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Problems and Perspectives of the EU-Ukraine Cooperation in the Area of Tourism in the Process of Implementing the Association Agreement

Abstract. The purpose of the article is to identify problems and perspectives of the cooperation between the EU and Ukraine in the area of tourism, associated with implementing the EU Tourism Policy. The issues addressed in the article determine the main directions for Ukraine to join the process of the European integration. The authors describe political and legal aspects of cooperation in the area of tourism with respect to the implementation of the Association Agreement.

Keywords: Ukraine, EU, policy in the sphere of tourism, cooperation, European integration, EU-Ukraine cooperation, European Union policy in the sphere of tourism, Association Agreement between Ukraine and the EU

Introduction

The formation and implementation of tourism policy is very important for Ukraine, as tourism was recognized as one of the priority spheres in Ukraine and its development will determine Ukraine's specialization in the future. The collaboration with highly developed countries and usage of their experience will serve as a guarantee of success and help to develop Ukraine's strategy policy in the sphere of tourism and institutional support in accordance with the EU to facilitate the networking and integration of Ukraine and the EU.

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Ukraine gives great importance to cooperation with the EU in view of the possibility of promoting the national tourist product in the European market, involving information space, excellence of tourism, strengthening of integration processes in our country. Due to its tourist and recreational potential, Ukraine has all chances to become one of the Europe's leading tourist destinations.

The main aim of this article is to investigate the peculiarities of the EU-Ukraine cooperation in the sphere of tourism in the context of EU Tourism Policy realization and perspectives of the EU-Ukraine cooperation in the sphere of Tourism in the framework of the EU-Ukraine Association Agreement and visa-free regime implementation.

The main hypothesis is that the EU-Ukraine cooperation in the sphere of Tourism will be improved after the implementation of the EU-Ukraine Association Agreement, legal approximation to the standards and norms of the EU and visa-free regime realisation.

For the effective achievement of the goal the method of analyses of documents and content analyses were used. They helped us to see the legal basis and main directions for the cooperation between Ukraine and the EU in the sphere of tourism.

The theoretical and applied data for this investigation was found in the official documents and agreements between the EU and Ukraine and also in the articles dedicated to the tourism policy analyses.

We consider that such theories of the European integration as neo-functionalism (spill-over effect) and "Europe of the concentric circles" and will be appropriate for the explanation and understanding of the EU-Ukraine cooperation in the sphere of tourism. Theories are important as they help us to understand how the EU works, and having a better understanding of how the EU has developed allows us to hypothesise about what the EU might be like in the future [Theories of European Integration, 2015] and predict its cooperation with neighbouring countries in different spheres.

The cooperation between Ukraine and the EU in the sphere of tourism will be determined by the EU policy in the sphere of tourism in the context of the EU unique decision-making process and the development of its common policies. This policy is characterized by the principles of subsidiarity, which allows the EU member states to pursue their own tourism policy. Those problems, which could be better solved at the European level, are the competence of the European Union. So the EU common policy of tourism includes the national tourism policies and their legal coordination in the framework of the European Union [Krayevska 2007].

The main aim of this policy is to improve the competitiveness of the European tourism industry and create more jobs through the sustainable growth of tourism in Europe and globally. In this context EU tourism policy will focus on three main sets of actions: better regulation and policy coordination, improved

use of the available European financial instruments and coordination of the Community actions affecting tourism. Everybody knows that if tourism does not develop in a sustainable way, it endangers the natural and cultural environment. So the European Union actively supports the economic, environmental and social sustainability of the European tourism. To achieve this goal it is necessary to coordinate the national tourism policies and provide common EU policy in the sphere of tourism. Especially now in enlarged EU, where there are many so different countries, EU institutions should continue to support actions promoting Europe as a tourist destination [Malska, Antonyuk & Krayevska 2013].

1. The EU-Ukraine Association Agreements and cooperation in the sphere of tourism

Nowadays the cooperation between the UE and Ukraine in the sphere of tourism is regulated by the Association Agreement between the EU and Ukraine (Chapter 16 of AA) [EU-Ukraine Association Agreement, 2012]. Article 399 on Tourism proclaims that “The Parties shall cooperate in the field of tourism with the aim of developing a more competitive tourism industry, as a generator of economic growth and empowerment, employment and foreign exchange”. Cooperation at bilateral, regional and European levels would be based on the following principles: (a) respect for the integrity and interests of local communities, particularly in rural areas; (b) the importance of cultural heritage; (c) positive interaction between tourism and environmental preservation. Relevant provisions concerning tour operators are contained in Chapter 6 (Establishment, Trade in Services, and Electronic commerce) of Title IV (Trade and Trade-related Matters) of this Agreement. Relevant provisions concerning movement of persons are covered by Article 19 of this Agreement” (Article 400).

Cooperation shall focus on the following aspects: (a) exchange of information, best practices, experience and “know-how” transfer, including on innovative technologies; (b) establishment of a strategic partnership between public, private and community interests in order to ensure the sustainable development of tourism; (c) promotion and development of tourism products and markets, infrastructure, human resources and institutional structures; (d) development and implementation of efficient policies and strategies, including appropriate legal, administrative and financial aspects; (e) tourism training and capacity building designed to improve service standards; (f) development and promotion of community-based tourism (Article 401). The regular dialogue will take place on the issues covered by Chapter 16 of Title V (Economic and Sector Co-operation) of this Agreement (Article 402).

Since 2015 the central executive body that ensures the implementation of policies in the tourism sector performs the Department of Tourism and Resorts of the Ministry of Economic Development and Trade of Ukraine.¹ For the effective implementation of the Association agreement between the EU and Ukraine the Strategy of the Tourism and resorts development in Ukraine for 2016-2020 was adopted [Strategia rozvitky..., 2016]. It declares that in today's globalized world leading countries of the world give a proper assessment of the benefits of tourism development. Tourism contributes to employment, diversifies the economy because of tourism and resorts linked to the activities of more than 50 industries, and promotes innovative national economy. Tourism contributes to the preservation and development of cultural potential, leading to harmonization of relations between countries and peoples, conservation of ecologically safe environment. In addition, tourism is one of the factors of implementing foreign policy.

According to the World Tourism Organization (UNWTO), the share of tourism in world GDP is about 10%, and the share of international tourism accounts for 6% of total world exports and about 30% of world exports of services every 11 workers in the world account for the tourism industry. It is predicted that by 2030 the number of international tourist visits will increase to 1.8 billion tourists. According to UNWTO in 2015 traveled to Europe 609 million tourists, their loss in 2014 amounted to 509 billion US dollars.

Ukraine, as a country at the centre of Europe has all the prerequisites for the proper development of the economy through tourism. However, Ukraine loses much in the competition, being behind the leading countries in terms of development of tourism infrastructure and quality of tourism services. The financial and economic crisis that continues in recent years, events related to the annexation of the Crimean Autonomous Republic and anti-terrorist operations in the Donetsk and Lugansk regions, negatively influenced the inbound tourist flow, structure, and tourism opportunities in both domestic and foreign tourist market.

The flow of foreign tourists in Ukraine reduced twice and continues to decline. According to the State Border Service, in 2015 12.9 million foreign citizens visited Ukraine, while in 2014 – 13.2 million, in 2013 – 25.7 million [Strategia rozvitky..., 2016]. Ukraine is losing its popularity as a tourist destination, because in the imagination of potential tourists our country seen as full-scale war and hot spot. Overcoming the current negative trends, creation of systematic and complete prerequisites for the development of tourism and resorts in the country should become one of the priorities of accelerating economic growth.

On March, 3, 2017 the first meeting of the Cluster 2 Subcommittee on the economy and other spheres of cooperation of the Association between Ukraine

¹ *Turizm*, www.me.gov.ua/Tags/DocumentsByTag?lang=uk-UA&id=4268f55c-fec7-4d63-b4d3-1a0311a7297b&tag=Turizm [access: 3.04.2017].

and the European Union was held in Brussels (Belgium). Ukrainian delegation was headed by Deputy Minister of Economic Development and Trade, Trade Representative of Ukraine N. Mykolska. During the meeting, representatives of both sides discussed the implementation of Chapter V of the Association Agreement and the next steps for its implementation.

The dialogue and exchange of views on the development of such sectors of the economy, as industrial and enterprise policy, mining and metallurgy, space, taxation and tourism within the bilateral cooperation between Ukraine and the EU were held between the parties. During the presentation of the tourism sector of Ukraine to the EU by the Director of the Department of Tourism and Resorts Ivan Liptuga informed about the potential for development of tourism in Ukraine, current and further steps to promote market-competitive national tourist product and transformation of tourism to the integrated industry in the world market. It was noted that the EU representatives expressed interest in deepening relations between the parties for further cooperation in the tourism sector.²

Although the priority of the EU to support its Member States, but the EU supports also Ukraine. The EU allocated € 11 billion euros for the implementation of comprehensive reforms and ensure a decent life for Ukrainian citizens. Part of these funds will go to tourism. In the format of other European organizations and programs such as loans EBRD (European Bank for Reconstruction and Development) or the European Investment Bank made infrastructure investment projects. This kind of projects improves the country's infrastructure, and it is an integral part of successful tourism sector.

There are concrete examples of Ukrainian tourism support from the EU. For example, a project to support the creation of jobs and supporting rural tourism in the Odessa region, which began in late 2014 and is designed for 24 months for financing of € 340 million. The investment project has passed a rigorous selection among 300 participants from all over Ukraine in the project support for regional development. The construction of two tourist campsites, creating a tourist information center in Razdel'nyanskiy area, installation of road signs with information and Internet portal for green tourism in the Odessa region were planned, as well as seminars for organizations involved in tourism in the region, presentation of tours, and more [*Rozdilna vidcvatkuvala vidkitta...* 2015]. EU projects supporting tourism also concerned Crimea. Before annexing, the EU funded project on creation of diversification and support tourism in Crimea, but now this initiative has lost its force.

² Tourism & Resorts Department MEDT, www.facebook.com/tourism.gov.ua/?fref=ts [access: 3.04.2017].

2. Visa Dialog

A prerequisite to obtain the real economic impact of tourism and the revival of the European integration processes in Ukraine is the liberalization of formalities connected with Ukrainian tourists travelling to foreign tourist countries, especially the issue of entry visas to travel to the countries of the traditional tourism areas of the EU.

At the time of the International Song Contest “Eurovision 2005,” which was held in Ukraine, according to the Order of the President of Ukraine on temporary visa-free regime for citizens of the EU member-states and Switzerland (from 31.03.2005, No. 569/2005), from the 1st of May to the 1st of September, 2005 citizens of the above countries drove in Ukraine without visas in all international border crossings to stay not exceeding 90 days [*Pro tymchasove zaproivadzenia...* 2015].

According to the results of this experiment the President of Ukraine signed the Decree of 26 July 2005 No. 1131/2005 on establishing a visa free regime for citizens of the European Union member-states, the Swiss Confederation and the Principality of Liechtenstein, for which visa-free regime to Ukraine for specified categories of foreign nationals was established on a regular basis to stay not exceeding 90 days [*Pro vstanovlenia bezvisovovo regimu...* 2015].

On the 27th of October 2006 in Helsinki (Finland) the EU-Ukraine Summit at the highest level was held to discuss important issues and adopt a number of decisions. Summit participants welcomed the successful conclusion of negotiations on the EU-Ukraine visa facilitation and readmission agreements and initialed both documents.³

The European Union and Ukraine signed an agreement on simplifying visa applications. The purpose of this Agreement is to facilitate the procedures for obtaining visas for an intended stay of no more than 90 days within six months in the framework of Schengen visas for citizens of Ukraine. The agreement was signed on 18 June 2007 and entered into force on 1 January 2008 [*Uгода miz Ukrainoyu ta Evropeyskim Spivtovarictvom...* 2008].

After positively fulfilling all criteria of EU's Visa Liberalization Plan throughout 2015 and early 2016, on the 28th of February 2017 representatives of European Parliament and Council of the EU during so-called “trilogue” agreed positions regarding visa-free travelling for the citizens of Ukraine in May-June [*EU moves forward visa liberalization...* 2017].

³ *Samit Ukraina-EC 27 zovtnaya 2006 roku, m. Helsinki*, www.mfa.gov.ua/mfa/ua/2031.htm [access: 3.04.2017].

More than 500 members of the European Parliament voted for visa liberalization for Ukraine during a session in Strasbourg on April 6, 2017. Only a few more formalities remain. The decision is yet to be formally approved by the Council of Ministers and then published in EU's Official Journal. The visa exemption will enter into force 20 days after publication in the EU Official Journal.⁴

Ukraine achieved visa-free regime with Schengen area member states in June, 11, 2017. From that day Ukrainian citizens holding biometric passports can travel to the Schengen Zone without a visa for a period of 90 days within any 180-day period for purposes other than working.⁵

They are also allowed to visit the four countries which are not part of the Schengen zone such as Norway, Iceland, Liechtenstein, and Switzerland. However, since the United Kingdom and Ireland have different policies, Ukrainian citizens will have to undergo different procedures in order to qualify for short visits in these countries. Also, any stay for longer than 90 days will require a visa.

This policy has strengthened the relations between Ukraine and the European Union, and is considered as a welcome from the EU for Ukraine. The country has long been under the Russian regime and is now moving farther away from the Soviet Union. Ukrainian president Petro Poroshenko expressed his joy for this policy in the media by congratulating the 45 million Ukrainians whose travel is now free from long visa procedures and expressing gratitude to the European Union.⁶

Conclusions

The importance of studying the EU tourism policy and cooperation with Ukraine in this sphere is determined by the Ukraine territorial proximity to the EU – the western border of Ukraine has become the border between Ukraine and the EU in 2004 – and the implementation of the course toward the European integration in the framework of implementation of common agreements and projects. The cooperation with the EU and its member-states and the usage of their experience will serve as a guarantor of success and will help to develop tourism policy in line with the EU norms and standards, which will facilitate the establishment of contacts and integration between Ukraine and the EU.

⁴ *EU parliament votes for visa-free travel for Ukraine*, www.kyivpost.com/ukraine-politics/eu-parliament-votes-visa-free-travel-ukraine.html [access: 3.04.2017].

⁵ *Ukrainians can now travel to EU Member States without a visa*, www.schengenvisainfo.com/ukrainians-can-now-travel-to-eu-member-states-without-visa/ [access: 3.04.2017].

⁶ *Ukrainians can now travel to EU Member States without a visa*, www.schengenvisainfo.com/ukrainians-can-now-travel-to-eu-member-states-without-visa/ [access: 3.04.2017].

The EU tries to conduct cooperation with Non-EU partners on the same basis and pays more attention to the neighbouring countries. Cooperation between the UE and Ukraine in the sphere of tourism is based on the big variety of bilateral agreements in this sphere. Ukraine is interested in the cooperation with the EU and its member-states in the sphere of tourism. The legal and contractual framework of bilateral cooperation with the EU countries is being developed. The Ukrainian policy-making model in the sphere of tourism is similar to some European countries with developed tourism [Krayevska & Prisagnyuk 2008].

Ukraine is interested in continuing and deepening the European integration trend, especially considering the adaptation of problems of tourism sphere in Ukraine to the relevant directives and standards of the EU; liberalization of border and customs formalities for tourists who travels between Ukraine and the EU member states; bringing quality of tourism services to international standards, harmonization of standards and certification of tourism business and recreational areas that provide accommodation and food in Ukraine with the EU standards; attracting financial and technical assistance from the EU in the tourism and resort sphere in Ukraine for the implementation of main projects for tourism development, including green tourism, small and medium tourism businesses, cross-border cooperation, development of tourism infrastructure for transport corridors and popularize positive tourist image of Ukraine at the European market.

Visa free regime will facilitate the tourism development and increase the travels between the UE and Ukraine. This situation demands proper legislation and policy and the EU-Ukraine Association Agreement will be the basis for their development and help to improve tourism infrastructure in Ukraine.

However, despite the significant successes of cooperation between Ukraine and the European Union in the sphere of tourism, many problems remain unresolved. In particular, for the purpose of expanding tourist cooperation with the EU member states, diversifying the tourist offer and increasing the competitiveness of Ukrainian tourism products are needed. It is important to promote the EU involvement in the development of tourist and resort infrastructure of Ukrainian tourism, including cross-border, and also the creation of corporate tourism products (especially International routes across transboundary territories) and their effective marketing in the European and world markets.

The issues of cooperation between Ukraine and the EU in the sphere of tourism should be widely discussed; it is necessary to practice holding international specialized seminars or conferences in Ukraine with the involvement of domestic and foreign organizations to study the best practices in organizing tourism activities, development of tourist markets, defining the prospects for the development of the latest technologies for the provision of tourist services, formation of the Tourism strategy and service standards, as well as participate in appropriate

events abroad. It is worth establishing a system of exchange of experience on an ongoing basis with the relevant EU structures as well as state authorities in the field of tourism of the EU member states regarding the legislative and organizational provision of highly productive tourism activities, in particular the adaptation of national tourism legislation to the EU norms and standards.

Investigation on the EU and Ukraine cooperation in the sphere of tourism have shown that Ukraine pays great attention to the development of cooperation with the European Union in view of the possibility of promoting a national tourist product in the European market, involvement in the information space, best practices in organizing tourism activities, revitalization of European integration processes in Ukraine. Indeed, with its tourist and recreational potential, Ukraine has the opportunity to become one of the leading European tourist destination.

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Problemy i perspektywy współpracy między Unią Europejską a Ukrainą w sferze turystyki w ramach realizacji umowy o stowarzyszeniu

Streszczenie. W artykule przedstawiono specyfikę współpracy między UE a Ukrainą w sferze turystyki w kontekście realizacji polityki turystycznej UE i perspektyw gospodarczych. Omówiono problemy i perspektywy wspólnych działań w sferze turystyki jako jednej z głównych dróg Ukrainy do integracji europejskiej, a także polityczne i prawne aspekty współpracy między UE a Ukrainą w sferze turystyki w ramach realizacji umowy o stowarzyszeniu.

Słowa kluczowe: Ukraina, Unia Europejska, polityka w sferze turystyki, integracja europejska, współpraca UE – Ukraina, polityka UE w sferze turystyki, umowa o stowarzyszeniu między Ukrainą a UE