

**WAYS TO INTRODUCE INNOVATIVE FORMS
EURO-REGIONAL COOPERATION BETWEEN UKRAINE AND THE COUNTRIES
OF THE EUROPEAN UNION**

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***Annotation.** Innovative cooperation at the present stage contributes to and will continue to contribute to the modernization of the Euroregions and bring them to a new technological level. But this requires attracting significant investment resources, without which the latest technologies cannot be implemented. In addition, the innovative model of Euro-regional cooperation concerns the development of political and cultural ties between countries, the expansion of human contacts. The implementation of these tasks provides that the innovative model of cooperation will help transform border territories into integrated, mutually complementary areas with a high level of socio-economic development and improve the quality of life of citizens of the countries involved in such cooperation.*

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1. Introduction.

In the context of globalization and European integration processes facing the regions of Ukraine, there are challenges for the intensive development of new methods and techniques of management, the use of innovative mechanisms and tools to stimulate the socio-economic development of territories that have proven themselves in the world practice. All this makes it necessary to search for innovative approaches to the formation of new effective strategies for Euro-regional development. Formation and use of innovative potential of Euro-regional development is one of the conditions for effective solution of social and economic problems, optimal use of resources available at the local level, use of the potential of the internal market, activation of business and public initiatives, introduction of effective mechanisms and tools to stimulate regional development.

Despite some positive dynamics in the development of Euro-regional activities between Ukraine and the European Union (EU), problematic aspects of cooperation today are: difficulties in implementing projects by local communities through inconsistency in the system of public administration of Euro-regional cooperation and limited financial support, organizational and institutional obstacles to the implementation of regional and local development and European integration programs, insufficient testing of innovative forms of cooperation, lack of qualified specialists for project preparation, lack of effective joint development strategies between Ukraine and the EU member States related to regional and local strategic program documents, asymmetries in the development of road transport, transport and logistics, trade and logistics and border infrastructure of the border regions of Ukraine and the EU.

The implementation of Euro-regional cooperation projects depends to a large extent on the decisions taken in the center. A small amount of authority of regional and local authorities and local self-government of Ukraine actually deprives the regions of organizational and financial resources to solve problems and challenges, including in the field of international cooperation, and does not allow

Ukrainian regions to develop Euro - regional and cross-border cooperation at the level of local communities in full and in accordance with the capabilities of foreign partners.

These types of cooperation contribute to attracting financial resources from EU structural funds for the implementation of joint projects of border adjacent regions in the South-West of **Ukraine**. The key principle is to provide financial support for cross-border business initiatives in the form of clusters, industrial parks and further infrastructure development.

2. Analysis of recent researches and publications

A number of scientific works by P. Belenky, I. Budnikevich, Z. Varnalia, M. Dolishnego, M. Kizim, L. Kovalskaya, V. Luchik, S. Shultz, and others are devoted to the peculiarities of organizing and implementing innovative activities in the field of Euro-regional cooperation, identifying problems and analyzing factors that hinder the development of innovation in this area. It can be argued that on the basis of these works, today there is a formation of a scientific direction that studies the transformation of socio-economic relations, forms and types of entrepreneurship, and new ways to manage these processes. Since the methodological basis in this direction is in the process of formation, this causes the need for a deep scientific development of this issue. In this context, the least developed aspects are the definition of specific forms, mechanisms and features of Euro-regional development in terms of reflecting the national, sectoral and geographical specifics of the regions involved in such forms of cooperation.

3. Purpose of the article.

The main purpose of the article is to identify ways to introduce innovative forms of Euro-regional cooperation between Ukraine and the countries of the European Union.

4. Research results.

The development of innovative forms of cross-border cooperation leads to a common Euro-regional market, which is a system of interaction of subjects of international economic relations at the regional level, in the context of which there is an economic exchange and joint use of material, financial and human resources within a particular Euroregion. At the same time, the presence of borders is offset by the construction of structures of the organization of economic space, the potential of which is much higher due to the need for effective use of new factors of production: knowledge, information and innovative technologies. This determines the economic potential of the Euroregion's resources and its possible impact on more General integration processes within a particular Euroregion. For this purpose, a flexible specialization and adaptability to innovation should be formed, which will determine the competitiveness of the Euroregion. The implementation of the strategy of Euro-regional cooperation in the conditions of effective markets can, in our opinion, reduce the impact of factors that form global instability and transnational threats, which is reflected in table 1.

This also applies to institutional challenges caused by the current instability in the world energy markets as a result of the deal OPEC+ and pandemic COVID-19 (which involves conducting qualitatively new systemic interdisciplinary research). As shown by the COVID-19 pandemic, many state institutions, not to mention inter-territorial institutions, were not prepared for such a scenario, which led to the closure of borders and the curtailment of Euro-regional activities during the pandemic, which resulted in significant losses to the parties.

Table 1. Transnational threats and possible solutions in the context of Euro-regional development

Threats	Ways of solution
Lack of development of Euroregional cooperation institutions	The decision of the general Euroregional problems through joint efforts in the region
Low level of involvement of business structures, non-governmental institutions and public organizations in Euroregional cooperation	Implementation of grant and investment policies from both Ukraine and the EU
Lack of a systematic and long-term approach to organizing Euro-regional cooperation	Development of a network of Euro-regional cooperation that ensures development in various spheres of society

While the EU's main focus is on stimulating innovative forms of economic activity in order to increase the competitiveness of border territories in the process of deepening the international division of labor, the Ukrainian side in modern conditions focuses mainly on solving current social problems and removing local barriers to the cross-border movement of goods and services. As a result, the level of innovative development of production, transport and logistics, marketing, information and communication and engineering infrastructure in the border regions of Poland, Slovakia and Hungary bordering Ukraine is significantly higher than in the border regions of Ukraine. This not only limits the potential for cross-border convergence, but also causes the spread of divergent processes, both in the market and economic, as well as in the socio-psychological and socio-political planes [1]. The latter is not given sufficient attention, which largely causes the effect of rejecting the idea of cross-border cooperation itself.

Globalization as an objective process is developing, including through regional integration. In this regard, there is a need to ensure the security not so much of national economies as of regional unions that are undergoing a process of joint adaptation. The analysis of the structure of international relations shows that within the borders of regional associations of States, international regional security institutions are being formed, the material basis of which is an economic subsystem.

The integration model of cross-border regionalism can provide an answer to the question of prospects for Ukraine's membership in the EU, which is considered as the main goal of these international relations. Given the lack of consensus on Ukraine's membership in the EU and the existence of a number of reasons that do not contribute to solving this issue in the short term, Ukraine now faces the task of forming a model of cooperation with the EU that would facilitate further movement Ukraine belongs to this most advanced international integration Association to date .

However, despite this, in Ukraine, due to the imperfect legal framework and information support, such innovative forms of Euro-regional cooperation as Euro-regional clusters, cross-border industrial parks and associations of Euro-regional cooperation are poorly applied.

Analyzing the mechanisms of influence of the main components of institutional support on the spread of innovation processes in the Euroregions between Ukraine and the EU, priority attention should be focused on the activities of institutions aimed at deepening cross-border cooperation between the neighboring border territories of Ukraine and neighboring EU member States. Unfortunately, the effectiveness of these institutions is still quite low, and the quality of the tasks assigned to them does not meet the requirements of the time.

It should be noted that, despite certain positive changes that have taken place in the institutional and legal framework for cross-border cooperation between Ukraine and the EU in recent years, the problems of Euro-regional cooperation between Ukraine and the EU member States remain relevant.

Therefore, financial support for cooperation should be considered as a tool that, when attracting a relatively small part of its own funds, makes it possible to attract external financial resources and obtain a significant socio-economic effect in the border region. However, financial support for joint projects on cross-border cooperation from the government and local authorities in Ukraine is very weak due to the inefficient mechanism of centralized formation of financial and budgetary support for cooperation. Often the relevance of applications is lost until the actual funding is received.

Economic prerequisites for effective use of such forms of Euroregional cooperation in the border area of Ukraine with the EU is advantageous geopolitical location of Ukraine at the intersection of the Eurasian transport and trade routes; demand, development and introduction of new technologies from scratch; the availability of skilled manpower and high unemployment in the border regions; the possibility of attracting additional EU funds for infrastructure development.

Constraints to the development of innovative forms of Euro-regional cooperation in Ukraine include: lack of investment and innovation mechanisms (targeted financing, direct financial assistance, subventions, etc.); imperfect legal and institutional support for the formation and functioning of new forms of cooperation; lack of partnership skills and orientation of domestic enterprises in international commodity and financial markets; low level of awareness of participants; imperfect business climate [3]. There is also a lack of research on the interaction of national business cultures of countries that are entering (may enter) into Euro-regional cooperation; in this context, only a few developments have been made in Ukrainian economic science [4].

In our opinion, it would be appropriate to develop and implement a system of the following measures to solve the identified problems.

1. Formation of a system of economic (tax, credit, customs, etc.) incentives for the implementation of innovative activities by business entities, in particular this includes activities related to the use of intellectual property rights.

2. Identification of "traps" between the links of the innovation process, building a branched and balanced innovation infrastructure to eliminate them.

3. Improvement of mechanisms of interaction and communication between participants of the innovation process, support and promotion of new organizational forms of their cooperation.

4. Provision of human resources, including talented specialists of scientific and educational organizations, industrial and small innovative enterprises, development of the system of professional training and retraining of personnel for the innovation sphere.

5. Strengthening the innovative potential of small innovative-active enterprises and their integration into the European system of scientific and production cooperation.

All this makes the formation and implementation of cross-border cooperation policy relevant as an instrument of international cooperation strategy. The implementation of this task produces a number of extremely necessary measures to establish communication links between different segments of cross-border cooperation; adopt and implement joint strategic documents on the development of cross-border cooperation; create an institutional environment for the development of cross-border clusters and implement a National Strategy for the formation and maintenance of cross-border clusters; development Of a program for the development of border trade; improving the functioning of border infrastructure.

5. Conclusions

At the moment, the Ukrainian regions are characterized by the following situation: first, widespread improvement of the institutional environment in the regions is unlikely, the regional authorities have almost no incentives for this and continue to hope for state support or artificial institutional advantages in the form of special zones and other regimes; second, numerous examples show that the role of institutions as incentives for development is still secondary, the advantages of resource provision, favorable geographical location and agglomeration remain more significant.

The experience of developed countries shows that the introduction of impact mechanisms aimed at strengthening the scientific component of higher education, including the development of University science, can provide fundamentally new incentives for regional development. A significant expansion of the powers and economic opportunities of local governments in creating regional innovative forms of territorial organization of productive forces will allow them to actively influence the innovation capacity of regions through economic levers in order to gradually enter the innovation trajectory of development. The best way to develop the innovation component of the country's economy is to create a network of technoparks and territorial centers ("policies") that help attract private businesses to Finance research and development and introduce new technologies into production. Innovation activities should be based on the effective use of intellectual and industrial potential of the regions, promote the commercialization of knowledge and technology, and, accordingly, the formation of an innovative infrastructure that would act as the main source of introduction of high technologies in the production and commercial process.

The prospects for further research in this area are due to the fact that for a country that sets itself the goal of ensuring economic growth, the use of the existing innovative potential of the regions is of particular importance. The solution of this problem requires the activation of scientific research on issues related to improving the quality of use of innovative potential, primarily in border regions.

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