A CURRENT STUDY ON CROSS-BORDER COOPERATION

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The share of cross-border cooperation justifies the topicality of the investigated topic as a component of European Cohesion Policy and European Neighborhood Policy, which provide the implementation of several economic cooperation programs for the development of different regions located at internal and external borders the European Union. European Cohesion Policy aims at reducing the gaps between developed and least the developed Member States, and the objectives of the European Neighborhood Policy diversify the European Union’s forms of cooperation with its neighbors. Ukraine and other ex-socialist, ex-Soviet states benefit from European Neighborhood Policy programs. According to the Treaty on European Union: “The Union shall develop privileged relations with neighboring countries to establish an area of prosperity and good neighborliness, based on the values of the Union and characterized by close and peaceful relations based on cooperation.” (art. 8 para.(1)).

The share of cross-border cooperation is constantly growing as it underlies the policy of economic and social cohesion. The development of territorial collaboration supports by the changing nature of borders and the interest of stakeholders. The cross-border cooperation component occupies a specific place in the development of territorial cooperation. It aims to develop border areas, exploit their growth potential and address the common challenges identified in common.

The processes of integration and enlargement of the European Union at the Ukrainian borders have ensured the creation of the necessary conditions for its cooperation with the Member States of United Europe, various European institutions, and participation in territorial cooperation policy initiatives, first and foremost the EU Cross; Border cooperation programs. The country has been allowed to use its beneficial geographical location and take essential steps towards achieving its aspirations for integration into the European Union. The European integration processes in Ukraine bring to the fore the development of the border regions, which have always been less developed than the central regions due to their peripheral location. Under such conditions, they need to increase their level of competitiveness to compete with European regions. It is about more actively supporting cross-border cooperation with the EU’s more developed neigh-
bors. It will contribute to the convergence of cross-border territories, activating the innovative development of regions and their openness to introducing new technologies and management mechanisms.

The development and improvement of the cross-border cooperation mechanism and the outlining of its priority directions in the general development system of the border regions are among the essential principles of the current socio-economic transformations in Ukraine. In such conditions, the theory and practice research of the development and regulation of cross-border cooperation has an increasing scientific value. The monograph: „Ukraine’s cross-border cooperation with EU countries: current challenges and opportunities” meets these requirements. The monograph structure consists of four chapters that completely and comprehensively reveal the subject of the research.

Chapter I. THEORETICAL AND METHODOLOGICAL FOUNDATIONS OF THE DEVELOPMENT OF INTERACTION MECHANISMS BETWEEN ECONOMIC ENTITIES IN THE EU-UKRAINE CROSS-BORDER SPACE, the theoretical and methodological bases of developing the interaction mechanisms between the economic entities from the EU-Ukraine cross-border area are exposed. The institutional and legal frameworks for CBC development in Ukraine are analyzed in detail and show the place of Euro regional cooperation in the cross-border cooperation system. Particular attention is paid to the interaction mechanisms between economic entities in the cross-border area based on their classification into interaction entities, markets, type of interaction, the direction of exchange, time of action, type of impact, etc. This chapter describes best practices for interaction between economic entities in the cross-border area in Europe. It also clarifies the nature of the transformation of the economic environment in border regions in the process of EU enlargement and the provisions of EU policy in this area.

Chapter II. PECULIARITIES OF SOCIAL AND ECONOMIC DEVELOPMENT OF CROSS-BORDER REGIONS WITH UKRAINIAN PARTICIPATION, capitalizes on the specifics of the Ukrainian cross-border regions along the border with the EU. In particular, the chapter provides the legal and institutional frameworks of CBC development in each area. How CBCs carry out cooperation, and socio-economic characteristics based on a comparison of GRP dynamics per citizen average monthly salaries, the average monthly ratio of pensions, and capital investment per citizen.

The intensification of the integration processes, related to the signing of the EU-Ukraine Association Agreement, the „temporary” operation of the Deep and Comprehensive Free Trade Area (DCFTA) from 1 January 2016 accelerates the border accession of the area in the European Economic Area. Therefore, the third chapter: CROSS-BORDER COOPERATION IN THE CONTEXT OF SOCIO-ECONOMIC DEVELOPMENT OF UKRAINIAN BORDER OBLASTS, It also shows the survey results of experts among the representatives of the republic’s cities and the mentioned regions (representatives of municipal councils) and employees of district public authorities, administrations of six border regions, especially Volinia, Lviv, Transcarpathia, Ivano-Frankivsk, Chernivtsi, and Odesa. The survey covered 288 experts - representatives of 113 local governments. The objectives of the study: assessment of the current state of development of border areas; research on the impact of the EU-Ukraine Association - Agreement on the development of the territory in a positive and negative context; appreciation of the consequences of intensifying the European integration processes; defining the perspective directions of the development of the research territories.
The monograph also assesses the level of the shadow economy in border areas based on direct and indirect approaches. In particular, in the indirect framework or direction of the indicator, the authors used the methods applicable at the regional level: “population expenditure - retail turnover”. The direct, macroeconomic policy, based on well-developed questionnaires and samples, which provided for voluntary answers, the employees of the “Regional Institute” M. I. DOLISHNYJ” which lead to the practice of the shadow economy and the types of economic activities in which the “shadow” economic activity is the greatest. Such economic activities create in time preconditions for destabilizing sectors of the national economy, for the departure of young people abroad, significantly reducing the attractiveness of Ukrainian investments in border areas. The negative impact of border trade strengths by the formation of substantial dependence on importing certain types of goods, discouraging the development of domestic production; by avoiding the payment of taxes and, therefore, the deficit of revenues to the local budgets, etc. Thus, Chapter Three examines the issue of the development of border trade in the Ukrainian-Polish cross-border region. it also applies it in the survey of representatives of local authorities. This has contributed to the evaluation and highlighting of the main reasons; The conclusion is justified: trends in the Ukrainian-Polish border areas should not be ignored in the conditions of “underinvestment” of the regions, the weak capacity of the internal market, and the reduction of employment opportunities. Urgent issues in regional policy-making in border areas need to be updated.

Chapter IV: DIRECTIONS TO INTENSIFY CROSS-BORDER COOPERATION BETWEEN UKRAINE AND EU MEMBER STATES provides regional incentive tools developed in the EU Member States. In particular, the implementation of cluster policy, characteristic of industrial policy. The revitalization of the regions is one of the aims of the industrial policy declared by the European Commission, which can be achieved through the development of clusters and innovative specialization platforms. Sets provide 38% of jobs in the EU, support the participation of small and medium-sized enterprises and thus ensure the development of innovation and the growth of the general economy. There are over 2000 clusters in Europe, of which 150 are considered the most important in terms of employment, volumes, directions, and specialization. The chapter presents the main theoretical and methodological provisions of Euro regional Cooperation, which is considered cooperation within the activity of institutionalized structures (Euroregions, Euro regional Cooperation Groups (ECG), European Territorial Cooperation Groups (EGTCs), and others) of cross-border cooperation aimed at deepening processes. European integration and the achievement of certain goals and objectives. It describes the specifics of the Euro regional structure operating in the EU (Euroregion, Working Community, EGTC, ECG, Eurodistrict, Eurocity) and the directions for activating cross-border cooperation in the EU-Ukraine area.

In Conclusions, the authors argue that monitoring the major socio-economic parameters of border regions, economic growth in 2000-2018 shows a significant delay in their economic development compared to the rest of Ukraine and neighboring areas of EU Member States. Improving the transparency of borders and the attractiveness of the foreign workforce, education markets are the factors that intensify the exit processes of the workforce and young people in the border regions of neighboring countries. They also have additional competitive advantages related to the opportunities opened up by border cooperation, which is an essential tool for implementing regional state policy in border territories.

The monograph is dedicated to researching the theoretical, methodological, and practi-
cal foundations of the development of cross-border cooperation in the EU-Ukraine area. The development trends of the cross-border regions with Ukrainian participation are analyzed; the interaction mechanisms of economic entities in the cross-border place are identified. The monograph presents the results of the expert survey of representatives of local authorities on the issues of developing cross-border cooperation and socio-economic development of border regions under the terms of the EU-Ukraine Association Agreement. Significant factors and trends in the development of the shadow economy in the border regions bordering the EU Member States are analyzed. Directions for activating cross-border cooperation are suggested.

Through the results of research on various aspects of cross-border cooperation in the EU-Ukraine, the monograph is of interest, has practical value for representatives of central and local authorities, scientists, business entities, representatives of non-governmental organizations, etc.