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IMPROVEMENT OF RESEARCH INSTRUMENTS FOR OPERATION PRACTICES OF EUROREGION IN UKRAINE

This paper substantiates the theoretical and practical framework for the process of integration of national economies in the global economic space. It outlines the main directions of development policy of Euroregions of Ukraine, identifies individual ways to overcome the existing problems in the Carpathian Euroregion. It also identifies promising areas for further research on socio-economic development of the border areas in conjunction with the strategy of European integration.

Keywords: *integration processes, innovative development, cross-border cooperation, Euroregion, European integration.*

In the scientific and economic literature has already been formed point of view about inevitable transition to a new, more progressive model of development based on the economic use of resources to meet mostly not the material needs of people (creative expression, leisure, mastery of knowledge and culture, etc.), but mainly on scientific innovation [1, p.67].

Multilateral factors of economic growth reflect extremely complex nature of the economy of open type, multi-level and multi-sectional

character of its components. Any economic system with the formed structure of domestic market and the external sector is determined by their terms, both the short and the long term. However, as evidences domestic and international experience, the process of integration of national economies into the global economic environment is sufficiently controversial, able to influence both the state of macroeconomic stability and the state of the regional economy, including the problems of attracting the region to modern progressive forms of international economic relations.

In the 90-ies of XX century took place Ukraine's foreign policy orientation towards integration into the European community. The European choice has opened up new prospects for Ukraine's cooperation with developed countries-competitors, for economic development, social and intellectual progress, strengthening the position of the state in the international system of coordinates [2, p. 607].

For Ukraine, European integration is the way to modernize the economy, attract foreign investment and new technologies, and improve the competitiveness of domestic producers' ability to access the unified EU internal market.

The consequence of EU expansion through inclusion of Central and Eastern European countries is not only introduction of fundamental changes in the economic map of Europe, which is becoming a traditional regional public association. Significant role in this process is played by Euroregions, which currently operate among countries within EU, as well as at its external borders with countries that are not EU members.

The purpose of this publication is an attempt to explore the practices of functioning of European regions in Ukraine and to analyze the impact of innovations to improve the mechanism of their functioning.

In the current scientific literature, there are many publications on innovation. This issue explored domestic scholars V. Geets, J. Kinzersky, A. Salinova, A. Fedulova, M. Jakubowski et al. Their works highlighted outcomes of the fundamental problem of Ukraine's integration into the global economy and increased competitiveness in the international market. However, the impact of innovations to improve the mechanism of functioning of Euroregions remains overlooked.

Ukraine includes a number of such European regions: Booh, the Carpathian Euroregion, Lower Danube, Upper Prut, Dnieper, Sloboda, Yaroslavna and Donbass. The total length of the Ukrainian border is 6992.982 km. Carpathian Euroregion covers Poland, Slovakia, Hungary and Romania, as well as the four regions of Ukraine: Lviv, Transcarpathia, Ivano-Frankivsk and Chernivtsi, - a total area of 660 m².

The most recent large-scale expansion of the European Union to include 10 new members, including neighbours of Ukraine, fundamentally changed the function of the western border of Ukraine, which since then has become the external border of the EU. During this period, neighbouring Ukraine countries - Hungary, Slovakia and Poland - have taken important first steps towards their full integration into European structures. The result of these steps was the accession of these countries to the Schengen zone in December 22, 2007, which means the abolition of internal borders between them and other members of the Schengen, extending guaranteed freedom and free movement of people, goods, services and capital. It also means that the external EU border (western border of Ukraine) became the external border of the Schengen area. Implementing the strategy of announced earlier Euro-Atlantic integration, Ukraine, unlike other countries, positively perceived spreading the regime of free movement in all EU countries.

It is reasonable to emphasize positive effects of the creation of interregional association "Carpathian Euroregion". Since its independence, Transcarpathia established partnerships with Szabolcs-Szatmar-Bereg region of Hungary and Kosice and Presov self-governing regions of Slovakia, Maramures and Satmar counties of Romania, Subcarpathian Voivodeship of Poland, and from recently with a number of regions of the Czech Republic and Germany. This cooperation brings real results in economic and social spheres. In the volume of FDI that came to Transcarpathia economy, Hungary is ranked fourth (242 Ukrainian-Hungarian firms), amount of investments - U.S. \$ 30.2 million (9.8% of total direct foreign investments for the entire period of activity).

Poland ranks sixth (24 Ukrainian-Polish enterprises), investments - U.S. \$ 27.1 million. (8.8% of the total). Slovakia ranks eighth (109 Ukrainian-Slovak enterprises, investments - U.S. \$ 13.0 million. (4.2% of the total amount). These countries account for almost 23.0% of total FDI of Carpathian Euroregion. In comparison, foreign direct investment in Ternopil region in 2007 was U.S. \$ 51 million, including investments from Poland - 13.4%, i.e. U.S. \$ 0.7 million.

Certainly, it should be noted that during the existence of the Carpathian Euroregion, within it took place a number of cross-border projects. As part of the Neighbourhood programmes “Ukraine-Slovakia-Hungary” four projects were funded by the Transcarpathian region with a total of 2.75 million euros, such as: “The development of cross-border Beregovo polder system in the Tisza River Basin” - 0,72 million euros, “Clean Water” - 0,6 million euros, “Cross-border opportunities for development of transport logistics” - 0,54 million euros, “Improving cross-border traffic in the construction of a bypass road around Beregovo” - 0.9 million euros. As part of the last-mentioned programme, in cooperation with Hungarian partners were implemented six projects, including:

- Establishment of a tourist centre in Beregovo and Uzhgorod;
- Development and implementation of cross-border programmes of medical and social rehabilitation based on regional children’s hospital;
- Development of the Ukrainian-Hungarian integrated approach to common flood prevention activities;
- Investigation of the use of biomass in the border region [4].

However, apart from the positive aspects of participation of Ukraine in the Carpathian Euroregion, there are also a number of problems, including the following:

1. Imperfection and irrelevance of the statute association that does not consider who is a national party, causing additional coordination within the European region, agreement of proposals at the national level.

2. Inconsistency of competencies of national parties, which is caused by different forms of administrative-territorial structures in five countries [9].

3. The low level of funding, including the share of Ukraine in them. Thus, within the cross-border EU programmes for 2004-2006 (programme “Poland-Ukraine-Belarus”, “Hungary-Slovakia-Ukraine”, “Romania-Ukraine”) amount of funds allocated annually ranged within 0,5-5,5 million. However, the indicative allocations for 2007-2013 provide much greater funds than in 2004-2006 (Table 1).

Table 1

**Indicative allocation of EU Cross-Border Cooperation
Programme 2007-2013, million euros**

Cross-border Programme	2007-2010	2010-2013	Total for 2007-2013
Poland-Belarus-Ukraine	97,107	89,094	186,201
Hungary-Slovakia-Romania-Ukraine	35,796	32,842	68,638
Romania-Moldova-Ukraine	66,086	60,632	126,718
Black Sea	9,025	8,281	17,306

4. Inadequate economic component of implemented cross-border projects that have primarily social or cultural orientation. In particular, an indicative financial envelope for Ukraine under the National Indicative Programme 2007-2010 is 494 million euros. This programme funded three priority areas: 1) support of democratic development and good governance, 2) regulatory reform and administrative capacities, and 3) development of infrastructure.

It should also be emphasized that until now the EU did not consider the Carpathian region as an integrated ecological, economic and humanitarian system. In the Ukrainian Carpathians in the 2007-2013 are implemented three separate programmes. This shows the lack of a systematic approach to the interpretation of the Carpathians as a common European heritage. In this regard, there is an urgent

need for working out a common position of member countries of the International Association “Carpathian Euroregion” on the necessity of the financial perspective for common EU Operational Programme for the region of the Carpathians for 2014-2020, and the submission to the European Commission proposals on the specific institutional and financial solutions to this issue by the governments of Poland, Romania, Slovakia, Hungary and Ukraine. And this is why society “Carpathian Euroregion - Poland” in conjunction with the Association of Local Self-Government “Carpathian Euroregion - Ukraine” took on development of a separate “Carpathian Programme” to be financed by the European Union [5].

When investigating individual solutions to existing problems in the Carpathian Euroregion, we should point to the measures implemented by the parties or initiated by them as a priority in the near future. The lack of direct communication between the Transcarpathian region and Subcarpathian Voivodeship makes it impossible to develop sustainable and effective partnerships between authorities and self-government, and other interested in the development of cooperation parties on both sides of the border, which can be corrected by opening the crossings “Lubnah-Volosaty” under ENPI Programme Poland-Belarus-Ukraine 2007-2013 [6].

It is also possible to increase the inflow of foreign direct investment from EU countries. Fulfilment of this condition will facilitate the project EAST-INVEST, which also includes the strengthening of cooperation in business, technology transfer and simplification of customs procedures. Participation in this project is profitable prospect for Ukraine. [3] Ukraine should continue to develop agreements with members of the association, which would facilitate the establishment of relations, including border crossings. One of the first countries that introduced the local border traffic regime with Ukraine was Hungary, and the format of the agreement is probably the best, as the number of traffic participants crossing the Ukrainian-Hungarian border, is being the largest [7].

When the development of cross-border cooperation was activated, the bodies of Transcarpathian regional and local authorities also

conducted a series of measures, including a number of international conferences, seminars and roundtables.

Based on framework agreements with regional authorities of frontier regions of neighbouring countries - Poland, Slovakia, Hungary and Romania, there were defined the main goals and objectives of the CBC, as well as framework of the activities programme of the Carpathian Euroregion. However, the possibility of cross-border economic cooperation for economic development of the region is far from exhausted. The experience gained over a certain period gives grounds to define the following causes of slow cross-border cooperation:

1) low level of involvement of non-state enterprises, institutions, and NGOs to implement activities under cross-border cooperation;

2) lack of an integrated approach to the organization of cross-border cooperation, including highly-qualified skilled personnel that can provide the necessary preparation of cross-border cooperation projects and contacts with representatives of communities of foreign countries, considering the relevant professional standards and language skills;

3) lack of autonomy of local authorities and local governments in making decisions about the implementation of joint cross-border cooperation with the subjects of foreign states;

4) the slow pace of development of the infrastructure and simplification of customs control prevents the fast transit of goods and their movement;

5) inability of co-financing of cross-border cooperation projects in science, education, culture, communications, health care and tourism.

There is a responsible task standing before the Transcarpathian border region - to work in the new format of cooperation with the foreign partners. Given the focus on integration policy of the Government of Ukraine, it is necessary to use efficiently the experience of neighbouring countries and international donor organizations interested in the development of Transcarpathia as “outer region” of the European Union. In our understanding, the European border regions serve an important function of bridges of cooperation between states and their

regions and offer opportunities and ways for further development of cross-border cooperation.

To fulfil the goal of activation of cross-border cooperation in Transcarpathia, there must take place a number of measures:

1. Taking into account that in the last decade was drafted a large number of documents- concepts, joint programs of cross-border cooperation for short-and long-term, specific projects on a wide range of cross-border cooperation, there is a need make a “revision” in terms of their level, completeness and performance of the entire system of environmental economic cooperation.

2. It is necessary to guide the state advantage and internal capabilities of the region to overcome the containment of cross-border economic relations, ensuring active involvement in the processes of small and medium businesses, also paying special attention to the development of joint businesses, and industrial cooperation.

3. It is necessary to develop and improve regulatory legislation of CBC based on methodological criteria of the European Union. It is also necessary to make a legislative initiative on the adoption of the law “On the cross-border cooperation”, as the Law of Ukraine “On Cross-Border Cooperation” (2004) in many respects does not meet the characteristics and nature of foreign trade at the regional level, such as the border level. It is necessary to work out and improve the regulatory framework, functional duties, rights and responsibilities created by executive agencies in state administrations of the regions. At present time, the existing structures in the field of executive authorities are largely focussed on the development of border infrastructure, attracting foreign investment, exports and imports of goods and services, issuing permits for foreign operations, which, of course, is very important. At the same time, some highly effective forms of cross-border cooperation remain out of sight.

4. The new Comprehensive programme of development of cross-border cooperation of the region must consider:

- Rational use of natural resources of the region and the development of economic cooperation;

- Development of flood protection measures in the Tisza River basin, as well as joint environmental programmes;
- The need for further development of the border infrastructure, especially transport;
- Educational and cultural cooperation.

One of the important directions in the future deployment of cross-border economic relations is comprehensive study, as well as borrowings and implementation of best foreign work experience in virtually all areas of science, technology and production. Past years' experience and practice shows that this form of cross-border cooperation was one of the main and most effective, and was under particularly close control of government.

Registered migration exchange between Ukraine and other countries of the world is about 100 thousand people per year [8]. Ukraine is a country that has very significant scientific and technical human resources, which has a significant impact on its socio-economic development. According to these figures, our country is ahead of Slovenia, Slovakia, Hungary, and Poland. However, the number of scientific personnel in Ukraine, unlike most European countries, decreases, leading to deterioration of the prerequisites for successful implementation of European integration aspirations of the state [9].

We can give recommendations that the basis of making any managerial decisions on the operation and development of multi-faceted cross-border cooperation, including on the issue of permits, should be the economic soundness, appropriateness. In each case must be made calculations of cost-effectiveness of various forms of cooperation, individual operations, and activities. Currently, such calculations are not always carried out for different reasons. Trainees and researchers should jointly develop appropriate methodology for calculating the efficiency of cross-border economic relations with regard to the specific conditions of Transcarpathia, and prepare recommendations on the application of methods of calculation efficiency in different directions of foreign economic activity at the regional cross-border level.

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In this article theoretical and applied principles of the process of integrating the national economy into the global economy. The basic policies of European regions of Ukraine. Outlined individual ways of dealing with the problems that are in the Carpathian Euroregion. Identified promising directions for further research of socio-economic development of the border areas in combination with the strategy of European integration.

Keywords: *integration processes, innovative development, cross-border cooperation, the euroregion, European integration.*

В статье обоснованы теоретические и прикладные основы процесса интеграции национальной экономики в глобальное экономическое пространство. Охарактеризованы основные направления политики развития еврорегионов Украины. Определены индивидуальные способы преодоления существующих проблем, имеющих в Карпатском еврорегионе. Выявлены перспективные направления дальнейших исследований социально-экономического развития приграничных территорий в сочетании со стратегией евроинтеграции.

Ключевые слова: *интеграционные процессы, инновационное развитие, трансграничное сотрудничество, еврорегион, евроинтеграция.*