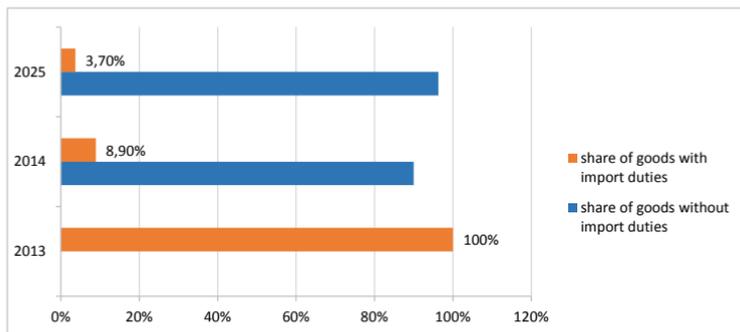
The FTA's adoption in January 2016 provides Ukraine with opportunities for modernizing its trade relations and economic development. Provisions for a deepened and comprehensive free trade area relates to both increasing the access of Ukrainian goods to the EU market by eliminating customs barriers as well as harmonizing Ukrainian legislation with EU norms in the field of non-tariff regulation.

Cancellation of Tariff Barriers in Trade with Poland

Thus, since the signing of the Association Agreement, the trade turnover between Poland and Ukraine has increased, indicating the positive effects of the AA. First, this was due to the FTA opening markets by the gradual reduction of customs rates and second, it was due to the provision of duty-free access in terms of quotas. The EU abolished the majority of customs rates in 2014, when the regime of autonomous trade preferences entered into force. Furthermore, for 10 years (that is, until 2025), the abolition of EU import duties for Ukraine is anticipated by about 96.3% of tariff lines (figure 1).

Figure 1.

Schedule of cancellation of EU import duties for Ukrainian goods

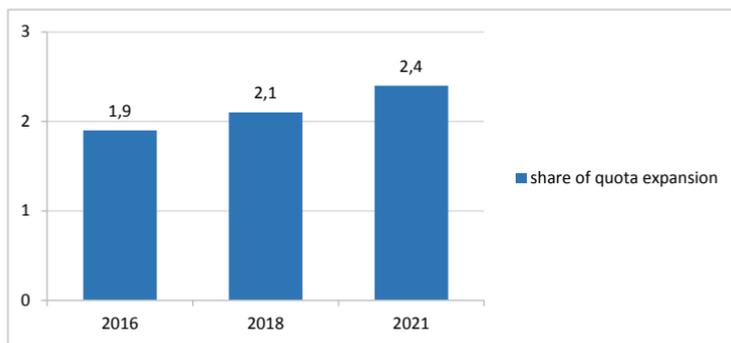


Source: <http://minagro.gov.ua/en>

The best confirmation of the fact that the FTA agreement between Ukraine and the EU works is the constant increase in the volumes of domestic agrarian and food exports to the markets of EU countries. However, duty-free tariff quotas predominantly concerned the goods mentioned above. Meanwhile, the tariff quotas of the European Union will be expanded for 18 Ukrainian goods groups within five years, by 10 percent a year on average, according to a posting on the website of the Agricultural Policy and Food Ministry of Ukraine. The forthcoming duty-free tariffs cancellation will be fulfilled gradually by the end of 2018 and the new wave of tariffs abolition for 36 goods groups will take place until 2021, respectively (Figure 2).

Figure 2.

Dynamics of expansion of quotas on Ukrainian goods exporting to the EU, tons



Harmonization of Non-Tariff Regulatory Procedures

In addition to the abolition of import duties, the FTA also provides adjustments of Ukrainian legislation to the EU Regulations and Directives. This will significantly reduce the regulatory burden barriers to trade with the EU and facilitate the access of Ukrainian goods to European markets. In particular,

the implementation of all provisions of the Agreement until 2025 will concern the following areas:

- *Customs procedures.* Ukrainian customs will become more transparent and automated, the passage of customs control will require much less time, and in the case of Ukraine joining the Convention on a single transit regime and the Convention on the simplification of formalities in trade in goods, the need to undergo the same procedures on Ukrainian and European customs will disappear.
- *Technical Regulation.* Ukraine committed itself to harmonize its technical regulations and market surveillance procedures gradually in terms of standardization, accreditation, metrology and conformity assessments with EU provisions. According to the FTA provisions, Ukraine should gradually transfer European standards to its legal system and, at the same time, to withdraw all other contradictory standards, both national and international in character.
- *Sanitary and phytosanitary norms.* Harmonization of Ukrainian approaches to quality and safety testing food products and animal retention standards will significantly allow simplifying the export of Ukrainian agrarian and food goods to Polish markets.
- *State Purchases.* Ukrainian suppliers and service providers will be able to participate in public tenders in Ukraine as well as throughout Poland in all spheres other than procurement for the army.
- *European market of services.* In the framework of the FTA, opening enterprises for the Ukrainian markets for international maritime transport, financial services, computer, mail and courier services is expected. It also simplifies the exit of other services markets.

Challenges to Entering the Polish Market

Despite the difficult socio-political conditions in the country, Ukrainian enterprises have a significant potential to enter the European market, and particularly the Polish market. Before accessing the Polish market, SMB enterprises are to fulfill a number of conditions at the national as well as international (Polish) level. In 2015, Ukraine canceled 15,000 old technical regulations and adopted 3996 national standards, and in 2016 it developed and adopted 1300 standards, which were harmonized with respective European and international standards.

Technical regulations in Ukraine are coordinated by the Department for Technical Regulations of the Ministry of Economic Development and Trade of Ukraine and developed by the State Enterprise Ukrainian Scientific, Research and Training Center for Certification, Standards, and Quality (SE “UkrNDNC) which serves as a national standardization body. Enforcement of the quality of products and their compliance with the national standards is done by the State Inspection for Food Safety and Consumer Protection. Certification is a fee-based service in Ukraine.

In September 2017, the Cabinet of Ministers of Ukraine amended the Law of Ukraine on Standardization canceling the mandatory application of national standards. Voluntary application of standards meets the requirements of the FTA, as well as European principles of standardization. Certification is also no longer mandatory per repeal of the order effective March 2018.

According to Article 15 of the Economic Code of Ukraine revised on June 17, 2018, standardization is required by this Law for participants of agreements for products development, production or supply, which refer to certain standards, if a manufacturer or supplier of products has made a declaration of con-

formity of production to certain standards or indicated a standard on its label.

When small or medium business enterprises intend to launch a business in Poland, the following requirements are to be met. Provision of the following activities makes export-import transactions possible: collecting the required documents, carrying out the necessary procedures and specifying the product's requirements.

- I. Documents required for SMB export-import transactions:
 1. Account card. Customs accreditation and personal account number are required for initiation of customs procedures. Documents are issued by the customs authorities and can be received a maximum of 2 days after customs paperwork.
 2. Foreign Economic contract. A contract with all applications is a must-have document and is always checked by the customs authorities regarding availability and clarity of information on the account (delivery terms according to Incoterms 2010; terms of payment; subject of the contract; prices and total cost of production).
 3. Certificate EUR.1. A Certificate of Origin of EUR.1 is issued if it must be presented at the customs territory of the EU as evidence that the commodity(s) of Ukrainian descent complies with the requirements of the rules of determination of preferential origin when applying preferential import duty rates.
 4. Specification of products. This document contains detailed information about the load (volume of goods, unit of measurement, price per unit, the total cost of the goods).
 5. Invoice. This type of payment document must contain information about: the seller, buyer, the product and

its price, terms of sale and delivery, references to foreign economic agreements.

6. Packing letter. This document contains information about: the weight of the consignment, quantitative product characteristics, packing materials.
7. Commodity transport documents. Depending on the type of vehicle, the following documents are required: Bill of Lading (B / L) for maritime transport; air waybill (AWB) for air transport; road waybill (CMR) for road transport.

II. Necessary procedures: tariff and non-tariff regulations.

1. Tariff regulations: export customs. On the website of the Department of Fiscal Service (DFS), there is a list of goods where export duty rates were set in 2018.
2. Nontariff regulations include:
 - 2.1. Radiological control. All products crossing the Ukrainian border are subject to radiological control. This is carried out during customs clearance or at the checkpoints of the State Fiscal Service of Ukraine. Only products with a permitted level of radiation can continue the export procedure.
 - 2.2. Veterinary control. Under this control are products of animal origin, as well as goods used for the production of animal feed fall.
The manufacturer must be in the register of operators who are allowed to export these goods and have an internal veterinary certificate form No. 2. On its basis, an international veterinary certificate for the country will be issued to get a product
 - 2.3. Phytosanitary control. Applies to all products of plant origin. May be held in two ways: the inspector of the phytosanitary service conducts an exam-

ination of each party products at the customs (usually takes 1–2 days), the local inspector checks the plant or warehouse.

- 2.4. Ecological control. To pass it, it is necessary to receive the Ministry of Ecology and Natural Resources Certificate that the product falls into yellow or green lists of waste (second-hand, bit glass, scrap).
- 2.5. Intellectual property. The exporter should obtain permission from the trademark owner if the goods are included in the DFS Customs Registry. Customs clearance of goods brought to the register of intellectual property objects is suspended for up to 10 working days to obtain the permission of the holder of the copyright trademark. In the condition of denying permission, goods can be confiscated. If the exporter has a warranty letter from the copyright holder, there is still a pause of customs clearance until the management of the customs service will receive a fax from the right holder confirming that the cargo can cross the border.
- 2.6. Other types of control.

The Challenges

Moreover, there are a number of obstacles for further development of trade relations in Polish or any European direction. The risk may occur because of restricting Ukrainian products' access to Polish markets on the pretext of their non-conformance to European standards and certificates. Another risk may concern the narrowing of the export segment, which is due to several factors:

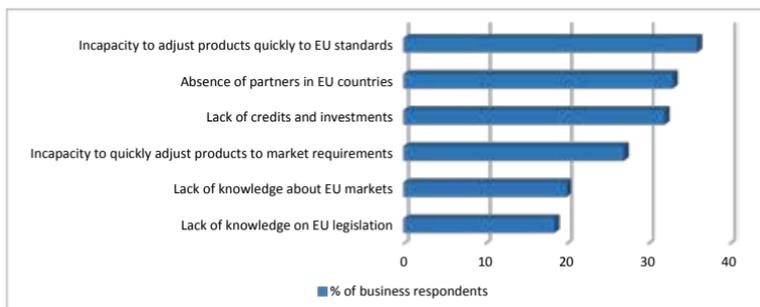
1. the removal of almost 400 commodity items from the free trade regime (mostly agricultural products),

2. trade liberalization designed to be the most profitable for Ukraine,
3. the EU's implementation of a tariff quota discriminatory system at a very low level (for most kinds of products, these quotas are below 6% of the volume of the EU volume for these kinds of products, such as grain, meat etc.),
4. the abolishment of export duty for sunflower oil, which could leave domestic refineries without raw materials,
5. the EU maintaining a system of multibillion agrarian sector support grants making the export of Ukrainian products to the EU and third countries non-competitive.

According to the results of a Ukrainian business survey carried out by the Institute of Economic Research and political consultations in May of 2016, more than 30% of the food industry enterprises managed to commence or increase their export to the EU after the FTA went into effect; however, the main obstacles preventing the usage of all advantages of the free trade area were considered by producers to incapacitate quickly adjusting their products to EU requirements (about 30% of respondents). Other problems shown in Figure 3 include the absence of partners and the lack of credits and investments.

Figure 3.

Obstacles preventing Ukrainian producers to enter European markets



Conclusion

Several conclusions can be drawn from the above analysis. First, the signing of the Association Agreement opened up vast opportunities for small and medium businesses in Ukraine to enter the Polish market. Ukrainian SMB Poland has an impact on their foreign trade as a major investor in the border area, giving impetus to the development and modernization of enterprises. In addition, the successful implementation of the DCFTA Agreement between Ukraine and the EU will be promoted by harmonization of market and state regulatory methods with simultaneous adjustment of national legislation to accommodate EU legislative requirements in the priority spheres.

Second, as stated above, cooperation in the small and medium business sectors in Ukraine and Poland will allow the business entities in both countries to exercise effective development by acquiring new knowledge, the dissemination of scientific advances and technological “know-how”, and training of human resources. The analysis of statistical data on the volume of trade transactions and investments in both countries shows great potential for economic cooperation. However, the success of such cooperation is largely dependent on state support for small businesses in each country.

Sustainable Economic Activity as One of the Most Important Factors of Competitiveness for Enterprises: International Practices of Management and Accounting

Introduction

A company's goal is to provide competitive products or services which are the result of a company's operational activity under the market economy. According to practice, this goal is mostly achieved by the entities with high potential for competition, with the real and potential ability to manufacture, sell and maintain services for particular market segments, providing competitive products (goods and services) of quality and prices similar to other products, but more popular among consumers.

High enterprise competitiveness is easily identified in global practices:

- satisfied consumers, ready to buy the products again (demand is equal to supply);
- community, stockholders, and partners have no claims against the entity;
- employees consider themselves successful professionals when working for the enterprise.

When assessing competitiveness, not only the indexes on the conclusion of an agreement and assessment of a good's performance are considered, but also other criteria, such as indexes of an entity's operating activity efficiency, its financial condition, sales and promotion efficiency, innovative project on finished-product output efficiency, etc. One of the most popular methods for assessing a company's competitiveness is the method based on the theory of effective competition. According to the theory, the most competitive enterprise is one where the work among all services and departments is highly-organized. The productivity of every service is affected by a large number of factors and the resource provision of the entity. This method is based on the assessment of four groups of indexes or competitiveness criteria: indexes of an entity's operating activity efficiency, its financial condition, sales and promotion efficiency, and its competitiveness (quality of the product).

Thus, competitiveness is a special area, where the consumers and a manufacturer's interests meet. At the same time, the human factor matters the most for both parties: thinking and deciding today, we try to predict how it will influence our children's lives in the future.

However, considering the environmental influence on social and economic development, the scarcity of manufacturing resources (natural resources in the first place), the need to implement system control on achieving not only the main goal, making a profit, but also following the principles of corporate social responsibility becomes urgent.

Corporate social responsibility has different "levels" of identification that depend on organizational and economic characteristics of the enterprise, as well as on a country's economy, cultural and historical heritage, community participation, etc. This concept is most widely understood as the responsible atti-

tude of a company to its product or service, towards consumers, employees, partners; a socially-minded company that believes in harmonious co-existence, cooperation and continuous communication with the local community; and its participation in solving the most important social issues.

Nowadays, corporate social responsibility means promoting sustainable development (including community health and welfare), considering the interests and needs of the parties involved, correspondence to current legislation and international rules, operating activity and integrating with the system of public and governmental institutions.

Materials and Methods

Organizational and economic issues of sustainable social development implementation were analyzed by such leading foreign and national scientists as R. Vos, Z. Gerasymchuk, T. Jackson, Dzh. Ru. Kulloch, S. Mocherny, O. Pokataev, B. Rosenberg, A. Sarabsky, N. Starchenko, M. Klymenko, V. Kravtsiy, D. Lilenfeld, A. Melnyk, V. Trehobchyk and others. Considerable attention to information support of the balanced business activity is paid by their prominent accounting scholars, such as S. Svirko, Yu. Kuzminskyi, Z. Gutsailiuk, G. Davydov, L. Lovinska, I. Sadovska and others.

Nonetheless, the research on methodical and practical approaches to the economic guarantee of the sustainable development mechanism, in the context of the modern economic reforms, requires further investigation.

The purpose of the given research is to show an entity's competitiveness assessment under modern market conditions via a complex index of sustainable operating activity.

Considering the purpose, the following methods of scientific research have been applied: an institutional analysis – to

research the process of sustainable social and economic development formation; a decomposition analysis – to define the essence of the concept or the “sustainable use of manufacturing resources”; a comparative analysis for systematization of the practical application for methods on social assurance of employees in the Rivne region’s companies.

Calculating the given indexes is based on the data of enterprise financial reporting. Thus, we can be sure about the reliability and objectivity of the indexes as well as the efficiency of the research in their dynamics.

Findings and Discussion

Within the range of standard and practical regulations, sustainable activity should be analyzed on:

- the micro-level, i.e. directly on the business activity level;
- the meso-level – within the regional social and economic development;
- the macro-level – in the context of governmental programs on its implementation. To evaluate, analyze and improve the subject-matter, it is important to rationally choose the indexes of sustainability that would adhere to the standards of:
 - accountability, i.e. being defined in all forms of financial reports;
 - objectivity, i.e. having uniform criteria of definition considering the industry of business activities;
 - unified measuring value in the classification groups section of the following indexes: cost, physical, quality; absolute, relative.

We believe that sustainable business activity refers to the organization of the rational and efficient use of production resources aiming to implement the operative and strategic tasks

of business activities. This implies a complex equilibrium of three constituents:

- positive dynamics of economic indexes (an economic constituent);
- social security (a social constituent);
- environmental safety of operational activity (an ecological constituent)

While implementing territorial reform, it is important to properly define the conditions of an enterprise's financial and organizational support. Having taken into account the results of their activity, the conditions turn out to be important factors in establishing the sustainability of regional economies. The forms and amount of such support should be clearly specified at every stage of regional "Programs of Economic and Social Development" approval.

Considering the information included in an enterprise's financial accounting, we can distinguish the following major indexes of sustainable activity.

Economic indexes refer to the basic and derived indexes of the financial result as well as resources provision.

Basic: 1. Gross income 2. Operating income 3. Cost of sales 4. Asset value (average annual) 5. Net asset value 7. Average number of employees 8. Pre-tax income 9. Retained earnings (uncovered loss).

Derived: 1. Return on assets and capital-output ratio 2. Labor productivity 3. Average wages 4. Profitability index.

Calculating the given indexes is based on the data of enterprise financial reporting. Thus, we can be sure about the reliability and objectivity of the indexes as well as the efficiency of the research in their dynamics.

Environmental safety indexes refer to the evaluation of environmentally safe conditions of production and labor, providing

an environmental and reproductive influence of the activity's results on regional development according to quality (V) and quantity (VV) indicators, such as:

- energy and heat consumption (VV),
- stock use (VV),
- use of natural resources: water and power (VV),
- cost/amount of waste (VV),
- internal and external air quality (V),
- noise and smell evaluation (V),
- environmental safety of manufacturing procedure, workplace, output (V)¹.

At the moment, there are the Standards of environmental safety functioning in Ukraine. They correspond to international environmental standards. Those that concern the results of financial and economic activity of the enterprise are: DSTU ISO/TR 14032:2004 “Environmental Management. Examples of Environmental Performance Evaluation”, DSTU ISO/TR 14049:2016 (ISO/TR 14049:2012, IDT) “Environmental Management. Life Cycle Assessment”. However, standards for quality and quantity indexes of environmental safety in the companies have not been regulated by the national Standards yet.

Social security indexes refer to the rational use and reproduction of labor resources considering the needs of their professional development and social service (in most cases it is known as employee benefits):

- the basic benefits or the guarantees of social security mandated by the law of Ukraine and included into employment agreement;
- the motivating benefits combine compensation (damages covered by the employer as additional means added to

¹ O. Miagchenko, *Osnovy ekolohii*, Kyiv 2017, pp. 154–159.

the guarantees mandated by the law) and competitive benefits (encouraging system of employees support) (Indexes of business social responsibility; Dictionary).

Procter & Gamble (P&G) is an American transnational corporation which can be called the most active “lobby” of sustainable business activity. It possesses a large scale production stipulates system, combining the company, government and public interests of the region where it is domiciled. P&G uses the UK government’s variant of the sustainable development definition, which states: “Sustainable development is ... the importance of ensuring that all people should be able to satisfy their basic needs and enjoy a better quality of life, both now and in the future”.

As for social responsibility, there are two main directions (they have practically become the secret of P&G’s success):

1. Corporate social responsibility
2. Sustainable manufacture and consumption of goods across the nation².

In other words, the company is obliged to consider national standards of social security as well as to support government programs of social development. In practice, these are regulated by the legal consultants who are responsible for the internal Standards Code of social responsibility.

The information base of sustainable activity for Ukrainian enterprises is presented by the integrated system of business accounting that includes accounting, statistical accounting, managerial accounting, and tax and budget settlements accounting.

² D. Krasnikov, *Evoliutsiia poniattia «zbytky» ta reholiuvannia yikh vidshkoduvan v Ukraini*, “Naukovi pratsi Kirovohrads'koho natsionalnoho tekhnichnoho universytetu. Ekonomichni nauky,” no. 22/2012, [http://www.kntu.kr.ua/doc/zb_22\(2\)_ekon/stat_20_1/43.pdf](http://www.kntu.kr.ua/doc/zb_22(2)_ekon/stat_20_1/43.pdf); S. Makar, *Osnovy ekonomiki prirodopolzovaniya*, Moscow 1998.

Nowadays, accounting and financial statements data is not a sufficient source of information anymore when it comes to making strategic or operational managerial decisions: the advantages of management accounting are not properly regulated in legislation; the methodical basics of (internal) accounting should be further harmonized with settlements of budgetary payments accounting.³

The need for adding such indexes as generating and protecting human capital, corporate management of personnel development, and pollution as a result of enterprise activity, etc. to the existing forms of financial accounting becomes obvious.

We have conducted social research of the Rivne region's enterprises by attempting to check how they adhere to their social programs (the study included the business activity of 32 joint-stock companies). Unfortunately, the majority of executives define employee benefits as compliance with labor legislation, i.e. on-time payroll payment. Indeed, only 19 enterprises in our research use motivating elements of employee benefits and try to follow them.

Let's take, for example, the indexes of social security considering the international practices of non-profit business units. In general, all indexes of a business' social responsibility can be divided into five blocks:

- health and safety;
- corporate culture development;
- training, professional development;
- recreation and entertainment;
- labor motivation.

³ R. Berling, *Ecological and Economic Losses and Their Relationship between Notion Expenses and Costs for Enterprises Operating under Development Innovation*, http://archive.nbuv.gov.ua/portal/natural/vnulp/logistyka/2012_749/01.pdf.

The indexes of business social responsibility are given below.

Table 1.

Indexes of social responsibility in financial statements of domestic businesses

| Indexes of business social responsibility (in the accounting period)* | External reports produced for public consumption | | | | |
|--|--|--|---------------------|-----------------------------------|---------|
| | Financial statements | Reports for social security administration | Statistical reports | Settlements of budgetary payments | Notes** |
| 1 | 2 | | 3 | 4 | 5 |
| health and safety*** | | | | | |
| – workers' compensation | V | | V | V | |
| – expenditure on labor protection | V | | | V | |
| – the number of occupational injuries | | V | | | |
| – the number of days off work due to injury or illness | | V | | | |
| – the number of days off due to occupational illness | | V | | | |
| – the number of sanatorium–resort therapy | | V | | | |
| satisfying social welfare needs | | | | | |
| – the number of employees in the employer-assisted housing list | | | | | V |
| – seating capacity in the canteen | | | | | V |
| – the number of employees granted housing | | | | | V |
| – the number of employees applied to the trade union organizations | | | | | V |
| – expenditure on employees' housing arrangements | V | | | | |
| – expenditure on housing rent compensation | V | | | | |
| – financial aid to employees | V | | | V | |
| training, professional development | | | | | |
| – expenditure on employees' professional development | V | | | V | |
| – expenditure on employees' training | V | | | V | |

| | | | | | |
|--|---|--|---|---|---|
| - the number of employees with higher education (divided into categories) | | | | | V |
| - the number of employees who had taken their course of professional development | | | | | V |
| recreation and entertainment | | | | | |
| - expenditure on tourist tours | V | | | | |
| - expenditure on public events | V | | | | |
| labor motivation | | | | | |
| - average salary (divided into categories) | | | V | | |
| - additional vacation pay expense | V | | | V | |
| - bonuses | V | | | V | |

* compiled on the basis of (Indexes of business social responsibility);

** at the moment, the column is left empty, the report requires additional information;

*** it is appropriate to apply relative indexes (due to the proportion of researched index to its general sum\amount of expense, number of workers, etc.).

Source: Own work

The recognition of an enterprise as being “socially responsible” is an important factor of competitiveness. World business practice considers the higher level of social responsibility to be “philanthropic or corporate social responsibility (CSR)”; investing into projects that benefit the community but are not profitable; environmental protection; and investments into health care, education, infrastructure, etc.

Big American and European business has been known as pragmatic, but it recognizes the positive influence of CSR on the image of the enterprise:

- the loyalty of consumers along with the brand value increase. The research shows that CSR influences 70% of European consumers’ choice of brand when shopping. One out of five Europeans is willing to pay more for an environmentally-friendly product as well as for other elements of CSR.

- efficient and fair lobbying is observed, having the trust and support of a community. For example, western electric power companies, which are monopolies on certain territories, invest in the economic development of these territories and in non-profit “green” sources of energy. Yet, when there is a need to increase tariffs for a population, they receive the positive support of a community and politicians.
- quality and motivation of the staff increase. The research shows that companies which pay attention to CSR can train employees that are more motivated and less willing to take advantage of the company for personal gain.

Can CSR be valuable for big business in Ukraine? It is obvious that today, national business is struggling with the population's distrust. For example, according to the Institute of Sociology's research, only 19% of Ukrainians support taking public companies under private ownership. Considering the low trust of the population in business, its support in the tax, currency, regulations and other deregulations of the economy can hardly be expected⁴.

The need to expand sustainable activity indexes in the forms of financial accounting for Ukrainian business is obvious. Thus, the implementation of integrated accounting reporting becomes important. This system is not stipulated by the limitations of a certain accounting system, but it can provide full information resulting from the economic justification of social and ecological constituents' provisions in business activities.

⁴ L.I. Chernobai, O.I. Duma, *Biznes-protsesy pidpriemstva: zahalna kharakterystyka ta ekonomichna sut* [Business Processes of the Enterprise: General Characteristics and Economic Essence], “Visnyk Natsionalnoho universytetu «Lvivska politekhnika». Menedzhment ta pidpriemnytstvo v Ukraini: etapy stanovlenia i problemy rozvytku,” no. 769/2013, pp. 125–131.

The dynamic development of entities involved in accounting implies the accounting data be specified, i.e. an additional analytics of financial accounts along with internal forms of accounting being introduced. The study, evaluation and comparison of indexes of programs for economic development, social security and environmental safety implementation call for the necessity to create a unified index, i.e. an integrated index of sustainable activity⁵.

Calculating objectivity as well as financial support of its implementation are important for the integrated index. National Accounting Standards of Ukraine offer a chance to cover the expenditure on the implementation process of the above-mentioned programs in a few alternative variants.

Such expenses can be covered by:

- using other operational expenditure if analytic subaccounts are introduced in the columns of the Programs: Debit "Other operational expenses" – Credit "Resources (suppliers)";
- using a fund created by means of retained profit account: Debit "Profit use" – Credit "Fund of sustainable activity"; Debit "Fund of sustainable activity" – Credit "Resources (suppliers)";
- using a reserve fund account for the programs of sustainable operational activity implementation: Debit "Other operational expenses" – Credit "Reserves" or Debit "Reserves" – Credit "Resources (suppliers)".

⁵ B. Demirel, I. Erol, *Investigation of Integrated Reporting As a New Approach of Corporate Reporting*, "International Journal of Business and Social Research," vol. 6, no. 10/2016, pp. 32–46.

Conclusions

New administrative-territorial reform in Ukraine is impossible without the support of business enterprises – the “core” of territorial and economic development. It is important for any enterprise to properly determine the indexes of sustainable activity, to plan its resource supply, and to monitor the productivity in the Program of economic development, social security and environmental safety implementation report for the administrative-territorial unit, enterprise or country in general. Thus, sustainability indexes in the process of administrative-territorial reform implementation should become a subject-matter of systematic government control and support. For businesses, the indexes should be the basis of accounting and analytic supply as well as the internal operational audit at the stages of planning, implementation and result evaluation.

Concerning the priorities of sustainable development constituents (economic, social, ecologic), they can vary from enterprise to enterprise depending on their resource supply, type of industry, the economic situation on external and internal markets, etc. Without a doubt, top priority is given to economic indexes (i.e. rational financial support).

Ryszard Suduł

Infrastructure Changes of the State Border of the Republic of Poland and Ukraine in 1991–2018

Introduction

The geopolitical changes in Central and Eastern Europe initiated after 1989 entirely changed the geopolitical landscape of Europe, creating the perspective of an extraordinary opportunity to develop genuinely partner-like and good-neighborly relations based on common interests and a long-term strategy for Poland and Ukraine and their political and intellectual elites. Ukraine has become a very important political and economic partner of Poland¹, also due to Ukraine's direct neighborhood with the external border of the European Union and the Schengen area. The neighborhood of Poland and Ukraine also assumed a strategic significance for the entire European Union with respect to expanding the area of security, democracy and the free market.

¹ The Treaty between the Polish Republic and Ukraine on Good-neighborliness, Friendly Relations, and Cooperation signed in Warsaw on May 19, 1992 specifies that the parties will support the establishment and development of direct contacts and cooperation between regions, administrative and territorial units and cities of the Republic of Poland and Ukraine, *Journal of Laws of 1993*, no. 125, item 573.

Cooperation between Poland and Ukraine has been, from the very beginning, closely connected with the processes of transformation in the whole region, over time transforming into a “strategic partnership”². The initiation of cooperation between these nations required legal regulations in the first place, which included the lack of legal powers, international agreements and cooperation agreements as well as the legal provisions for such cooperation. Regulating these issues was to contribute to the activation of cooperation between the two nations, resulting in economic cooperation and cooperation between enterprises on both sides of the border.³

Both Poland and Ukraine agreed that the basic obstacle to mutual relations is the limited and poorly developed border infrastructure, which had to be modernized and extended as soon as possible. The number of border crossings in the initial period of cooperation was too small to efficiently handle the developing border traffic. The cross-border trade system, dominated by low-value purchases in border regions, resulted in very long queues at border crossings, which discouraged many potential contractors from further purchases and cooperation⁴. The problem became particularly evident when the Republic of Poland joined the European Union and the Schengen Area.

The solution to such important aspects affecting the mutual cooperation between Poland and Ukraine required the defini-

² See E. Orlof, *Geneza i znaczenie polsko-ukraińskiego pojednania* [*Genesis and Significance of Polish–Ukrainian Reconciliation*], [in:] T. Zarecka (ed.), *Ukraina a Polska. Partnerstwo strategiczne. Historia. Czas Teraźniejszy. Przyszłość*, [*Ukraine and Poland. Strategic Partnership. History. Present. Future*], Kiev 2002, p. 14.

³ M. Krok, K. Smętkowski, *Polsko-ukraińska współpraca transgraniczna: [Polish–Ukrainian Cross-Border Cooperation]*, [in:] G. Gorzelak, K. Krok (eds.), *New Borders of the European Union – Cooperation or Exclusion?*, Warsaw 2006, p. 187.

⁴ M. Kowerski, *Wpływ handlu z Ukrainą na rozwój województw przygranicznych*, [*Impact of Trade with Ukraine on the Development of Border Provinces*], “Gospodarka Narodowa,” no. 2–3/1998, p. 56.

tion of common strategies whose subsequent implementation was to contribute to the activation and intensification of mutual bilateral relations. The cooperation required, inter alia, the flow of information on the development of border regions, as well as providing both parties with access to data on plans for the development of neighboring border areas⁵.

The Polish–Ukrainian Border. A Historical Outline

The state border of the Republic of Poland and Ukraine plays a special role within the mutual relations of these neighboring states. The current course of the border is the result of a complex long-term historical and political process. The current Polish–Ukrainian border was established in 1945 as the border between Poland and the Ukrainian Republic included in the structures of the then Union of Soviet Socialist Republics (USSR). The course of this border, according to many historians, is not a consequence of historical processes or the requirement of an ethnic criterion.⁶ It is primarily the result of a political agreement among the Powers at the Tehran Confer-

⁵ S. Pisarenko, *Bariery społeczno-gospodarcze ukraińsko-polskiej współpracy transgranicznej* [Socio-Economic Barriers of Ukrainian–Polish Cross-Border Cooperation], p. 43, [in:] J. Kitowski (ed.), *Czynniki i bariery regionalnej współpracy transgranicznej – próba syntezy* [Factors and Barriers to Regional Cross-Border Cooperation. An Attempt to Synthesize], Rzeszów 1998.

⁶ See S. Stępień, *Granica polsko-ukraińska w ostatnim półwieczu. Kwestie związane z delimitacją, statusem prawnym, akceptacją społeczną i funkcjonowaniem* [The Polish–Ukrainian Border in the Past Half-Century. Issues Related to Delimitation, Legal Status, Social Acceptance and Functioning], “Information Bulletin of the South-Eastern Research Institute” 1988, no. 4/1988, pp. 37–54; A. Rogowska, S. Stępień, *Granica polsko-ukraińska w ostatnim półwieczu* [The Polish–Ukrainian Border in the Past Half-Century], [in:] “Independent Cultural Journal JI,” no. 20/2001, <http://www.ji.lviv.ua/n20texts/pol/rog-st-pol.htm> (accessed on December 18, 2018).

ence in 1943, approved of in the Final Protocol in Yalta in 1945⁷. According to the premises and opinions of the great powers, the delineation of the future border between Poland and Ukraine, then the Republic of Poland and the Union of Soviet Socialist Republics (USSR), referred to the history of the decisions of the Congress of Vienna⁸ and the so-called idea of the ethnic border, called the Curzon line since 1919⁹. It should be emphasized that the borderline determined by the powers was clarified at a conference in Moscow on August 16, 1945 and the Polish–Soviet border agreement was signed¹⁰. This agreement was first ratified by the USSR and only later on Decem-

⁷ The border crossing between Poland and the USSR as well as the post-war future of the world were established during the Big Three conference, namely Franklin D. Roosevelt (United States), Winston Churchill (Great Britain) and Joseph Stalin (USSR), at conferences in Tehran (28.XI–1.XII 1943), Yalta (4–11. II.1945), and Potsdam (17.VII–02.VII.1945).

⁸ Congress of Vienna (German: *Wiener Kongress*) – international conference of the representatives of sixteen European countries, lasting from September 1814 to June 9, 1815 in Vienna, convened to review territorial and political changes caused by the outbreak of the French Revolution and the Napoleonic Wars and to develop new principles of continental order.

⁹ The Curzon Line – a demarcation line proposed for Polish and Bolshevik troops described in the note dated July 11, 1920, issued by the British Foreign Minister Lord George Curzon to the People's Commissar of Foreign Affairs of the RSFSR, Geоргий Chicherin. The course of the line was based on the "Declaration of the Supreme Council of the Main Allied and Associated Powers on the temporary border of eastern Poland" of December 8, 1919. The Curzon Line has referred to history since the time of the Congress of Vienna in 1815 and to the so-called idea of an ethnic border, known as the Curzon line since 1919.

¹⁰ The Act of December 31, 1945 on the Ratification of the Agreement between the Republic of Poland and the Union of Soviet Socialist Republics on the Polish–Soviet State Border signed on August 16, 1945, Journal of Laws of 1946, No. 2, item 5. Author's footnote: the shape of the border from the moment of signing the agreement has remained unchanged except for the correction in 1951 (agreement on the change of borders 480 km² – HT action) and 1987 when the main stream of the Bug River changed and USSR agreed to give Poland an island near Kryłów. See W. T. Kowalski, *Polityka zagraniczna Rzeczypospolitej Polski 1944–1947* [*Foreign Policy of the Republic of Poland 1944–1947*], Warsaw 1971.

ber 31, 1945 by Poland. The course of the common border between the Republic of Poland and the USSR was marked “from the point located 0.6 kilometers south-west of the source of the San River, northeast towards the source of the San River and further along the San River with its current to the point located south of the town of Solina, further east from Przemyśl, west of Rawa Ruska to the river Sołokija, hence along the Sołokija river and the Bug River to Niemirów (...)”¹¹. After the ratification of the borderline, a mixed Polish–Soviet delimitation commission was established, which set the course of the border in the area in the period from March 7, 1946 to April 27, 1947.

The border between the USSR and the Republic of Poland remained unchanged until 1951, when the bilateral agreement on reciprocal exchange of territories was concluded¹². Poland was forced to surrender 480 km² (the area close to Warsaw), the so-called “Bug’s knee”, i.e. the area on the left side of the Bug River to the west of Sokal between Sołokija and the Bug

¹¹ Agreement between the Republic of Poland and the Union of Soviet Socialist Republics on the Polish–Soviet state border, signed on August 16, 1945 in Moscow – Journal of Laws of 1947, no. 35, item 167.

¹² Agreement between the Republic of Poland and the Union of Soviet Socialist Republics on the exchange of sections of state territories, signed on February 15, 1951 (ratified in accordance with the Act of May 26, 1951) – Journal of Laws of 1952, No. 11, item 63. As Stanisław Jadczyk writes, in the autumn of 1952 the USSR intended to make another exchange of borders. Poland was to lose 1,300 km² from the districts of Hrubieszów and Tomaszów, including the town of Hrubieszów. The border was to run from Korytnica west to Annopol, from here through Podhorce and Werbkowice to Łaszczów, from here through Rzeczyca to the village of Kornie. In exchange for Poland, the town of Niżankowice and the Przemyśl–Zagórz railway line were to come. It did not happen because of Stalin’s death. More – S. Jadczyk, *Hrubieszów i powiat hrubieszowski 1400–2000 [Hrubieszów and the Hrubieszów District of 1400–2000]*, Lublin 2000, http://pl.wikipedia.org/wiki/Umowa_o_zmianie_granic_z_15_lutego_1951 (accessed on January 8, 2014). See also W. T. Kowalski, *Polityka zagraniczna Rzeczypospolitej Polski 1944–1947 [Foreign Policy of the Republic of Poland 1944–1947]*, Warsaw 1971.

(because these were areas near Hrubieszów and Tomaszów, hence historiography refers to it as “Action H-T”)¹³. In exchange, Poland received an area of the same size in the Bieszczady region with a small town of Ustrzyki Dolne.

In an attempt to assess the functioning of the Polish and Soviet border, the Ukrainian section in 1945–1991 took into account the ongoing discussions or even political disputes on the topic. The delimitation of the border in 1945 and its delimitation in 1947 summoned recurring discussions or even political disputes on both sides of the border. The new shape of the border in many of its fragments did not include local or even regional functional and spatial connections. In a way incomprehensible for many inhabitants of the regions, mutual neighborly relations between the Lublin, Podkarpacie, Wołyń, and Lviv regions were interrupted. The new boundary demarcated culturally close communities, separating them with an administrative wall, which institutionalized, licensed and controlled, and sometimes even prevented all contacts. The process of cooperation between the neighboring regions’ societies over the years intensified physical and technical as well as political and legal constraints. Until 1991, i.e. until the end of the Union of Soviet Socialist Republics, this border became in practice closed and unfriendly to contacts, characterized by very “low permeability”¹⁴.

¹³ M. Buziewicz, *Stąd nasz ród! Bełz, Krystynopol, Ostrów, Sokal, Uhnów, Waręż. “Akcja HT-1951”* [Here Is Our Family From! Bełz, Krystynopol, Ostrów, Sokal, Uhnów, Waręż. “Action HT-1951”], Ustrzyki Dolne 2001, passim; see also *Bieszczady 1951. Akcja H-T. Korekta granicy polsko-radzieckiej* [Bieszczady 1951. Action H-T. Correction of the Polish–Soviet Border], <http://www.wykop.pl/link/1090331/bieszczady-1951-akcja-h-t-korekta-granicy-polsko-radzieckiej> (accessed on December 21, 2018).

¹⁴ Professor Dariusz Stola presents statistics on border traffic in his study (private time travel of Poles to the USSR – but without any breakdown into individual republics, lack of Ukrainian SSR) in the years 1955–1988 were as follows: 1955

As a result, the vast majority of the communication infrastructure running through the present border and the economic links previously serviced by this infrastructure gradually “extinguished” and ceased to exist within several decades. The border area took on peripheral features for 45 years (from 1945), not only economically but also in terms of communication, becoming poorly accessible both from the western part in Poland and from the eastern part of Ukraine¹⁵. As a result of the process, over the years, the common border of these neighboring countries took on an increasingly unfriendly character, becoming a border of closed and hostile contacts. In many cases, the intersection of economic ties also resulted from the unfavorable attitude of the USSR’s authorities, and later Russia¹⁶. Such a state caused a systematic social and economic peripheralization of the area, which is also very clearly noticeable today¹⁷.

– 11.476 people; 1956 – 93.868; 1957 – 63.916; 1958 – 22.579; 1959 – 18.097; 1960 – 26.599; 1961 – 27.290; 1962 – 32.217; 1963 – 36.003; 1964 – 39.614; 1965 – 60.986; 1966 – 83.322; 1967 – 132.818; 1968 – 124.843; 1969 – 121.532; 1970 – 125.035; 1971 – 139.935; 1972 – 140.303; 1973 – 101.868; 1974 – 88.330; 1975 and 1976 – no data; 1977 – 665.633; 1978 – 410.239; 1979 – 404.474; 1980 – 430.062; 1981 – 137.264; 1982 – 13.816; 1983 – 17.583; 1984 – 64.183; 1985 – 100.564; 1986 – 140.695; 1987 – 326.735; 1988 – 1.022.823. D. Stola, *Kraj bez wyjścia. Migracje z Polski 1949–1989* [A Country without a Way Out. Migrations from Poland 1949–1989], pp. 488–489.

¹⁵ See B. Kawalko, *Wybrane problemy polsko-ukraińskiej współpracy transgranicznej* [Selected Problems of Polish-Ukrainian Cross-Border Cooperation], “Regional Barometer,” no. 2/2011, p. 16.

¹⁶ B. Kawalko, *Granica wschodnia jako czynnik ożywienia i rozwoju społeczno-ekonomicznego regionów przygranicznych. Synteza* [Eastern Border as a Factor of Revival and Socio-Economic Development of Border Regions. Synthesis], [in:] *Ekspertyzy do Strategii Rozwoju Społeczno-Gospodarczego Polski Wschodniej do roku 2020* [Expertise on the Strategy for Social and Economic Development of Eastern Poland until 2020], vol. II, Warsaw 2007, pp. 7–41.

¹⁷ The Lubelskie and Podkarpacie areas are the poorest regions in Poland. Lubelskie, with a GDP of EUR 13.7 thousand per year, constitutes only 47% of the EU average. Podkarpackie follows it – at 48 percent of the EU average https://ec.europa.eu/eurostat/search?p_auth=oZepKhkc&p_p_id=estatsearchportlet_WAR_estatsearchportlet&p_p_lifecycle=1&p_p_state=maximized&

In the aspect of the functionality of the Polish and Ukrainian border from the moment of its demarcation to the moment of regaining independence by Ukraine, we must first and foremost emphasize the fact that over a period of several decades, it has in fact become a very difficult border to cross¹⁸. The trip from Poland to Ukraine until 1991, during the period when it belonged to the USSR, could only take place on the basis of invitations in order to settle family matters, with the Polish passport authorities trying to limit these as much as possible. Depending on whether in the USSR there was a period of thaw or reinforcement of the regime, there were more or fewer per-

p_p_mode=view&_estatsearchportlet_WAR_estatsearchportlet_action=search&text=regiony (accessed on December 21, 2018).

¹⁸ Cit: S. Dubaj, *Polsko-ukraińska granica państwowa i możliwości jej przekraczania w ruchu osobowym* [Polish-Ukrainian State Border and the Possibility of Crossing It in Personal Traffic], [in:] S. Dubaj, R. Suduł, P. Witkowski, *Współpraca transgraniczna w realiach Schengen. Aspekt praktyczny pogranicza polsko-ukraińskiego* [Cross-Border Cooperation in the Realities of Schengen. The Practical Aspect of the Polish-Ukrainian Borderland], Chełm 2014, p. 68. As D. Stola writes: "(...) If we looked at the Polish People's Republic from the bird's eye view in the first and last year of its existence – when the 1952 constitution introduced the name of the Polish People's Republic and in 1989, the last year of the existence of a state with that name – we would see an extraordinary change. In 1952, Poland was a closed country. It was separated from the world by a barbed wire fence with a length of over 2,000 km, 1300 watch towers and a strip of looted land with a length of over 3,000 km, borders were guarded by 30,000 the soldiers of the Border Protection Border troops having orders to shoot anyone who tries to escape. The Ministry of Public Security issued passports for just 12,000 foreign trips this year. The vast majority of them were received by carefully selected and reliable officials and party activists who traveled to other Soviet bloc countries on business trips. About 50 people received passports for a trip to the West. In 1989, even before the elections of June 4 and the establishment of the government of Tadeusz Mazowiecki, more than dozens of border crossings were overflowed by the crowd traveling in all directions. WOP branches recorded more than 19 million trips, including around 5 million to the West; the Polish People's Republic has been left forever by around 400,000 people. And yet it was the same state with the Stalinist constitution and PZPR in power (...)" – D. Stola, *Kraj bez wyjścia? Migracje z Polski 1949–1989* [A Country without a Way Out? Migrations from Poland 1949 – 1989], Warsaw 2012, p. 10.

missions granted for border crossing¹⁹. At that time, everyone who went to the Soviet Ukraine was thoroughly checked by the security service, having great difficulty in obtaining a permit to leave. Over the years, the regulations on crossing the border became a little more liberal, but every Polish citizen was obliged to register at the local police station after arriving in a Ukrainian town, and he was to stay only at the place of invitation, travel only on the roads designated for that purpose and leave the USSR on the day when his invitation ended.

Representatives of state and party authorities during official visits, as well as party and political training, and youth from socialist organizations as part of the exchange went to Ukraine during the entire period without major obstacles. The liberalization of the joint exchange of people in border traffic, especially near the border, became visible at the end of the seventies and the first half of the eighties, when the number of trips organized by Polish tourist offices increased, but their use was treated as a social distinction, good academic performance or professional work. Individual tourism did not end in this period. The so-called sealing of the Polish–Soviet border took place after the establishment of “Solidarity” in Poland, with the greatest control of Polish citizens during martial law in Poland, i.e. from December 13, 1980 to July 22, 1983.

¹⁹ As was scrupulously analyzed by Prof. Dariusz Stola, private time travel of Poles to the USSR (but without any breakdown into individual republics) in the years 1955–1988 were as follows: 1955 – 11,476 people; 1956 – 93,868; 1957 – 63,916; 1958 – 22,579; 1959 – 18,097; 1960 – 26,599; 1961 – 27,290; 1962 – 32,217; 1963 – 36,003; 1964 – 39,614; 1965 – 60,986; 1966 – 83,322; 1967 – 132,818; 1968 – 124,843; 1969 – 121,532; 1970 – 125,035; 1971 – 139,935; 1972 – 140,303; 1973 – 101,868; 1974 – 88,330; 1975 and 1976 – no data; 1977 – 665,633; 1978 – 410,239; 1979 – 404,474; 1980 – 430,062; 1981 – 137,264; 1982 – 13,816; 1983 – 17,583; 1984 – 64,183; 1985 – 100,564; 1986 – 140,695; 1987 – 326,735; 1988 – 1,022,823. D. Stola, *Kraj bez wyjścia?... [A Country without a Way Out?...]*, pp. 488–489.

Isolation of the societies of neighboring countries began to be liberalized in the era of democratic changes in Poland and “Gorbaczowska Perestroika” in the USSR. Regulations regarding the freedom of movement of foreigners, including Poles, were eased in Ukraine. Invitations started to be the basis for crossing the border. The Polish–Ukrainian cultural exchange began at a wider scale, though it was still official and controlled by the state apparatus. A visible relaxation of the Ukrainian state’s control over the issue of permeability of the state border took place after the declaration of the sovereignty of Ukraine on July 16, 1990, and then on August 24, 1991, the act of state independence. At the time, Poland was the first country in the world to recognize Ukraine’s independence, and this already happened on the second day after the independence referendum on December 1, 1991²⁰. Very soon after Ukraine gained independence, border traffic began to increase in a noticeably increasing dimension on the common border of the Republic of Poland – Ukraine. Mobility mainly took the form of short-term foreign trips carried out for commercial purposes, and they were mainly concentrated in border regions²¹. Later, a significant part of the trips transformed into temporary economic migrations, usually taking the form of circulation between the sending and receiving countries.

The signing of the first *Agreement on Economic and Cultural Cooperation between Our Countries* in Tomaszów Lubelski on December 18, 1991 is undoubtedly conducive to the coopera-

²⁰ The Sejm of the Republic of Poland confirmed this on December 6, 1991 – see “Polish Official Gazette” 1991, no. 45, item 316.

²¹ D. Stola, *Mechanizmy i uwarunkowania migracji zarobkowych do Polski w świetle wywiadów pogłębionych z przybyszami z b. ZSRR [Mechanisms and Determinants of Labor Migration to Poland in the Light of In-Depth Interviews with Newcomers from the Former USSR]* [in:] “Prace Migracyjne” [Migration Works], no. 11.

tion between Poland and Ukraine. The agreement was concluded between Poland's Chełm, Zamość, Przemyśl and Krosno provinces and Ukraine's Lviv and Volyn districts.

The common state border remained an important aspect as a part of mutual inter-state relations. The Polish party, at every opportunity, both in official contacts and during meetings with Ukrainian politicians, highlighted the invariability of the existing Polish-Ukrainian border. It took place, among others in conversations during the visit to Poland of the Prime Minister of the Ukrainian government, Witold Fokin, on October 4-5, 1991 and the visit of Ukraine's defense minister General Konstantyn Moroz on January 14, 1992²². The problem of the border is also articulated in the common position at the inter-state level on the Polish-Ukrainian border, the "Treaty between the Polish Republic and Ukraine on Good Neighborliness, Friendly Relations and Cooperation" concluded in Warsaw on May 18, 1992, stating that: "(...) *The parties regard the existing and demarcated border as intact and confirm at the same time that they have no territorial claims against each other and will not utter them in the future (...)*"²³. It should be emphasized that

²² Reacting to the centrifugal processes in the USSR, Poland had pursued a two-pronged policy since 1990: maintaining relations with Moscow and at the same time making them with the union republics. Under it, in mid-October 1990, the Minister of Foreign Affairs, Krzysztof Skubiszewski, visited the USSR, the Ukrainian SSR and the Belarusian SSR, signing a declaration on principles and basic directions of the development of Polish-Ukrainian relations on October 13 (mentioning the absence of any territorial claims) and a declaration of friendship and good-neighborly Polish-Russian cooperation on October 16 in Moscow. The Polish Sejm and the Senate, with appropriate resolutions, supported the declaration of independence announced by the Ukrainian parliament on August 24, 1991, and on December 2, the Polish government, as the first country in the world, recognized the independence of Ukraine. See W. Gill, N. Gill, *Stosunki Polski z Ukrainą w latach 1989-1993 [Relations between Poland and Ukraine in 1989-1993]*, Toruń-Poznań 1994, pp. 21-24.

²³ See Journal of Laws of 1993, no. 125, item 573. The course of the state border line and its inviolability was confirmed by the agreement concluded on

this treaty was the culmination of a process previously established in Polish society, which, gradually, more and more accepted the course of the Polish–Ukrainian border²⁴. The course of the common border has been accepted, and it starts its course from the boundary mark number 1 “*Krzemieniec*” and ends on the Bug River at the point where the Mościcki channel enters it (700 m north of the border sign number 1083). The length of the Polish–Ukrainian border in accordance with the border agreement comes out to 535.18 km²⁵.

Expansion of the Border Infrastructure

Building mutual relations between Poland and Ukraine after 1991, as a result of the strategies of individual countries, created relatively good conditions for the movement of people across the border and opportunities to establish direct cooperation between units of state administration, local self-government, economic and social organizations. The possibilities of the cooperation of regions, which shared no boundaries for centuries, joint problem-solving, overcoming peripherality, using opportunities resulting from the neighborhood’s resources and potentials, returned. Cooperation was started as part of the work of many entities, including the Consultative Committee of Presidents, Polish–Ukrainian Parliamentary Assembly,

January 12, 1993 in Kiev between the Republic of Poland and Ukraine on legal relations at the Polish–Ukrainian state border, as well as cooperation and mutual assistance in border issues – Official Journal of 1993, no. 63, items 267 and 268.

²⁴ S. Dubaj, *Polsko-ukraińska granica państwowa i możliwości jej przekraczania w ruchu osobowym* [Polish–Ukrainian State Border and the Possibility of Crossing It in Personal Traffic] [in:] S. Dubaj, R. Sudał, P. Witkowski, *Współpraca transgraniczna* [Cross-Border Cooperation], p. 68.

²⁵ Author’s footnote, the border with Ukraine stretches from the Krzemieniec peak through the Użocka Pass, along the San Valley, east of Lutowisk, Ustrzyki Dolne, crosses the Strwiąż river valley, Przemyśl gate, passes north-east and reaches the Bug River near Kryłów, then it runs to Sobibór along the Bug River.

Polish–Ukrainian Intergovernmental Commission for Economic Cooperation, Polish–Ukrainian Intergovernmental Co-ordination Council for Interregional Cooperation, Voivodship Forum and Marshals of Voivodships of the Republic of Poland and Presidents of Regional Administrations and Presidents of Regional Councils of Ukraine also in Polish–Ukrainian Forum Partnership and Polish–Ukrainian Historical Historians’ Forum.

Promising and developing cooperation between Poland and Ukraine first of all required a solution to the problem of the development of border infrastructure in the area of the common border. It was assumed that the improvement of border traffic would positively affect many areas of mutual cooperation, contributing to the creation of a favorable climate of mutual relations stimulating social awareness, while becoming a platform in overcoming negative stereotypes on both sides of the border.

Overcoming the barriers of mutual isolation of the Republic of Poland and Ukraine was to influence an increase in the activity of societies in the perspective²⁶, so that it would foster the development of many areas. It was not very easy in the initial phase, as in the peripheral regions, the attitude of passivity and unbelief in the possibility of civilization advancement and development were often recorded²⁷. Solving such important issues affecting mutual cooperation between Poland and Ukraine required defining common strategies whose sub-

²⁶ A. Mierosławska, *Czynniki aktywizujące i hamujące rozwój współpracy transgranicznej* [*Factors Activating and Inhibiting the Development of Cross-Border Cooperation*], “Samorząd Terytorialny,” no. 3/2004, p. 44.

²⁷ K. Kuciński, *Współpraca transgraniczna jako przesłanka konkurencyjności regionów* [*Cross-Border Cooperation as an Indicator of Regional Competitiveness*] [in: J. Kitowski (ed.), *Czynniki i bariery regionalnej współpracy transgranicznej – próba syntezy* [*Factors and Barriers to Regional Cross-Border Cooperation. An Attempt to Synthesize*], Rzeszów 1998, p. 17.

sequent implementation was to contribute to the activation and intensification of mutual bilateral relations between various levels. The accepted common state border of the Republic of Poland and Ukraine, which was strictly defined in the signed border agreements between our countries, was the basis for the normalization of mutual contacts²⁸. Following the signing of the aforementioned *Treaty between the Republic of Poland and Ukraine on Good Neighborliness, Friendly Relations and Cooperation of May 18, 1992*, the following further inter-state agreements were signed:

- *Agreement between the Government of the Republic of Poland and the Government of Ukraine Regarding Border Crossings of May 18, 1992.*
- *Agreement between the Republic of Poland and Ukraine on Legal Relations on the Polish–Ukrainian State Border as well as on Cooperation and Mutual Assistance in Border Issues of January 12, 1993.*
- *Agreement on the Admission and Transfer of Persons by the Common State Border of 24 May 1993,*

The insufficient number of border crossings remained the key barrier despite the agreements signed. Strengthening cooperation could not be implemented simply on the basis of four border crossings, i.e.:

²⁸ Author's footnote – The documents directly regulating border cooperation between the Polish Border Guard and the State Border Guard Service of Ukraine were only cited. Documents governing customs transactions across borders have not been mentioned, e.g. the Agreement on Cooperation and Mutual Assistance in Customs Matters of December 18, 1995 and the executive act to this agreement, i.e. the Agreement between the State Customs Committee of Ukraine and the President of the Principal Customs Office of the Republic of Poland on contacts in the field providing mutual assistance from August 3, 1996, or documents specifying the maintenance of common border infrastructure, e.g. the Agreement on the maintenance of road bridges at the Polish–Ukrainian state border of March 17, 1997.

1. GPK Dorohusk (Border Control Crossing, then Border Control Post) railway, personal and freight (in this location, on October 1, 1990, a road crossing was opened for citizens of Poland and the Commonwealth of Independent States – in the initial period it only functioned from 7.00 am to 7.00 pm, but since October 1, 1992, it has been available to international traffic round the clock;
2. GPK, railway, personal and freight in Przemyśl, was opened on November 25, 1945. The crossing is located 13 km from the border at the PKP Przemyśl Główny station. Trains: Kiev–Wrocław–Kiev, Krakow–Kiev–Krakow are checked in;
3. The road and personal road GPK in Medyka – Szeginie is a road crossing located in the Przemyśl powiat in the commune of Medyka. The passage was opened on November 25, 1945 for international border traffic. It is the only crossing on the border between Poland and Ukraine where 24-hour border checks are carried out for persons crossing the state border on foot;
4. GPK railway and freight railroad stations in Hrubieszów – Izow (Włodzimierz Wołyński), a railway border crossing located in the Hrubieszów powiat, in the Hrubieszów commune. The Hutniczo-Szerokotorowa line runs through the crossing (formerly the Hutniczo-Siarkowa Line). The opening of the crossing, and in principle the entry of the first train took place on November 7, 1907.

Taking into account the problem of the insufficient number of border crossings, a number of measures have been taken to implement the infrastructural and organizational changes of the common border of the Republic of Poland and Ukraine. An important role was entrusted to the Polish–Ukrainian Intergovernmental Coordinating Council for Interregional Co-

operation, established in May 1993, under which the Commission for Border Crossings and Infrastructure was established. Jointly coordinated Polish–Ukrainian activities identified the implementation of long-term concepts for the construction of road and rail traffic routes of international importance, including construction, extension and modernization of border crossings²⁹. Infrastructural changes also required parallel legal regulations in the field of border traffic and state policies in this regard, especially regarding the visa-free regime. The implementation of the undertakings was to contribute to the improvement of the permeability of the Polish–Ukrainian border in the physical and technical aspects.

The construction of new and the modernization of the already existing border crossings has been started: rail and road in Dorohusk, Hrebenne and Krościenko as well as roads in Korczowa and Zosin. Despite a noticeable change in the infrastructure of the border and the border area, the liquidity of border checks at border crossings remained a major problem. There was a need for further expansion of the border infrastructure with the construction of further public border crossings. In order to meet these needs, the construction of the new Dołhobyczów–Uhrynów and Budomierz–Hruszew crossings was started and the border crossing point Zosin–Ustiług was modernized and extended. Projects regarding the expansion of border infrastructure on the border with Ukraine were implemented primarily on the basis of a government document entitled “*Border Infrastructure Development Program on the Polish–Ukrainian State Border in 2010 – 2013*”³⁰. A program

²⁹ T. Borys, *Budujemy nowe państwo* [We Are Building a New Country], “Nowe Życie Gospodarcze,” no. 39/1999, p. 49.

³⁰ *Program rozwoju infrastruktury granicznej na polsko-ukraińskiej granicy państwowej w latach 2010–2013* [Border Infrastructure Development Program on

established by the Council of Ministers on January 26, 2010 in the financial perspective of four years provided a total of 408,817,709.07 PLN. Together with the expenditure in 2009, an investment in the development of the border infrastructure of the Polish–Ukrainian border for 445,338 thousand PLN was carried out. It should be mentioned that the investments were also co-financed from the External Borders Fund and the European Neighborhood and Partnership Fund – Cross-Border Cooperation Program Poland – Belarus – Ukraine.

New investments and the modernization of the existing border crossings have created greater opportunities for crossing the Polish–Ukrainian border at several functioning border crossings. Despite such an intensive boom of border infrastructure, it was still inadequate for the needs of dynamic and increasing border traffic, especially the European standards adopted in practice³¹.

the Polish–Ukrainian State Border in 2010–2013] – the document with a justification and numerous attachments is available on the website of the Ministry of the Interior – <http://bip.msw.gov.pl/bip/programy/17836,Program-rozwoju-infrastruktury-granicznej-na-polsko-ukrainskiej-granicy-panstwow.html> (accessed on December 21, 2018).

³¹ The network of border crossings at the external land border of the Republic of Poland is generally underdeveloped. The average distance between crossings is 90 km, when the accepted European standard is a distance of 25–30 km, e.g. before Poland's entry into the Schengen zone, 489 km of the Polish–German border could be crossed in 30 cities (40 border crossings), Polish–Ukrainian border, longer by 46 km, only at 9 crossings. It is worth noting that until December 20, 2007 there were 216 border crossings along the so-called temporary external borders of the Republic of Poland, including the border with Germany – 40, the Czech Republic – 113, Slovakia – 59, Lithuania – 4. Szerzej: S. Dubaj, A. Kuś, P. Witkowski, *Zasady i ograniczenia w przepływie osób i towarów w UE [Rules and Restrictions on the Movement of People and Goods in the EU]*, Zamość 2008, pp. 72–73.

Table 1.

Border crossings located on the Poland–Ukraine border

| No. | BORDER CROSSING | YEAR OF OPENING | TYPE OF CROSSING | TYPE OF BORDER TRAFFIC |
|-----|-----------------------------------|-----------------|------------------|------------------------|
| 1. | Dorohusk – Jagodzin | 1992 | road | personal, freight |
| 2. | Dorohusk – Jagodzin | 1945 | railway | personal, freight |
| 3. | Zosin – Ustulug | 1945 | road | Personal |
| 4. | Hrubieszów – Włodzimierz Wołyński | 1976 | railway | freight |
| 5. | Dołhobyczów – Uhrynów | 26.04.2014 | road | personal, freight |
| 6. | Hrebenne – Rawa Ruska | 1995 | road | personal, freight |
| 7. | Hrebenne – Rawa Ruska | Closed in 2005 | railway | personal |
| 8. | Werchrata – Rawa Ruska | 1995 | railway | personal |
| 9. | Budomierz – Hruszew | 02.12.2013 | road | personal |
| 10. | Korczowa – Krakowiec | 1998 | road | personal, freight |
| 11. | Medyka – Szeginie | 1945 | road | personal, freight |
| 12. | Przemysł – Mościska | 1945 | railway | personal |
| 13. | Krościenko – Smolnica | 2002 | road | personal, freight |
| 14. | Krościenko – Chyrów | 1994 | railway | personal, freight |

Source: own study based on data from the Border Guard (information from the Border Guards in Chełm and Bieszczady Border Guard Branch in Przemysł).

Against the background of the ever-growing border traffic, the newly developed and newly created infrastructure of border crossings on the common Polish–Ukrainian border had to meet the expectations of local traffic, but also handle the international and supra-regional movement. The capacity and possibilities of border checks resulting from the intensification of border traffic reflect the characteristics of all border crossings and border infrastructure on the border between Poland and Ukraine. The Area of Official Responsibility of the Bug River Border Guard Branch in Chełm:

1. Dorohusk-Jagodzin is a road border crossing located in the Chełm poviát in the Dorohusk commune. Poland's

national road No. 12 and Ukraine's main road MO7 reach the crossing. The crossing was opened on October 1, 1990 for citizens of Poland and the Commonwealth of Independent States (in the initial period, it functioned only from 7.00 am to 7.00 pm). Since October 1, 1992, it is available to international traffic around the clock.

2. Dorohusk-Jagodzin is a railway border crossing located in the Chełm powiat in the Dorohusk commune. The shortest railway line connecting Warsaw and Kiev, among others, runs through this crossing.
3. Hrubieszów – Izow (Włodzimierz Wołyński) is a railway border crossing located in the Hrubieszów powiat in the Hrubieszów commune. The Hutniczo – Szerokotorowa line runs through the crossing (formerly the Hutniczo-Siarkowa Line).
4. Zosin – Uściług is a road border crossing subordinated to Border Guard Post Office in Hrubieszów.
5. Dołhobyczów – Uhrynów is a road border crossing located in the Hrubieszów powiat in the Dołhobyczów commune. It is entirely located on the Polish side and border controls are made at this point by both Polish and Ukrainian border services. It is intended for 24-hour international passenger traffic. It was time-limited for use during the UEFA European Football Championship 2012, and after the championships, border checks were suspended. The functioning of the crossing was restored on June 26, 2014. The crossing is located along provincial road No. 844 from Chełm and Hrubieszów to the border; on the Ukrainian side, the nearest city is Sokal with roads T1408 and P15 leading to it. Since July 1, 2015, the border with Ukraine in Dołhobyczów can be crossed on foot or by bicycle.

6. Hrebenne – Rawa Ruska is a road border crossing located in the Tomaszów district in the Lubycza Królewska commune. Poland's national road No. 17 and Ukraine's main road No. M09 lead to the crossing. The crossing was opened in 1991 as an interstate crossing, and currently it is international.
7. Hrebenne – Rawa Ruska is a railway crossing, but border checks have been suspended since July 4, 2005;

The Area of Official Responsibility of the Bieszczady Border Guard Branch in Przemyśl:

1. Budomierz – Hruszew: the road border crossing at Budomierz – Hruszew, located in the Lubaczów commune, was opened at the Polish–Ukrainian border on December 2, 2013. It is designed for 24-hour international passenger traffic and lorries with a total weight of up to 3.5 tons, excluding cargo subject to veterinary control, phytosanitary control and dangerous cargoes. Border check carried out by border guards of the Republic of Poland and Ukraine takes place in one place at the border crossing facilities on the Polish side access road 866. From Ukraine, access is possible via road T-14-03 Hruszew – Niemirów.
2. Korczowa – Krakowiec is a road crossing located in the Jarosław powiat in the Radymno commune. Poland's national road No. 4 and Ukraine's M10 lead to the crossing. The passage was opened on February 3, 1998 as an international crossing.
3. Medyka – Szeginie is a road crossing located in the Przemyśl powiat in the Medyka commune. National road No. 28 leads to the crossing. The crossing was opened on November 25, 1945 for international border traffic. It is the only crossing on the border between Poland and Ukraine

where 24-hour border checks are carried out for people crossing the state borders on foot.

4. Przemyśl has a railway crossing that opened on November 25, 1945. The crossing is located 13 km from the border at the Przemyśl Główny railway station. Kiev–Wrocław–Kiev, Krakow–Kiev–Krakow trains are checked in.
5. Krościenko–Smolnica is a road crossing located in the Bieszczady powiat in the Ustrzyki Dolne commune. National road No. 84 and Ukraine's T1412 lead to the crossing. The crossing was opened on November 20, 2002 for international border traffic.
6. Krościenko–Chyrów is a railway crossing located in Bieszczady County in the Ustrzyki Dolne commune. The passage was opened on May 29, 1994 for international border traffic.

Taking into account significant changes regarding regional needs and the increasing intensity of border traffic, we can determine that there has been a natural optimization process in the location of individual border crossings. Streamlining the severance payments for crossing the border and at the same time shaping the rank and importance of individual border crossings, the so-called nodes on the main transport and communication routes, were also subject to them. This process enabled partial optimization of border traffic on the entire border between Poland and Ukraine.

It should be emphasized that taking into account the needs concerning the optimization of border exchange on the Polish and Ukrainian borders, this process must be constantly improved and modified. There is a further need to open and liberalize the state border, to create the possibility of establishing transitions of local importance and increase the socio-economic relations of inhabitants living in areas adjacent to the border.

Further expansion on both sides of the border of the local road network would serve these types of crossings. On the Polish–Ukrainian border, there are no river crossings or strictly touristic ones that can be crossed on foot.³²

Further plans and prospects for the construction of new border crossings on the Polish–Ukrainian border, according to the announcements, are also very promising, much differently than e.g. on the border with Belarus or Russia,³³ as in the near future new road crossings are planned to open here. It has been agreed that new passages will be built on the territory of Ukraine: Zbereże-Adamczuki, Smolnik-Boberka, Bystre-Mszaniec, Budynin-Bełz, Kryłów – Krecziw and on the Polish territory the following will be built: Malhowice-Niżankowice (to be completed in 2020) and Dubienka-Kładniw.³⁴ They are to be international border crossings, open all day for all travelers. There are also ongoing working discussions aimed at creating additional local border crossings available for residents of the Polish–Ukrainian border region as part of local border traffic.³⁵

³² Author's footnote: the exception concerns "European Days of Good Neighborhood" on which the border between Poland and Ukraine can be crossed as part of pedestrian traffic at temporary border crossings in the following villages: Zbereże-Adamczuki, Kryłów-Krecziw, Korczmin-Stajiwka, Malhowice-Niżankowice.

³³ See S. Dubaj, *Polityka migracyjna Unii Europejskiej i Polski wobec Ukrainy – wyzwania polskiej Straży Granicznej i Państwowej Służby Granicznej Ukrainy [Immigration Policy of the European Union and Poland towards Ukraine – Challenges of the Polish Border Guard and the State Border Guard Service of Ukraine]* [in:] A. Kuś, T. Sieniow (eds.), *Układ z Schengen – szanse i zagrożenia dla transgranicznej współpracy Polski i Ukrainy [Schengen Agreement – Opportunities and Threats for Cross-Border Cooperation between Poland and Ukraine]*, Lublin 2007, p. 51.

³⁴ Minutes from the 11th meeting of the Polish–Ukrainian Intergovernmental Coordination Council for Interregional Cooperation, June 11–12, 1013, Yaremche.

³⁵ Author's footnote – EU Member States can conclude bilateral agreements with neighboring third countries regarding the creation of joint border cross-

The bilaterally declared prospect of the reconstruction of railway connections between Warsaw–Lublin–Zamość–Lviv and Chełm–Kowel is an important aspect of mutual relations.

It should be emphasized that today's border crossings with Ukraine, according to the evaluations of the EU experts, meet the highest international standards in line with the Schengen acquis. At the same time, there is a general trend of increasing the flow of people for legal travel, and people expect quick and easy border checks. Against this background, the organization of border traffic control at border crossings located on the Polish border is constantly improving³⁶.

The need for expanding the border infrastructure also results from the increasing annual scale and dynamics of border checks for persons on the common Polish–Ukrainian border. Modern functional border crossings create opportunities for more effective border checks. This is confirmed by the annual increase in border traffic at border crossings located on the Polish and Ukrainian border³⁷.

ings where Border Guards officers of one side carry out entry or exit checks on the territory of the other party in accordance with their own regulations. Common border crossing points can be located either on the territory of a Member State or on the territory of a third country. As an example, see Agreement of August 24, 2005 between the Government of the Republic of Poland and the Cabinet of Ministers of Ukraine on the creation of the Dołhobyczów-Uhryn road border crossing (M.P. of 2005, No. 44, item 466, 467, 468, 469, 470).

³⁶ Details: see follow-up reports of the Supreme Chamber of Control, Delegation in Lublin, LLU-410-33-03/09, P/09/149, November 17, 2009 and LLU-410-33-04/09, P/09/149, January 11, 2010 on the control of border crossings on the Polish–Ukrainian border in Zosin and Hrebenne at the turn of the years 2009/2010.

³⁷ As regards the crossing of the border between Poland and Ukraine, the bilateral agreement signed on 30 July 2003 in Kiev is in force, updated by an appropriate protocol prepared in Warsaw on November 30, 2007. The Agreement between the Government of the Republic of Poland and the Cabinet of Ministers of Ukraine on traffic rules dated July 30, 2003 – M.P. dated 2003, No. 56, item 878. The Protocol between the Government of the Republic of Poland

Passenger border traffic on the section of the Polish–Ukrainian border in 2007, 2011 and in 2016–2017 numbered: 2007 – 2,392,390; 2011 – 16,764,792 (50.3%³⁸); 2016 – 22,634,438 (48%); 2017 – 22,853,688 (45%).

For comparison, personal border traffic on the external borders of the Republic of Poland was: 2011 – 33,300,130; 2016 – 47,717,373; 2017 – 51,008,705³⁹.

An annual general tendency of the increase of border traffic of people and means of transport is observed at the border crossings of Poland and Ukraine. Citizens of Ukraine have become the dominant group of people crossing the border, they excel in the statistics on entries, but also issuing visas, as well as taking up jobs and studying in Poland. Travelers crossing the borders both to Poland and to Ukraine expect quick and easy border checks, which undoubtedly becomes one of the arguments for further modernization and expansion of border infrastructure.

Conclusions

Interstate relations between the Republic of Poland and Ukraine are one of the most important strategic elements of the functioning of both countries. The neighborhood of Poland and Ukraine, interrupted by the outbreak of World War II

and the Cabinet of Ministers of Ukraine on the Amendment of the Agreement between the Government of the Republic of Poland and the Cabinet of Ministers of Ukraine on the principles of personal traffic, signed in Kiev on July 30, 2003 – M.P. dated 2003, No. 37, item 571.

³⁸ The percentage of border checks of person in relation to all registered border traffic at all EU external borders is indicated.

³⁹ Statistical Bulletin of the Border Guard for 2016, Main Border Guard Headquarters, V Information Department, Statistical Bulletin of the Border Guard for 2017, Main Border Guard Headquarters, V Information Department. Report on the state of Poland's security in 2011, Ministry of the Interior 2012.

and then in 1945 separated by 45 years of a tight border cordon, required the beginning of the construction of mutual functional and spatial connections from the very beginning of Ukraine's independence. The process of the rapprochement of nations initiated by the governments of Poland and Ukraine was to contribute primarily to creating a favorable climate of mutual relations, stimulating social awareness, while at the same time becoming a platform in overcoming negative stereotypes on both sides of the border. It should be emphasized that mutual relations between Poland and Ukraine, despite many adversities, were in line with the expectations of both sides, often contributing to overcoming the difficulties encountered, while providing an impulse to create political and economic ties. The regime at the common border is an obstacle in pursuing mutual goals. As agreed upon by both parties, the very limited and poorly developed border infrastructure that should be expanded as soon as possible proved to be the basic obstacle in the relations between Poland and Ukraine.

Jointly coordinated activities aimed at developing border infrastructure on a common transit border, in border regions and agreeing on long-term concepts of building road and rail roadways of international importance, including building, extending or modernizing border crossings, had a great influence on the dynamics of Polish-Ukrainian relations. Legal regulations in the field of border traffic and the policy of state authorities in this area, especially regarding the visa-free regime, which in effect contributed to increasing the permeability of the Polish-Ukrainian border in the physical and technical aspect, were also an important aspect. The practical dimension of the projects has resulted in the construction of new and the modernization of already existing border crossings.

The adoption by Poland of the control of common borders

in the enlarged European Union has become a noticeable problem in the field of mutual relations between Poland and Ukraine. It caused a lot of difficult political issues, especially in the initial period, such as the need to accept restrictive EU visa requirements, which undoubtedly disrupted the established economic, ethnic and political cross-border relations at the Polish–Ukrainian border.⁴⁰ The systemic change in the management of the eastern border resulting from the accession of Poland to the EU and the Schengen area has had a decisive influence on the activities undertaken by Poland in the area of international cooperation as well as decisions giving direction to Poland's internal policy. In the context of the changes, immigration from Ukraine has been treated in a special and priority way.

There is still a problem with the lack of a foreseeable future as to the prospect of Ukraine's membership in the European Union. For this reason, the external border of the European Union, including the border between Poland and Ukraine in the perspective of up to at least 2025, will be permanent. The border will be one of the most important axes of division in Europe, therefore the situation poses numerous challenges for Poland and Ukraine, but also for the entire European Union. This requires the need for developing mechanisms for effective border management, but also its constant modernization.

Solving the common problem caused by the state border of the Republic of Poland and Ukraine would also require greater activity by the representatives of neighboring countries. 2018 was not conducive to this, there was no meeting at the level of

⁴⁰ Professor Jorg Monar, Director of the Center for Politics and European Institutions, University of Leicester, *Sprawiedliwość i sprawy wewnętrzne w rozszerzonej Unii Europejskiej: wielkie wyzwania, ograniczone możliwości, główne potrzeby* [Justice and Home Affairs in an Enlarged European Union: Great Challenges, Limited Opportunities, Main Needs], 18.01.2001, www.europa.edu.pl/challenge (accessed on December 21, 2018).

presidents, prime ministers or presidents of parliaments. Presidents Andrzej Duda and Petro Poroshenko met only on the occasion of international summits, for example in Vilnius, Munich and Brussels. Similarly, at the level of the heads of government, cooperation was even more modest, since Prime Ministers Hrojsman and Morawiecki conducted only one phone call throughout 2018.

It must be clearly emphasized that since the independence of Ukraine, this nation has become a very important political and economic partner for Poland. Common relations shaped the strategic position of our countries, which provided us with a very important role in building the geopolitical landscape in this part of Europe, constituting a fundamental barrier in attempts to rebuild the Russian empire.

Leszek Maksymowicz

Cooperation of Poland and Neighboring Countries in Implementing Cross-Border Operational Procedures

Introduction

The basic tasks that the law imposes on the Border Guard are border traffic control and protection of the state border¹. The broadly understood scope of security with respect to this work also entails a large range of rights that our formations can use. At the time of Poland's accession to the European Union, and consequently to the Schengen area, there had to be extensive changes not only in terms of organization, but also in the field of legal regulations. What is important, there also had to be changes made in the way of thinking and attitudes towards about all officers.

In my opinion, it was the change in thinking at that time that became an important factor generating quick and efficient adjustment of Poland's Border Guard to European requirements and standards. It was necessary to overcome some prejudices and stereotypes, a kind of lack of trust. We had to begin seeing that protecting the state border is in the interests of both

¹ The Act of October 12, 1990 on the Border Guard, Journal of Laws 1990 no. 78 item 462, as amended Art. 1 point 2.

parties and wider cooperation than before is necessary. Only closer cooperation with neighboring border services and its harmonization serve to seal the state border protection system created in this way.

The Schengen Agreement, signed on June 14, 1985 by five Member States of the European Community (Belgium, France, Germany, Luxembourg and the Netherlands) is an important stage in the development of European border cooperation. It was a political agreement between the Member States and assumed the gradual abolition of internal border controls within the Contracting Parties' lands. The abolition of border control to facilitate the free movement of persons and goods is linked to the need for closer police cooperation. In this respect, the States Parties of the Treaty decided to "supplement" the contents of the provisions by adopting the Convention implementing the Schengen Agreement on June 19, 1990². At present, the records of this document have the most significant impact on the organization and functioning of the Border Guard after Poland's accession to the EU. They divide borders into internal and external and provide freedom of movement at the internal border. Due to the fact that the internal border can be crossed at any place (this applies to citizens of European Union countries as well as foreigners from third countries), it is necessary to introduce a rigorous control at the external border, ensuring stays in the EU for third-country nationals who meet legal conditions determined by the law.

Police cooperation established under Schengen II goes beyond traditional standards that were previously usually limited to the exchange of information or specific data. The Schengen States shall allow their services to conduct joint cross-border operations previously reserved to national police officers.

² Also called Schengen II.

Full application of the provisions of the Schengen acquis with countries neighboring Poland began on December 21, 2007, when the control at internal land and sea borders were discontinued, and on March 30, 2008, as summer flight schedules changed, the air border control was also discontinued.

Ensuring full tightness and security of the EU external border was a priority for our formation while guaranteeing the free movement of people on the internal border in accord with the requirements of KWdUS.

The discontinuation of internal border controls is accompanied by a number of compensatory measures. Full application of the Schengen acquis means, above all, closer cooperation between the Member States in the field of security through police cooperation, implementation of the Schengen Information System (SIS) and the Visa Information System (VIS), application of a common visa regime, the possibility of using cross-border surveillance, controlled delivery, and finally cross-border pursuit and joint patrols. I will devote my study to the two last operations, due to their widespread use, especially that the institution of joint patrols also applies to the EU's external border, specifically at the border with Ukraine³.

1. The Essence of Using Compensatory Measures in the EU Internal Border Protection System

The accession of Poland to the Schengen area, apart from its symbolic meaning, also brought a number of practical benefits. Travels to other countries belonging to the "Schengen group" started to be easier as crossing internal borders within

³ Agreement No. 78 between the Commander-in-Chief of the Board Guard of the Republic of Poland and the Administration of the State Border Guard Service of Ukraine on joint patrols of September 25, 2014.

the zone is possible in every place, and not only at border crossings. The discontinuation of checks in passenger traffic and the dismantling of infrastructure that hindered the flow of people have also eliminated queues at the border with EU countries neighboring Poland and those belonging to the Schengen area (Germany, Czech Republic, Slovakia, Lithuania). Crossing internal boundaries takes place smoothly, without interrupting the journey.

The changes concern not only the mental areas that I have mentioned earlier, but above all structural and logistic changes (modern equipment used in protecting the state border) and, most importantly, changes in the state border protection system, which could only previously have been crossed at the border crossings. Great emphasis was placed on the protection of the so-called "Green" border, that is beyond border crossings. Crossing the border beyond a crossing was an offense, and in cooperation with other people (the perpetrator and at least 2 people), a crime. Cooperation with the neighbors' officers during service took place only at border crossings and was only a matter of politeness (officially held at the level of at least the commandant's post).

From day to day, there has been a change in regulations. The border that was once closely guarded has now become an open one. The border with Lithuania is an example. It could only be crossed at two border crossings in Budzisko and Ogrodniki. Today, a border with a length of about 100 km can be crossed at one of the 26 gravel or asphalt roads⁴.

KWdUS establishes, *inter alia*, uniform rules for controls at external borders; it also introduces accompanying measures allowing the abolition of controls at the internal borders of signatory countries. The basic content of the Convention includes

⁴ Author's case.

the introductory provisions of the so-called compensatory measures to compensate for the “safety deficit” created by the discontinuation of internal border controls. The most important issues of cooperation in the Schengen area include:

- crossing the internal borders of the European Union;
- protecting the external border of the European Union;
- visa and migration policy;
- cooperation between border and police services;
- closer cooperation of services in the regions of the internal border of the EU Member States;
- mutual assistance in criminal matters;
- extradition/surrender issues between the Member States;
- personal data protection;
- creating SIS and VIS;
- the exchange of information;
- structural and logistics organization (contact points);
- joint training;
- joint analyzes;
- European Union financial programs;
- cross-border operations (cross-border pursuit, joint patrols, cross-border surveillance, controlled deliveries).

2. General Rules for Conducting Cross-Border Pursuit under the Convention Implementing the Schengen Agreement

At the time of signing the KWdUS, each state submitted a declaration in which the procedures for undertaking a pursuit were determined in the event of a joint border by signatory states. As of today, the declaration on cross-border pursuit resulting from the convention is fully valid on the Polish–German and Polish–Slovak borders.

At any time, a Contracting Party can replace its declaration by another declaration, provided that it does not limit the previous scope. Each declaration shall be made after consultation with the Contracting Parties concerned in order to achieve identical arrangements on both sides of internal borders. The Contracting Parties can, on a bilateral basis, extend the scope of the cross-border pursuit and adopt additional provisions for application.

Using this option of KWdUS provisions, the scope of conducting cross-border pursuit on the Polish–Czech border was extended. A cross-border pursuit can be carried out in the case of persons who:

- have been suspected or are suspected of having committed a deliberate punishable act threatening the internal laws of both countries, one threatened with imprisonment for a maximum period of at least one year or a more severe punishment;
- escaped from a jail, prison, correctional facility or psychiatric institution in which he/she was placed on the basis of a court decision⁵.

The principles of cross-border pursuit are differently set on the Polish–Lithuanian border. There has been a narrowing of the provisions of the KWdUS with respect to time and area. The pursuit can be carried out for one hour or up to 100 kilometers into the country in which it takes place⁶.

⁵ Agreement between the Republic of Poland and the Czech Republic on cooperation in combating crime, protecting public order and cooperation in border areas signed in Warsaw on June 21, 2006.

⁶ Agreement between the Government of the Republic of Poland and the Government of the Republic of Lithuania on cooperation in combating organized crime and other crimes and cooperation in border areas signed in Vilnius on March 14, 2006.

The assumption of the Convention specifies that police-nature authorities are authorized to conduct cross-border pursuits. In the case of Poland, they include: Police, Border Guard, separate in the structure of the National Treasury Administration, Customs and Treasury Service, Internal Security Agency, and Central Anti-Corruption Bureau.

2.1. Who Can Be Subject to a Cross-Border Pursuit

Article 41 of the KWdUS introduced the concept of a cross-border pursuit. On the basis of the article, officers of one state's authorities are entitled to carry out the pursuit in the territory of the other state in order to capture a perpetrator of the offenses specified in the subject article or a person cooperating in committing such crimes or continuing pursuit of a prosecuted person, detained or convicted to imprisonment who managed to escape from the place of detention or imprisonment.

According to further provisions, the cross-border pursuit can be carried out to follow perpetrators of the following criminal offenses:

- murder;
- unintentionally causing death;
- rape;
- arson;
- falsifying money;
- burglary theft and qualified robbery and fencing;
- extortion;
- kidnapping and detention of hostages;
- human trafficking;
- illicit trafficking in narcotic drugs and psychotropic substances;
- violation of legal provisions regarding weapons and explosives;

- intentional damage caused by the use of explosives;
- illegal transport of toxic and hazardous waste;
- failure to stop and failure to provide detailed information after an accident resulting in death or serious injury⁷.

Also included is the case of crimes subject to extradition. The essence of extradition is to release a person staying in the territory of the releasing state by the state to the authorities of another state, when the person is suspected of having committed on the territory of the state requesting the extradition a criminal act or is serving a sentence. Extradition shall be made on the basis of an international agreement, if the extradition requesting State ensures reciprocity. Most countries do not allow the extradition of their own citizens or persons who have obtained the right of asylum in their territory.

2.2. Rules for Border Crossing in a Pursuit

State officers of the parties in a territory who pursue a person caught red-handed in committing or participating in an offense specified in KWdUS or who are to be subject to extradition are entitled to continue the pursuit in the territory of the other country or party without their prior consent, if relevant authorities of that State could not be notified in advance of the crossing of their territory or if the authorities could not take the pursuit over in time.

At crossing the border, the officers conducting the chase are to contact the competent authorities of the state or party on whose territory the pursuit takes place. The cross-border pursuit should be discontinued at the request of this State. At the request of locally competent officers, the pursuer can include the person subject to the pursuit and establish this person's

⁷ Convention Implementing the Schengen Agreement of June 14, 1985, art. 41. para. 4 letter a.

identity and detain the person. The Convention clearly distinguishes between the concept of detention and arrest of the person.

A generally accepted rule is that officers are not entitled to detain the person subject to a pursuit. The convention provides for some derogations in this case:

- when there is no request to interrupt the pursuit;
- when the local competent authority cannot intervene quickly enough.

At this point, the officers conducting the chase can detain the person subject to pursuit until the state officers, meaning the party on whose territory the pursuit takes place and who should be immediately notified, determine the person's identity and stop the person⁸.

Cross-border pursuit is conducted without local or temporary limitation, unless the contents of the declaration submitted by the State party provides otherwise (Agreement with Lithuania).

The basic principles for conducting cross-border pursuit are summarized as follows:

- the officers conducting the pursuit are bound by the provisions of the Schengen Convention and the national law of the state party in whose territory they carry out their activities. They are to comply with the regulations of the locally competent authorities, hence the need to know the law of the state in which the pursuit is conducted;
- cross-border pursuit can only be carried out across land borders;
- entrance into apartments and areas that are not publicly available is prohibited;

⁸ Ibidem, art. 41. para. 2.

- the pursuing officers are to be clearly identifiable, both through their uniforms and through an armband or additional equipment placed on the vehicle. The use of civilian clothing with unmarked vehicles is not allowed. At any time, officers should be ready to document their activities;
- the officers carrying out the pursuit can carry a service weapon, but its use is only allowed in a situation of necessary defense;
- in the event of detaining a person subject to a pursuit to be transported to a locally competent body, they can only be subject to a preventive search. Handcuffs can be used during transport, and personal items can be secured;
- the authorities of the State Party from which the officers conducting the pursuit come, at the request of the authorities of the State Party on whose territory the pursuit took place, and should support further activities in the case, including court proceedings⁹.

While conducting pursuit in the territory of the other country, officers are treated like officers of the state in relation to any crimes they can be victims and perpetrators of¹⁰.

If damage occurs during the conduct of activities in the territory of the other State, it is liable for damage to the party, in accord with its national law, in whose territory the officers act. The State in whose territory the damage was caused as a result of the pursuit is obliged to repair it under the same conditions as if it was caused by its own officers. In such a situation, the state whose officers caused the damage reimburses the total amount of compensation paid to the injured or another entitled person¹¹.

⁹ Ibidem, art. 41 paras. 3 and 4.

¹⁰ Ibidem, art. 42

¹¹ Ibidem, art. 43.

1.3. Applying Direct Coercion Measures and Detaining the Perpetrators on the Territory of the Other Country

During a pursuit, there can also be circumstances in which it may be necessary to use physical force against the person subject to the pursuit. This can be the use of handcuffs while detaining the person, and sometimes the use of a police baton or even a firearm. In such cases, it is important to know when the officer can use force in the territory of the state in which he currently resides. As a rule, the use of force is only reserved for the authority of local police authorities. Therefore, an officer of another state is entitled to use force only in special cases, and to use firearms only in a necessary defense.

The Schengen Working Party agreed that three conditions must be met in all cases for the use of firearms:

- an unlawful and real attack against the life and health of an officer or another person;
- any response to the attack must be proportionate and commensurate to the aggression shown by the perpetrator;
- the basis for the use of a weapon cannot be a provocation act and should be treated as a last resort.

It is also necessary to take into account the minimum standards for the use of force by officers, which is set out in the European Convention on Human Rights, in which art. 2 provides that:

“(...) 2. Deprivation of life will not be considered contrary to this article if it occurs as a result of the absolutely necessary use of force:

- a) in defense of any person against unlawful violence;
- b) to lawfully detain or prevent a person deprived of liberty to escape;
- c) in an action taken in accordance with the law to suppress riots or insurrections”.

The use of physical force against a person suspected of committing a crime and searching them should take place at the time of detention. In cases involving crimes which violate life and health, it is possible to inspect the body and provide security for the detainee's clothing. Detention using handcuffs and any possible search of a suspect is allowed after crossing the border in a cross-border pursuit, when officers have the right to detain the person.

Any person who has been arrested by the competent local authorities as a result of a cross-border pursuit can be questioned regardless of his or her nationality. At a hearing, the relevant provisions of national law shall apply. If such a person is not a citizen of the State Party in whose territory the person has been detained and no order for his detention has been issued in the person's own country, the person shall be released no later than six hours after the detention. The hours between midnight and nine o'clock in the morning are not included in the time of detention, unless the locally competent authorities receive an application in any form for pre-trial detention for extradition before that time¹².

1.4. Joint Patrols

In order to intensify cross-border cooperation, competent authorities designated by Member States (Police, Border Guard, Customs and Tax Services) can introduce joint patrols whose task is to counteract and disclose offenses related to public order and security connected with the protection of the state border and crime prevention¹³. Designated officers of a given

¹² *Ibidem*, art. 41, para. 6.

¹³ Decision of the European Council 2008/615/JHA of 23 June 2008 on the intensification of cross-border cooperation, in particular in the fight against terrorism and cross-border crime (known as the Prüm Decision).

country participate in operations carried out on the territory of a neighboring Member State and have an expert statute.

The receiving party can grant the other party's executive powers or, if permitted by the law of the receiving party, let them exercise their rights in accord with the law of the sending state or party. Such executive powers may only be exercised under the direction and in principle in the presence of officers from the host Member State. The officers of the sending Member State shall be subject to the law of the host Member State. Responsibility for their actions lies with the host Member State.

Officers are experts from the sending state carrying out tasks in joint patrols that carry out the instructions of the competent authority of the host Member State. The patrol is commanded by the officer of the party accepting the implementation of the joint patrol. In case of crossing the common border by a patrol, command is the responsibility of the expert of the party on whose territory the further completion of tasks will take place.

The parties appoint experts, determine the frequency of service, place, and equipment necessary to carry out the task. The schedule is forwarded to the neighboring party 15 days in advance (border with Ukraine). In the case of joint patrols on the border with Ukraine, experts are equipped with passes which specify the site of crossing the border¹⁴.

Officers are in service with a weapon. They can use it on the territory of the neighboring party only in a life-threatening situation and necessary defense. If the service takes place with a vehicle, the car of the receiving party is used. Officers serve in uniforms, often using emblems identifying their country and formation.

¹⁴ Agreement No. 78 between the Commander-in-Chief of the Board Guard of the Republic of Poland and the Administration of the State Border Guard Service of Ukraine on joint patrols of 25 September 2014.

Experts appointed to carry out joint patrols should know:

- the language of the receiving party or English to the extent that they are able to communicate;
- the legal basis and the manner and procedure of conduct in the exercise of selected powers of the neighboring state (identification, traffic control, rules for detaining and transporting persons);
- the rules and conditions for the use of selected measures of direct coercion and firearms, if it is necessary to apply them on the territory of a given country;
- having skills related to the methods and means of operation of a patrol in a situation of obtaining information and finding or detecting traces of crossing the state border against regulations;
- rules for documenting activities related to the performance of service in the form of patrolling.

The training of joint patrols in the field of binding regulations on the host country and their proper interpretation is the formal requirement for the appointment of experts. Conducting such training at the border with Lithuania and Ukraine, I considered preparing a training program necessary for officers of both parties to take part in it. Joint training enables experts to get to know each other and determine the extent to which problems in language communication can occur. A joint meeting is also an opportunity to explain any differences in the regulations in force in a given country. Such an assumption made it possible to prepare officers to carry out tasks well during joint patrols. This way of preparing experts is assumed at the Border Guard and implemented along all sections of the border, where joint patrols are implemented. As of today, joint patrols are not carried out on the border with Belarus and the Russian Federation¹⁵.

¹⁵ Author's case, own sources of the Border Guard.

Conclusions

The Polish Border Guard has adapted the methods and forms of combating cross-border crime to the new reality by successfully integrating into the security system of the Schengen states. I am tempted to say that the effectiveness of services responding to committed acts is quite high, and we can see a new quality of action and what is important, the subjective feeling of social security in the country has not diminished. At the same time, it should be taken into account that cross-border crime will probably evolve in terms of type, number and severity of offenses committed, abusing the ease of free movement of persons and goods.

On the other hand, there are modern methods protecting the border, with well-trained officers and modern equipment. I think that the standards of cross-border cooperation have emerged for good due to the large involvement of states bordering on each other, joint operations and, consequently, the conviction that protecting borders is in the interest of both parties.

Joint patrols at all internal borders are a fact. They permanently entered the catalog of the border protection system. Statistically speaking, it should be stated that the service is performed jointly by a patrol every day on the Polish side or a neighboring state¹⁶. It is inspiring that such patrols also operate on the external border of the Union, as with Ukraine for many years on the basis of joint agreements¹⁷. It is obvious that joint patrols take place in a planned manner and result from the tactics of border protection.

¹⁶ *Ibidem*.

¹⁷ Agreement No. 78 between the Commander-in-Chief of the Board Guard of the Republic of Poland and the Administration of the State Border Guard Service of Ukraine on joint patrols of September 25, 2014.

The specificity of the cross-border pursuit institution is different. It always takes place as a result of an event. It is never planned and predictable. Due to the complex mechanism of conduct, it is rarely used by the Schengen Group countries. An essential element for conducting effective activities during a pursuit is good knowledge of procedural rules as well as practical knowledge of the scope of national law of State Parties to this Convention.

Both institutions that I approximated are implemented as a result of cooperation between EU member states. There is no interference in the sovereignty of the other state in this case. The regulations provide officers with relatively broad possibilities while conducting activities in order to apprehend a suspect, while at the same time clearly defining the limits that must not be crossed in doing so. The benefits of increasing the level of public safety, which is the result of cross-border cooperation, cannot be overestimated.

To conclude, let me raise important elements that are the foundation of cross-border cooperation with neighboring countries in implementing procedures for cross-border operations. It is important that the officers demonstrate a good knowledge of the legal system in force in the country in which they perform their duties and be respectful of the culture and customs of the neighboring country during all activities on their territory.

Streszczenie

Bliskość geograficzna Polski i Ukrainy nie tylko sprzyja współpracy transgranicznej między oboma państwami ale także powoduje konieczność podnoszenia jej na wyższy poziom. Współczesne relacje polsko-ukraińskie można ocenić generalnie pozytywnie. Z oczywistych, historycznych względów istnieje wiele nierozwiązanych i pogłębianych problemów. Oba państwa i narody muszą dołożyć wielu starań by zostały one możliwie szybko pokonane. Geopolityka Europy Środkowo-Wschodniej, występujące obecnie zagrożenia i wyzwania jakie stoją przed regionem w oczywisty sposób wpływają na pogłębienie wzajemnych relacji. Strategiczne partnerstwo Polski i Ukrainy, choć niełatwe i z szeregiem trudności jest faktem. Oba państwa zdają sobie z tego sprawę. Na poziomie politycznym jest to współcześnie związane głównie z zagrożeniem imperialnym ze strony Rosji. Polityka Władimira Putina w otwarty sposób nawiązuje do idei wielkiej Rosji, z bezpośrednim uzależnieniem bądź wręcz podbiciem bliskiej zagranicy, czyli państw leżących w bezpośrednim sąsiedztwie.

Dla Ukrainy Polska jest z pewnością państwem, które udanie przeszło szereg trudnych reform politycznych, gospodarczych i społecznych. Członkostwo Polski w NATO i UE jest kolejnym przykładem czerpania przez Ukrainę dobrych praktyk oraz ewentualnego unikania trudności negocjacyjnych w okresie przedczłonkowskim. Polska jest dla Ukraińców dobrym miejscem do podejmowania pracy i nauki. Korzyści z tego faktu są widoczne po obu stronach granicy. Polska zyskuje dzięki temu

wsparcie w sektorach gospodarki gdzie pojawiają się brali w obsadzie miejsc pracy. Migracje z Ukrainy dotyczą osób, które pochodzą z bliskiego kręgu społeczno-kulturowego.

Granica Polski i Ukrainy jest wciąż dużą barierą we wzajemnych kontaktach. Jakkolwiek jednak Polacy i Ukraińcy podejmują konkretne, wspólne działania transgraniczne. Dotyczy to wielu wymiarów, przede wszystkim gospodarczego, społecznego i kulturalnego.

W prezentowanej publikacji zawarte są opracowania traktujące o kilku szansach i wyzwaniach we wzajemnych reakcjach między Polską a Ukrainą. Autorzy tekstów skupili uwagę głównie na uwarunkowaniach politycznych, ekonomicznych i społecznych. Książka jest jednym z efektów współpracy projektowej między dwoma Uniwersytetami: Katolickim Uniwersytetem Lubelskim Jana Pawła II, Polska i Łuckim Narodowym Uniwersytetem Technicznym, Ukraina w ramach programu Polska-Białoruś-Ukraina 2014–2020.

Анотація

Близькість географічного положення Польщі й України не лише сприяє міждержавній співпраці між обома державами, а й вимагає підвищення рівня цієї співпраці. Сучасні польсько-українські відносини загалом можна вважати позитивними. З очевидної історичної перспективи існує чимало невирішених і поглиблених проблем. Обидві держави й народи повинні докласти великі зусилля, щоб якомога швидше їх подолати. Геополітика Середньо-Східної Європи, наявні сьогодні загрози й виклики, які постали перед регіоном, зрозумілим чином впливають на поглиблення взаємних відносин. Стратегічна співпраця Польщі та України, хоч і не легка, проте дійсно існує. Обидві країни усвідомлюють це. У політичній сфері вона на даний час пов'язана з імперською загрозою з боку Росії. Політика Володимира Путіна відверто тяжіє до ідеї великої Росії зі встановленням безпосередньої залежності або ж захопленням суміжних закордонних територій, тобто безпосередньо держав-сусідів.

Для України Польща – це безумовно держава, яка вдало провела низку політичних, економічних та соціальних реформ. Членство Польщі в НАТО та ЄС – ще один приклад для України успішної практики й уникнення можливих труднощів під час переговорів у підготовчий період до членства. Для українців Польща є хорошим місцем роботи й навчання. Вигоди від цього відчутні по обидва боки кордону. Завдяки цьому Польща отримує підтримку у тих секторах економіки, де виникає нестача зайнятості. Міграція

з України стосується осіб зі спорідненого суспільно-культурного кола.

Кордон Польщі й України надалі становить значну перешкоду для взаємних контактів. Проте поляки й українці проводять певну конкретну спільну міждержавну діяльність. Це торкається багатьох вимірів насамперед економічного, соціального й культурного.

У запропонованій публікації вміщено опрацювання на тему деяких можливостей і викликів у взаємних реакціях між Польщею та Україною. Автори текстів зосередили увагу переважно на політичних, економічних, соціальних умовах. Книга стала одним із результатів співпраці у проектах між двома університетами: Люблінським католицьким університетом ім. Яна Павла II, Польща та Луцьким національним технічним університетом, Україна в рамках програми Польща-Білорусь-Україна 2014–2020.

Notes about the Authors

Wojciech Gizicki, Associate Professor, PhD, John Paul II Catholic University of Lublin, Lublin, Poland.

Tadeusz Iwański, analyst, Marek Karp Center for Eastern Studies, Warsaw, Poland.

Łukasz Jasina, PhD, analyst, *The Polish Institute of International Affairs, Warsaw, Poland.*

Olena Kovalchuk, Professor, PhD, Lutsk National Technical University, Lutsk, Ukraine.

Aleksander Kuczabski, Associate Professor, PhD, University of Gdansk, Gdansk, Poland.

Leszek Maksymowicz, lieutenant colonel of the Border Guard, Border Guard Training Center, Kętrzyn, Poland.

Jerzy Nikolajew, Associate Professor, PhD, University of Opole, Opole, Poland.

Olha Osadcha, Associate Professor, PhD, National University of Water and Environmental Engineering, Rivne, Ukraine.

Olga Sazonets, Professor, PhD, National University of Water and Environmental Engineering, Rivne, Ukraine.

Pavlo Sheremeta, Former Minister of Economic Development and Trade, Kiev, Ukraine.

Ryszard Suduł, PhD, Szymon Szymonowic State Higher Education Vocational School, Zamość, Poland.

Nataliia Vavdiuk, Professor, PhD, Lutsk National Technical University, Lutsk, Ukraine.