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INNOVATIVE METHODS FOR CROSS-BORDER COOPERATION SYSTEM MANAGEMENT

In the article the main results of the project "Borders for people" within ENPI Programme Hungary-Slovakia-Romania-Ukraine 2007-2013, through innovation prism have been analyzed. The social necessity of innovative approaches to the analysis and cross-border cooperation management both with the methodological and institutional frameworks for optimization of modern cross-border processes at the new Eastern border of the European Union are being explained.

Key words: cross-border cooperation system, innovations, indexation, monitoring, quantitative and qualitative indicators, implementation.

It is reasonable to consider several critical issues concerning the relevance of performed work within the project "Borders for people" and its main results.

Question n. 1: what caused the need for the project "Borders for people"?

It's absolutely a natural question. Many of those who were interested in the project might have asked this question. Answering it, it would be appropriate to put two simple counter questions: First - do you need a watch that shows the wrong time, and the second – what will happen with the ship which is guided by a faulty compass?

Perhaps the answers to these questions will be similar: a clock is not needed because it disrupts the life of its owner, and the ship that goes wrong way risk running into reefs or running aground. What is common between a clock and a compass? The similarity is that both listed objects are - sources and holders of information.

There is almost a direct proportional relationship between the quality (completeness, specificity and reliability) of the information

and effective management of any social object, including the cross-border cooperation (CBC).

No wonder it is said that who owns the information, owns the world.

In the process of the project realization a method and a special methodology were worked out which gave the possibility to obtain maximum objective and complete information of the specific object. This specific object is the cross-border cooperation at the new Eastern border of EU.

The core of this methodology is one of the most effective principles of social reality understanding nowadays, i.e. – system monitoring (tracking the development tendencies) of cross-border cooperation.

However, to obtain relevant and objective information - is only a part of the problem. The other part of it is to dissect the information, bring it to the consumer - the subject of management - in an accessible and convenient for him form.

In such case the indexation should be used, i.e. a method of analysis that involves simplification, clustering, agglomeration of information in indexes.

In turn, index is a quantitative measure of the object as a whole or its individual sides, in particular.

Rating is determined on basis of indexes and the comparative analysis of object is carried out. It's hard to imagine our life without indexes and ratings. Everything is being indexed: business, financial, social and even spiritual processes. Indexes and ratings have great influence on the adoption of certain decisions, including political. Recently, the world has witnessed how the downgrade of the U.S. economy, by one of the rating agencies, led to the collapse of share prices at the stock markets.

Thus, system monitoring and indexation are real and effective innovative methods for modern management.

Question n. 2: Why is it necessary to find and use innovative methods for the management of modern CBC system?

The end of the second millennium was marked in Europe by turbulent geopolitical changes. Macro political processes that took place on the continent led to substantial reconstruction of the cross-

border cooperation system (CBCS) and, above all, at the new Eastern border of the European Union.

This system, first of all, became much bigger. New dimensions of CBCS at first were specified in new Eastern policy of the European Union, known as the "Eastern Partnership". As a result, numerous regions of the countries, new members of EU and Eastern countries (the former members of the Soviet Union) entered the orbit CBC.

Firstly the border of Ukraine with the countries of the European Union is more than 1400 km (about 7000 km of its external borders). The subjects of cross-border cooperation from Ukraine have become 7 regions with the territory of more than 100,000 square kilometers and a population of about 10 million, from the European Union - 10 regions with the area of about 100 000 square kilometers and a population of about 9 million inhabitants.

Secondly, CBCS has become much more dynamic. The old tools of cross-border cooperation in particular, such as TACIS were replaced by new ones, such as ENPI. Very positive is the fact that the new instruments compared with the old ones are much more flexible, having a bigger ability to adjustment and invariant development.

Thirdly, the reconstructed cross-border cooperation system has a much larger resource base, and hence the opportunities to address wider issues. For example, the budget of the Programme ENPI program for the period 2007-2013 is a significant amount of 11 billion 181 million Euros [See.: 7]. It is assumed that the financial cost of the new programming period 2014-2020 years will be increased.

To summarize, we can confidently state that the cross-border cooperation system as an object of management became more complex.

This means that in order to ensure its effective development, it adequate to complexity alternative, innovative methods should be used. In other words, the current cross-border cooperation is doomed to innovation. In this regard it is worth recalling the words of one of the founders of the theory of innovative development American Professor Brian Arthur, "Timely innovation is a boon, late innovation is a problem, the absence of innovation is a catastrophe" [3, 121].

Question n. 3: how innovative are the main results of the project "Borders for people"?

The main results of the project are, firstly, the system on indexation and monitoring of cross-border cooperation and methods for its practical application.

The system on indexation and monitoring of cross-border cooperation in Europe (SIM) is a set of theoretical, organizational and practical measures to ensure the correct analysis and comparison of common and distinctive features, both with trends in cross-border cooperation in various parts of Europe in order to improve its efficiency, especially through the optimization of management.

SIM is a universal model for analysis and optimization of cross-border cooperation management both at the new Eastern border in general, and in its certain individual segments in particular [see. 1].

In a used set of indexes and its qualitative and quantitative indicators the most methodological approaches adopted by the European Union institutions (including the Directorate General for Regional Policy) and applied in Programme design for the new Eastern border, primarily in developing ENPI programs, are considered.

But SIM is not limited by this array of information. It provides a synthetic analysis of qualitative and quantitative aspects [See: 4] of cross-border cooperation, for the first time, thereby it provides a full and adequate information about the phenomenon.

With a fleet of such information the subjects of management at different levels have the opportunity to develop and make the most effective policy decisions.

The proposed set of evaluation criteria (e.g., statistical estimates) may, depending on the specific conditions of application, have some extent modifications. But to ensure the validity of the comparative analysis of the CBC development level in different segments of the new Eastern border of the EU, and its main criteria in all cases of practical application should be unified.

SIM consists of two subsystems: Subsystem I - algorithm for theoretical actions and subsystem II - practical application of SIM.

SIM is the definition of general, special and individual indexes. General index of CBC - indicator of the development level of the

object (CBC) as a whole. A special index of CBC - indicator of the development level of a group of features (parameters) of the object. Single index of CBC is an indicator of the development level of specific (individual) features of the object.

The general index is based on special indexes by adding them and via determination the average. It is determined by the score scale. Special indexes are based on single indexes by adding them and via determination the average. It is determined by the score scale. Regarding the general index, special indexes act as a sub index.

Special indexes of general index are the following:

- *geographic and demographic environment*
- *historic, political and spiritual factors*
- *legal basis*
- *conflict-causing factors - risks and challenges*
- *infrastructural characteristics*
- *contacts between people*
- *economic cooperation*
- *integrated borders management and its safety*
- *improvement of environment quality*

Single indices are constructed on the basis of quantity and quality measurements (assessments) of specific object features. It is assessed on a point scale. Single indices are sub-indices in relation to general and special indices.

Single indices are *concretized by minimal amounts – indicators.*

As a result of the project, a Guide which deals with the methodological approaches used in international practice in different regions of Europe was prepared. It contains application the principle of indexation and it also illustrates the interpretation of the CBC parameters content.

The practical manual provides analysis and algorithm for CBC monitoring. The reader has at its disposal constitutive documents that regulate the CBC in Europe; the guide gives a glossary of key terms of indexation and monitoring both with useful literature. For better understanding of the current cross-border processes it focuses on

schematic reflection of CBC concept at new Eastern border of EU [See: 2].

The main outcome of the project should include, secondly, the establishment of institutional mechanism for application of the methodology on indexation and monitoring in the form of the International Institute for Transborder Analysis and Management. The Strategy for the Institute Development and its Statute have been worked out and approved by laws. They are registered in accordance with legislation.

Thirdly, in the course of the project implementation, a very important result was reached, namely the international team of highly professional experts of scientists, representatives of state and local governments, NGO activists was formed. Perhaps this is the greatest achievement of the Project. It should be noted that not all of the experts who had started work on the project, coped with the tasks entrusted to them. Some did not have time, some because of personal circumstances, and some were just not able to accept new, innovative methods for the analysis of cross-border processes. But it is encouraging that the vast majority of the experts' team (over 40 people) has worked professionally.

Some of them should be recognized. They are the following: from Hungary it is a well-known in Europe researcher of cross-border processes, one of the architects of the Carpathian Euroregion, Professor of Debrecen University Istvan Shuli-Zakar, Director of the Carpathian Foundation in Hungary Bata Boglarka, executive director of the Association of Regional Development KIUT in Zahony Andras Rakoczy. From Slovakia - is one of the most prominent organizers of European cross-border cooperation, the State Secretary of the Ministry of Finance of the Slovak Republic Vasil Hudak, Ph.D., senior researcher at the Institute of Social Sciences, Slovak Academy of Sciences in Kosice Marian Gajdos, a senior researcher at the Institute of Social Sciences, Slovak Academy of Sciences in Kosice Stanislav Konecni, Doctor of Law (University P.Yu. Safarik in Kosice, Faculty of Law) Radoslav Benko. From Romania - a senior researcher (County Museum of Satu Mare) Luba Horvat, Professor of Western University by Vasile Holdis in Satu Mare Cornel Grad, expert from non-governmental organization

"Association Ekologic" in Baia Mare Aleksandra Puscás, vice-president of the Center for Development of Small and Medium Enterprises Maramures (CDIMM Maramures) Mirel Mihali. From Ukraine the world renown scholars, Doctor of Historical Sciences, Professor, Head of Department of History of NAS of Ukraine, professor of the Diplomatic Academy of Ukraine under the Ministry of Foreign Affairs of Ukraine Stepan Vidnianski, PhD, Professor, Dean of the Faculty of Economics and Tourism of Transcarpathian State University, Head of Uzhgorod brunch of the Institute of World Economy and International Relations, National Academy of Sciences of Ukraine Oleksandr Peredriy, candidate of historical sciences, director of the Regional Branch of the National Institute for Strategic Studies in Uzhgorod, Honored Scientist of Ukraine Svetlana Mytryayeva, deputy chief of the Southern regional department on operational work of Ukrainian Border Guard - General – Major Vladimir Horozhankin, PhD in Law (International Law), Professor, Head of Department of International Law and International Relations of Transcarpathian State University Georgiy Dynys, candidate of historical sciences, Professor of Transcarpathian State University, Director of the Institute of Philosophy and European Integration Ivan Artjomov and others.

It should be noted that the project presentations at the European Forum on CBC co-organized by the Institute for transfrontier cooperation served as a special kind of expertise. The first Forum of this kind with the participation of Vice-President of the European Commission was held in October 2010 in Uzhgorod (Ukraine) and Kosice (Slovakia), the second one - in November 2011 in Kaliningrad (Russia) and Elbląg (Poland). The results of the Project would be also presented to the participants of the third European Forum that will be held in Chisinau, Moldova, November 2012.

It is also very positive that the Project realization was highly recognized by the Result oriented Monitoring Committee of the ENPI Programme. In addition, it was submitted to the contest, which was held in 2011 by one of the most prestigious European institutions in the field of cross-border cooperation - Association of European Border Regions. According to the results of the contest the Institute

received an award "For outstanding achievements in European cross-border cooperation."

Thus, the package of materials on methodology and methods of indexation and CBC monitoring, which were created in the realization process of the "Borders for people" project, should be considered as authentic innovative product.

Question Four: What is the practical significance of the project?

Nowadays, the trend term "efficiency" is more and more used by the members and supporters of cross-border cooperation in the international community. This means that different CBC subjects are mostly concerned with pragmatic component of cross-border communication, with its concrete and tangible results. The Project "Borders for people" was intended to fully respond to the challenge of the time.

Of course, the effectiveness of a scientific work is not always measured in common units (e.g., the number of banknotes). But we can confidently assert that the correct implementation of the produced policy recommendations within the project can significantly streamline cross-border cooperation, including in the rational use of financial, information and human resources.

It is encouraging that the development of methodology (concept) on indexation and monitoring of cross-border cooperation was held together with its practical testing. This allowed to bring necessary changes and clarifications to the concept in time.

One of the first attempts to practical application of methodology on indexation of CBC was done under the Project "Index of TBC - informing stakeholders" [5]. This project was implemented in 2010-2011 under the auspices of the Ministry of Foreign Affairs of Norway.

The idea of this project was the result of negotiations between the employees of Barents Secretariat and the Barents Institute (Kirkenes), Institute for transborder cooperation (Uzhgorod, Ukraine), the Carpathian Foundation and the Institute for stability and development in the late summer of 2009. The above mentioned institutions have concluded that there is an urgent need for reviewing the diverse experiences in cross-border co-operation in various parts

of Europe as well as in ensuring sharing this experience with the national entities to increase the efficiency of CBC.

The main focus of the participants of the project was put on a comparative analysis of the efforts of the EU and its neighbors in the area of cross-border cooperation and on the implementation of the annual indexation of the development level of cross-border cooperation at one of the northern segment of the new Eastern border.

The project has proved the effectiveness of the concept of a synthetic CBC index. Simultaneously, it provided an opportunity to find out what adjustments need to be made concerning the method of indexation for geographical expansion of its implementation.

Another practical experience of application of methodology was obtained in the results of the Polish-Russian project "Let consider the borders" [6] in 2011-2012/

Based on the system of indexation and monitoring of CBC, developed by the Institute for transborder cooperation, they have focused on the use of cross-border statistics data. To achieve this, professional statisticians were involved in this kind of research.

The project analyzed the level of development of the border regions in Poland (Warmia - Mazur voivodship) and Russia (Kaliningrad region), and the problems of their cross-border cooperation have been investigated too.

The research was conducted on the basis of indexes, and developed according to the principle "from special to general." Within the project it was proposed to determine the general index of CBC on a 10-point scale based on special indexes and indicators.

Unfortunately, due to lack of funds the study was not completed. However, the achievement of the project was the application of the system on evaluation and monitoring of cross-border cooperation in an important segment at the new Eastern border of the EU.

Several projects prepared on the methodology of comparative analysis are in progress.

One of them, for example, is the project «Cross-Border Cooperation on EU's Eastern Border - Learning from Finnish and Norwegian Experience». The project is supported by the Ministries of Foreign Affairs of Finland and Norway, international working

groups. Members of IWG are renowned experts on cross-border processes in Europe, representing political and consulting institutions from different countries, including the Institute for transborder cooperation.

The reports on the current problems affecting the new Eastern border in its various segments - from Scandinavia to the Carpathians are being prepared for publication by the Group.

On the request of the Ministry of Regional Development of Moldova the Institute participated in the drafting project on application of cross-border processes monitoring between Moldova and Romania. The project is under evaluation in the framework of the ENPI Romania-Moldova-Ukraine.

Thus, the developed methodology on indexation and monitoring as an innovative toolkit to enhance cross-border cooperation efficiency at the new Eastern border of the European Union has considerable practical importance.

Question five: What are the project' further steps in the implementation?

1. In case of the necessary prerequisites like innovation methodological product, organizational mechanism and expertise - *the main task for the future is to ensure the organization and conduction of regular (short - medium-and long-term) monitoring of cross-border cooperation at the new Eastern border as a whole and at its individual segments in particular.*

Without any doubt, monitoring requires appropriate funding. Considering the importance of the case, the necessary funds can be obtained from the structural funds of the European Union, national governments of member states of the Eastern Partnership, regional authorities and local governments. Sponsor contributions for this work could be obtained. For example, as it is done in Poland for national monitoring "Social diagnosis."

2. The existing concept *should be specified and developed, and it is necessary to strength its implementation component.* Thus, the appropriate study with the corresponding essays writing on recent history of cross-border cooperation at the Carpathian region has been started. This was followed by creating the first European interactive museum on CBC. The preparation for a much needed

Dictionary/Glossary on CBC in Ukrainian, English, Russian and Roman languages has been started, too. The vocabulary in Hungarian, Slovakian and Polish, should be added too.

3. Reasonable to take care on creating the appropriate conditions for activity of special tool for monitoring - International Institute for transborder analysis and management, setting up it work. Ideally this Institute should serve as an international rating agency, specializing in the evaluation of cross-border cooperation.

There are many other plans for the practical use of the Project.

In conclusion, it is reasonable to recall an episode from the history of cross-border cooperation. In February 1992 the Carpathian Euroregion was founded - the first large-scale cross-border union in Central and post-Soviet Europe. Its establishment met many problems. In the city of Debrecen (Hungary), at the hotel "Oran Biko" late at night there were 'hot' debates. There have been moments when the participants lost hope in the successful completion of the work. And a very positive role in the coordination of positions was played by the then Secretary General of the Council of Europe *Catherine Lalumire*- a prominent European politician. In a critical situation she turned to the negotiators from Hungary, Poland and Ukraine, and observers from Slovakia and Romania, saying the following: "If you think that cross-border cooperation is a black entrance to Europe, you are wrong. Regional cooperation between neighbors is a grand staircase to the European home".

Apparently, members of the European cross-border movement should remember these wise words.

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