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### **DEVELOPMENT OF EURO-REGIONAL COOPERATION IN UKRAINE: NECESSITY AND FORMS OF IMPLEMENTATION**

**Abstract.** Current stage of Euro-regional cooperation development between Ukraine and the European Union should provide proper mechanisms of institutional support. In addition to existing institutional system of Euro-regions the new structure - European Association group of Euro-regional territorial cooperation may be implemented with similar functions, but on other legal grounds. Effective functioning of Euro-regional structures as an organizational and financial platform for cross-border cooperation depends significantly on the system of state and regional management, as well as organizational economic support.

Today, the potential for regional cooperation between Ukraine and the EU is not sufficiently realized. Euro-regional structures with the participation of Ukrainian regions have not yet become a systemic organizational and financial institutional platform for cross-border cooperation development, as is typical for the EU countries.

**Keywords:** Euro-regional cooperation, cross-border cooperation.

The analysis of solving the problems of Euro-regions development is dictated by a significant differentiation of socio-economic features of border regions. This is reflected in the regional development policy, which is dominant in the EU countries, based on the understanding that this policy should focus not so much on supporting depressed regions at the expense of donor regions, but on creating conditions for mobilizing local potential and resources, and strengthening the competitiveness of regions.

**Methodology.** To study the methodology of Euro-regions development, the principles of cross-border and cluster cooperation were justified.

**Research result.** Scientific analysis of the theory and practice of cross-border cooperation of Ukraine in the context of modern European integration processes is of great importance for the development and implementation of the strategy of foreign and domestic policy of Ukraine at the present stage.

The key component of cross-border cooperation is the border, the transparency of the border itself. Cross-border relations and cross-border cooperation are subsystem and sublevel of the integrated system of modern international relations.

Taking into account the above-mentioned basic principles of regional policy, we have defined the following main goals of cross-border cooperation:



## Інтернаціоналізація vs економічний локалізм регіонів

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- a) Activities to establish links and contractual relations in border areas in order to find solutions to common problems;
- b) Formulating agreed joint development plans and priorities and their implementation;
- c) Overcoming existing stereotypes and prejudices on both sides of the border; removing political and administrative barriers between neighboring peoples;
- d) Creation of economic, social and cultural infrastructure subject to the formation of common bodies and economic entities.

Cross-border cooperation covers a range of tasks that do not go beyond the regional dimension, but it is very close to the daily human needs. Cross-border cooperation should be investigated and promoted as a type of economic relations that opens good opportunities to improve the life of the population in the border regions.

The problem of forming a system of cross-border cooperation according to European standards in Ukraine is a topical issue of the theory and practice of European integration of Ukraine.

This process of transformation of essential characteristics of Euro-regions becomes particularly relevant for Ukraine after the Eastern enlargement of the EU. In fact, in the formation of an effective system of cross-border cooperation the key role is assigned to the Euro-regions. The institutional forms of interregional / cross-border cooperation are Euro-regions – bilateral and multilateral international associations and associations of border administrative-territorial units of national states. Important in this context would be the formation of the Ukraine's Euro-regions system of European level as part of an effective system of interregional cooperation between Ukraine and the European Union. It is to notice that through the mechanisms of Euro-regional cooperation the integration of neighboring territorial self-governing communities and regional economic structures of bordering states is carried out quite efficiently.

The problem of Ukraine's Euro-regions, in our opinion, is not so much in their quantitative parameters, not to mention their huge scale, but, above all, in their qualitative, systemic characteristics. A systematic approach to the development of Ukraine's Euro-regions requires the implementation of a set of primarily economic, organizational and institutional levers for their development. In this context, it is extremely important to develop special integrated programs for the development of the Ukraine's Euro-regions after the Eastern enlargement of the European Union, using systemic approaches and European regional standards.

It was assumed that cross-border cooperation within the Euro-regions would contribute to the development of social, information and production infrastructure, and environmental protection. However, the possibilities of such cooperation are very poorly used, in particular due to the uncertainty of the powers of local authorities and self-government in cross-border cooperation. The involvement of business structures in the development of cross-border cooperation remains weak, there is no reliable information



## Інтернаціоналізація vs економічний локалізм регіонів

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about business opportunities at the inter-regional level, and coordination at the level of regional authorities is unsatisfactory (there are practically no horizontal communications).

Investment activity in the regions depends not only on the level of economic development. Its intensity depends on non-market factors, on the development of certain elements of civil society, in particular, on its collaboration with local authorities. The low investment attractiveness of Ukraine's regions is also explained by indifference of local authorities in attracting investment. Therefore, the main criterion for evaluating the efficiency of local authorities in the field of investment is the indicator of the volume of investments attracted by the authorities.

Another significant mechanism for managing investment activity at the regional level is the creation of cross-border clusters.

The peculiarity of cross-border clusters is that their participants are located in different tax regions, customs, legislative environments of neighboring countries, but may have joint ventures and organizations that share a common infrastructure and operate in cross-border markets.

Another feature is that the intensity of network interactions in a cross-border cluster is limited by the presence of a border that creates additional barriers to the free movement of goods, labor and capital. Barriers to establishing cooperation may also be difference in mentality, traditions, language, culture, negative history page, etc. Cross-border cooperation in form of cross-border clusters is widely spread in developed and some developing countries, but they are most common across European borders. The main purpose of European cross-border clusters is to accelerate economic growth through uniting efforts of participants, providing competitive advantages to cross-border regions.

Numerous examples show that it often takes decades to build strong and real competitive cluster advantages. However, it is quite clear that Euro-regions today take internal regional cluster form of integration and cooperation within European Common market which is capable to provide both sustainability and synergy effect counteracting the blows of tough competition from global multinational corporations located outside.

In addition, Euro-regional clusters attach great importance to the microeconomic component, as well as territorial economic development offering effective tools to stimulate regional economic growth.

For Ukraine's economy is beneficially not only to create the "internal" clusters, but also develop cross-border ones that ensure the strengthening of international competitiveness of the border areas of Ukraine through intensive sharing of resources, technologies, implementation of original business-models, creation of a single information space, etc.

**Findings and Conclusions.** European integration and economic globalization predetermine important strategic objectives for the development of Ukraine's national economy. The systemic participation in these processes offers wide-ranging opportunities

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## Інтернаціоналізація vs економічний локалізм регіонів

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for increase the competitive advantages of domestic entrepreneurship, modernization of production and raise of its efficiency by integrating individual industries and enterprises, fostering implementation of innovations based on clearly defined global and regional platforms. Regional cluster models can be one of the most effective tools enabling sustainable development of the entire Ukraine's economy in conditions of increasing relevance of cross-border cooperation with neighboring European countries.

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### THE EFFECTS OF ECONOMIC TRANSNATIONALIZATION IN UKRAINE: REGIONAL ASPECTS

**Abstract.** This paper provides an overview of the Ukrainian international trade in terms of conducting an analysis of top 10 export and import goods through the period of 2008-2017 years. The influence of particular factors on the changes in the structure of imported and exported commodities are to be determined and specified. The effects of transnationalization on the Ukrainian regions are studied and assessed. The suggestions of eliminating the negative ones are presented.

**Keywords:** international trade, transnationalization, liberalization, export, import, regional policies.

Nowadays, in the context of globalization, international trade remains the predominant form of international economic relations. Ukraine, being the transition economy, tends to engage itself more and more in trade liberalization in order to benefit from comparative advantage, such as differences in the supply of production factors, natural and geographical resources. Under these conditions, the lack of conducted researches on the topic of economic transnationalization becomes evident and requires more detailed analysis. This determines the relevance of this paper. It presents the analysis of international trade of Ukraine as well as clarifies the factors affecting export-import operations.

The issues of transnationalization and liberalization of trade have been studied by researchers such as K. Bagwell, M. Fourcade, R. Wacziarg and others. The modern trade analysis of Ukrainian economy has been conducted by many scientists, among them N. Chebotamova, Y. Fayzulina, A. Chrivtsev, M. Emerson etc.

In order to analyse the tendencies in international trade of Ukraine the research was conducted. This paper is based on empirical methods for researches (data collection,