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# CROSS-BORDER COOPERATION IN UKRAINE: PERSPECTIVES OF EUROREGION DEVELOPMENT

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Summary. Cross-border cooperation (CBC) is implemented on the basis of jointly developed programs of trade and economic, scientific and technical and cultural cooperation. The complexity of processes and phenomena, observed today in the transboundary space of Ukraine, actualizes the importance of formation and implementation of CBC policy as an instrument of international cooperation strategy. Development and implementation of joint cross-border strategies of cooperation and approval of regional programs for the development of CBCs contributes to reducing the imbalance of socio-economic development in the cross-border space and the gradual convergence of parameters of adjacent border regions of neighboring countries, which occurs in the process of borrowing, reproduction or formation of common methods and financial support. The implementation of this task produces a number of urgently needed measures: establishment of communication links between different segments of cross-border cooperation; adoption and implementation of joint strategic documents on CBC development; formation of the institutional environment for the development of cross-border clusters; implementation of the National Strategy for the formation and maintenance of cross-border clusters; development of the Border Trade Development Programme; improvement of the functioning of border infrastructure, etc. According to the above mentioned, the perspective is to activate the transboundary cooperation of Ukraine in the following directions: signing of agreements and treaties on cooperation with the focus on the development of transboundary cooperation; writing joint strategies for the development of transboundary cooperation, regional programs for the development of transboundary cooperation; approval of concepts and programs for the creation of transboundary industrial parks, industrial zones, clusters and other forms of transboundary cooperation, or implementation of existing ones. However, today in Ukraine, there is an insignificant influence of Euroregions on CBC activation that is caused by organizational and legal aspects of formation and development of the state regional policy, for a long time was not considered as a separate component of the state strategic development. As a result, there is no unified hierarchical system of normative and legal documents regulating the issues of regional development, weak organizational and administrative mechanism of regional policy development and implementation requires further research as a separate component of the state strategic development.

**Key words:** cross-border cooperation, Euroregions, cross-border clusters, public policy.

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### ТРАНСКОРДОННЕ СПІВРОБІТНИЦТВО В УКРАЇНІ: ПЕРСПЕКТИВИ РОЗВИТКУ ЄВРОРЕГІОНІВ

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**Резюме.** Транскордонне співробітництво (ТКС) реалізується на основі спільно розроблених програм торговельно-економічного, науково-технічного й культурного співробітництва. Складність

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процесів і явищ, які спостерігаються нині у транскордонному просторі України, актуалізує значущість формування та реалізації політики ТКС як інструменту стратегії міжнародного співробітництва. Розроблення та реалізація спільних транскордонних стратегій співробітництва й затвердження регіональних програм щодо розвитку ТКС сприяє зменшенню диспропорцій соціально-економічного розвитку в транскордонному просторі та поступовому зближенню параметрів суміжних прикордонних регіонів сусідніх країн, яке відбувається в процесі запозичення, відтворення чи формування спільних методів та фінансового забезпечення. Реалізація цього завдання продукує низку вкрай необхідних заходів: налагодження комунікаційних зв'язків між різними сегментами транскордонного співробітництва; прийняття та реалізація спільних стратегічних документів стосовно розвитку ТКС; формування інституційного середовища розвитку транскордонних кластерів; реалізація Національної Стратегії формування та підтримання транскордонних кластерів; розроблення. Програми розвитку прикордонної торгівлі; покращення функціонування прикордонної інфраструктури тощо. Відовідно до зазначеного перспективною є активізація транскордонної співпраці України у напрямах: підписання угод та договорів про співпрацю з акцентом на розвиток транскордонного співробітництва; написання спільних стратегій розвитку транскордонного співробітництва, регіональних програм розвитку транскордонного співробітництва; затвердження концепцій та програм щодо створення транскордонних індустріальних парків, промислових зон, кластерів та інших форм транскордонного співробітництва або реалізації існуючих проектних ініціатив. Однак нині в Україні спостерігається незначний вплив єврорегіонів на активізацію ТКС, що зумовлено організаційно-правовими аспектами формування та розвитку державної регіональної політики, яку тривалий час не розглядали як окремий складник стратегічного розвитку держави. Наслідком стали відсутність єдиної ієрархічної системи нормативно-правових документів, які регулюють питання регіонального розвитку, слабкість організаційно-управлінського механізму розроблення та впровадження регіональної політики, що потребує подальшого дослідження як окремого складника стратегічного розвитку держави.

**Ключові слова:** транскордонне співробітництво, єврорегіони, транскордонні кластери, держана політика.

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Statement of the problem. Cross-border cooperation (CBC) is implemented on the basis of jointly developed programs of trade and economic, scientific and technical and cultural cooperation. The active development of Euroregions is seen as one of the elements of the pan-European system of priorities, which corresponds to the principle of integration of states through the integration of regions. Such activities include acceleration of socio-economic development of border regions, human resources infrastructure training of regions and the country as a whole to deepen cooperation with the EU, acceleration of European integration processes. However, despite the positive dynamics of CBC development between Ukraine and the EU, the problematic aspects of cooperation in the conditions of decentralization are: difficulties in implementing projects by local communities through the incoherence of the CBC governance system and limited financial support, organizational and institutional obstacles to the implementation of regional and local programs for the CBC development and European integration, insufficient approbation of innovative CBC forms, lack of qualified specialists to prepare projects, absence of effective joint strategies for CBC development between Ukraine and EU Member States related to regional and local strategic policy documents, asymmetries in the development of road transport, transport and logistics, trade and border infrastructure of the border regions of Ukraine and the EU.

Analysis of the available investigations and publications. The issue of establishing and developing cross-border cooperation has long been a subject of attention of scientists. Theoretical and practical issues of cross-border cooperation, dedicated to the work of leading researchers such as P. Bilenkyi, I. Budkin, I. Vakhovych, M. Dolishnii, S. Kish, M. Malska, N. Mikula, Yu. Makohon, V. Pyla, I. Chuchka, I. Tymechko, I. Shkola, M. Yankiv and others. And the following scientists D. Ivanov, K. Dolotina, O. Amosha, P. Bielienkyi, V. Budkin, I. Burakovskyi, V. Yevdokymenko, M. Kozoriz, Yu. Makohon, M. Malskyi, A. Melnyk, V. Miklovda, A. Mokii, V. Pyla, S. Pyrozhkov, N. Romanova, O. Chmyr, K. Shevchuk and others have paid attention to the problems of Euroregional cooperation. At the same time, little

research has been done to establish principles for the formation and development of crossborder regions, which include the border areas of Ukraine and the European Union.

**The objective of the work** is to determine the place and role of cross-border cooperation in Euro-integration development and integration processes.

The objective of the investigation. In order to achieve this goal, the following scientific objectives have been identified: to investigate methods of cross-border cooperation; to reveal the components of cross-border cooperation in the form of Euroregions and cross-border clusters; to reveal the types of cross-border strategies and their development prospects; to reveal Euro-regional and cross-border cluster development.

The following methods were used to solve the tasks: generalization, analogy, induction, analysis, system approach.

Statement of basic materials. The term «transborder cooperation» was first introduced in the Madrid Convention of the General Principles on Cross-Border Cooperation [1]. Cross-border cooperation shall mean any joint action aimed at establishing and deepening economic, social, scientific and technical, environmental, cultural and other relations between territorial communities, their representative bodies, local executive authorities under the jurisdiction of two or more treaty parties, as well as at concluding any necessary agreements or arrangements for this purpose. Cross-border cooperation concerns the cooperation of adjacent territories of neighbouring states, i. e. the border between territories that cooperate is important in its organization.

Cross-border cooperation, on the one hand, is an important element of the integration process carried out through an optimal combination of capacities and resources of the neighbouring countries' border regions and, on the other hand, helps to solve common problems and contribute to the socio-economic development of these regions. This type of bilateral cooperation is an essential factor in improving the interstate climate, as well as an effective means of eliminating imbalances in economic and social development on both sides of the border.

Cross-border cooperation in the current conditions of development of integration processes has the property to accelerate the processes of equalizing the quality of life of the population in the border areas and contribute to the creation of conditions for the free movement of people, goods, capital and services across the border.

Cross-border cooperation also plays an important role as a specific «landfill» for the adaptation of European legislation and financial support mechanisms. The formation and development of transboundary structures is conditioned by a number of factors, the impact of which intensifies the interaction in the transboundary space. Factors of impact should include: development strategies of states; state regional policies; availability of common strategies and programmes; level of intensity of connections of subjects and participants of cross-border cooperation; level of development of cross-border cooperation infrastructure; level of awareness; creativity of participants of cross-border spivroitnitztva: foreign financial assistance and the like.

The argument in favor of the development of new forms of cross-border cooperation is the fact that Ukraine's inclusion in the global processes of globalization and regionalization, its real steps towards integration into the European Union raise the question of compliance of the administrative and territorial structure of the state with the main European principles of building a system of regional and local development management, development of local self-government.

Under the current conditions of intensification of Ukraine's European integration processes, the role of cross-border cooperation is increasing. According to the current legislation of Ukraine, the concept of cross border cooperation is defined as joint actions aimed at establishment and deepening of economic, social, scientific and technical, ecological, cultural

and other relations between territorial communities, their representative bodies, local executive authorities of Ukraine and territorial communities, relevant authorities of other states within the competence determined by national legislation.

Taking into account the fact that cross-border cooperation concerns all spheres of society's life, its legal provision can be conditionally presented in four groups:

- 1) common European Regulations for the Functioning and Development of Regions («European Charter of Local Self-Government» (Strasbourg, 1985), «Charter of Congress of Local and Regional Authorities of Europe» (1994), «European Charter for Regional Spatial Planning» (Torremolinos, 1983) and others);
- 2) european legislation dealing specifically with cross-border cooperation («European Framework Convention on cross-border cooperation of territorial communities») (Madrid, 1980), its two annexes: Additional Protocol (Strasbourg, 1995) and Protocol No. 2 (Strasbourg, 1998 p), «European Charter on Border and Transboundary Regions», etc.);
- 3) a number of European documents regulating various aspects of cross-border cooperation («Kyoto Convention on the Simplification and Harmonization of Customs Procedures», «Convention on Combined Transport», «European Charter for Regional or Minority Languages», etc.);
- 4) national legislation of European countries (for Ukraine the Law of Ukraine «On Cross-border Cooperation» (№ 2515-"III) of September 4, 2018, which defines the content and main provisions of cross-border cooperation in Ukraine, other legal acts).

In general, today's cross-border cooperation is a specific area of international relations, implemented and developed on the basis of clear criteria and principles. It takes the form of developed joint programs of economic, cultural and humanitarian interaction. This cooperation is aimed at coordinating mutual efforts and implementing agreed activities in various spheres of life. The active development of border regions is seen as one of the elements of the pan-European system of priorities, which corresponds to the principle of integration of states through the integration of regions. Such activities are intended to accelerate the socio-economic development of the cross-border regions and the country as a whole in order to deepen cooperation with the European Union, accelerate the processes of European integration. In other words, the strategic goal of cross-border cooperation is to strengthen the state as a whole through the harmonized integrated development of regions and to deepen their participation in international integration processes.

The development and implementation of joint cross-border cooperation strategies and the approval of regional programmes for the development of cross-border cooperation contribute to the reduction of disparities in socio-economic development in cross-border space and to the gradual convergence of the parameters of adjacent border regions of neighbouring countries, which occurs in the process of borrowing, replication or the formation of common methods and financial support.

At present, the factors of intensifying cross-border cooperation of Ukraine are the use of opportunities for financing projects at the expense of EU funds. The prospects for the development of the border regions are determined by the possibilities of using the geopolitical position in the direction of activating the work within the framework of the established relevant Euroregions, as well as participation in joint projects. The first step should be the development of joint bilateral strategies for cross-border cooperation.

To coordinate cross-border cooperation, local and regional authorities may establish associations, consortia and joint advisory structures under existing legislation.

The state policy on cross-border cooperation should first of all be directed towards the formation of an effective institutional environment with respect to the criteria of economic security and oriented towards the implementation of European principles of regional development, which will mean a transition to the policy of creating equal opportunities for the

development of territories' internal potential and increasing their competitiveness; implementation of effective tools for optimal use of local resources and their orientation to the development of territories and tools for stimulating regional development (attracting technical assistance, loans, local borrowing).

The complexity of processes and phenomena that are observed today in the transboundary space of Ukraine, actualizes the importance of formation and implementation of cross-border cooperation policy as an instrument of international cooperation strategy. The realization of this task produces a number of urgently needed measures to establish communication links between the various segments of cross-border cooperation; adoption and implementation of joint strategic documents on the development of cross-border cooperation; formation of the institutional environment for the development of cross-border clusters and implementation of the National Strategy for the formation and maintenance of cross-border clusters; elaboration of the Border Trade Development Programme; improvement of the border infrastructure functioning, etc.

According to international experience, cross-border cluster associations are becoming new forms of interregional development. After all, not individual enterprises compete in the market, but entire complexes that reduce their costs through joint technological cooperation. That is why the implementation of investment and innovation projects in cross-border clusters should increase competition with independent companies and attract foreign investors. Now the use of the European experience of the European Union cross-border cluster policy is seen as one of the most effective ways to develop the border territories of the neighbouring countries. The theoretical foundations of the cluster have been studied quite deeply in world economic science [2].

At the same time, the processes of globalization and regionalization, and the related international competition and cooperation, bring to the forefront the issues of studying the specifics of cross-border clusters in order to use their potential for increasing the competitiveness of the countries participating in integration entities [3].

It is advisable to note the positive impact of the creation of Euroregions to enhance cross-border cooperation. Thanks to the establishment of Euroregions, a number of important projects and programmes have been implemented aimed at expanding industrial cooperation and initiating border infrastructure, environmental protection and humanitarian cooperation.

As a result of cross-border cooperation and the formation of Euroregions, it is important to note the formation of foreign economic relations in the European integration of Ukraine on the basis of the creation of various preferential economic regimes. Preferential economic regimes contribute to the activation of regional development of the territories adjacent to the border of our state, including the deepening and diversification of international economic relations with the border regions of the neighboring countries of the European Union [4].

This is confirmed by the experience of the four Euroregions currently operating on the western and southwestern borders of Ukraine – «Karpaty», «Buh», «Nyzhnii Dunai» and «Verkhnii Prut». The main activities of the Euroregions are the development and harmonization of trade and economic relations, the development and implementation of new technologies, environmental protection, development of transport and communication networks, expanding cooperation in education, culture and tourism, the formation of a special environmental zone, a center for commercial information. Being one of the highest organizational, legally entrenched and promising forms of cross-border cooperation of adjacent self-governing territorial communities and local state authorities of the border territories of Ukraine and neighboring states, they are in the conditions of limited financing, lack of «full institutional form» of activity and budgets have achieved only episodic successes, especially in the cultural field, and «demonstrate today the inconsistency of the realities of previously defined goals and objectives» [5].

Cooperation within the Euroregions involves, first of all, the identification of priority tasks and the formation of a system of projects that meet the European integration priorities of national and European regional policy, in particular the development of transport, energy, border, tourism and information infrastructure, modern systems of technogenic, social and environmental protection education and science, entrepreneurship development, which will ensure sustainable socio-economic and spatial development of the territories and prevent further in a widening gap in these areas on the border of the European Union and Ukraine.

However, today in Ukraine there is a small influence of Euroregions on the activation of cross-border cooperation, due to organizational and legal aspects of the formation and development of state regional policy, for a long time was not considered as a separate component of the strategic development of the state. As a result, there is no unified hierarchical system of normative-legal documents regulating the issues of regional development, weak organizational and managerial mechanism of regional policy development and implementation. The practice of interregional, inter-municipal, inter-state regional and cross-border cooperation of regions remained unsystematic and episodic without adequate financial support.

According to the abovementioned perspective is the intensification of cross-border cooperation of Ukraine in the directions on:

- signing cooperation agreements and treaties with emphasis on the development of cross-border cooperation;
- writing joint strategies for development of cross-border cooperation, regional programmes for development of cross-border cooperation;
- approving concepts and programmes for the establishment of cross-border industrial parks, industrial zones, clusters and other forms of cross-border cooperation, or the implementation of existing project initiatives.

At the same time, the intensification of Euroregional cooperation should take place in directions:

- improving the legal and regulatory framework in the implementation of Protocol
  No. 3 to the Madrid Convention and introducing new forms of regional cooperation;
- ensuring the work of the Interdepartmental Commission for the support of crossborder cooperation and Euroregions on a permanent basis and involvement of representatives of associations of Euroregions in its composition, as issues of cross-border cooperation primarily concern territorial communities of border regions;
  - reorganizing the Euroregions using an individual approach to each Euroregion;
- reforming the mechanisms of functioning of the Euroregions by developing a strategy for the development of each Euroregion taking into account the strategic priorities of the pan-European, state and regional levels and improving mechanisms for their interaction at the state and local levels;
- establishing contractual platforms between euro regions formed at the border with EU countries and euro regions formed with countries that are not EU member states. This will allow to establish interaction between the Euroregions formed on the western and eastern borders of Ukraine and will contribute to the appearance of additional opportunities for their development and the like [6].

**Conclusions.** Today we can assert that the cross-border associations, in which our state participates, successfully perform their functions to ensure international cooperation in the field of economy, ecology, education, culture, tourism etc. Experience of participation in the activities of Euroregions shows that only joint action, preservation and strengthening of strong neighbourhood and friendly relations, mutual openness can guarantee harmonious social and economic development of the territories that are part of it, weaken the negative impact of obstacles caused by state borders, give a new impetus to contacts between citizens of Ukraine and EU countries at different levels, to intensify cooperation in many areas of life.

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