

# EUROREGION AS A TOOL FOR SUSTAINABLE DEVELOPMENT OF BORDER AREAS: THE EUROPEAN EXPERIENCE AND UKRAINIAN FEATURES

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The purpose of the research is to study the role of Euroregions in the provision of sustainable development of border regions of Ukraine on the basis of the analysis of European experience and the research of Ukrainian practice. The paper describes the development of transboundary cooperation in Europe, the peculiarities of the integration processes in the Euroregions, shows the development of Euroregions in Ukraine: „Carpathy“, „Bug“, „Nyzhnij Dunaj“, „Dniester“, „Verhnij Prut“, „Dnieper“, „Slobozhanshchyna“, „Yaroslavna“, defines their composition and structure, describes the basic functioning problems, such as low level of social and economic development in comparison with other (central) regions, the peripheral nature of economics, the presence of “a zone of potential political exertion”; the distance from the inner sources of regional security forms their focus on foreign economic cooperation, which makes them fragile to the dynamics of trade and economic relations of Ukraine with the neighbouring countries. The map of attraction of the regions of Ukraine into the European regions is made, in particular the regions that are proposed to be included in the composition of European regions for activation of transboundary cooperation are selected, and the proposed scenarios for the development of relations of Ukraine with the neighbouring countries are created.

**Keywords:** transboundary cooperation, inter-regional cooperation, Euroregions

## Introduction

The questions of development of integration processes and transboundary cooperation in terms of social, economic and political instability in Ukraine move to the forefront. Due to the concentration of population forces, institutions and organizations, enterprises, authorities and management on the development of transboundary territories, the most complete use of the potential of the territory is provided and the systemic social effect, which is to establish friendly, good-neighbourly relations between the inhabitants of the surrounding areas is achieved. The issues of development of integration and transboundary cooperation are actively explored by the world of science. We should note the most prominent foreign theorists, researchers M. Anderson, K. Harvey, Ch. Jeffrey, M. Kiting, A. Inotaj, Y. Kornai, D. Horvat, I. Rehnitzer, J. Scott, Z. Gorzhelyak, P. Eberhardt, R. Phedan, E. Kohanska, Y. Peregud, T. Komornitski, T. Lievski, Z. Makel, M. Rostishevski, A. Stasyak, Z. Zjolo and others. A lot of papers in international and, in particular, transboundary cooperation are devoted to Ukrainian scientists-regionalists – P. Belenkyj, V. Budkin, B. Danilishyn, M. Dolishnyj, V. Evdokymenko, T. Kachala, V. Miklovda, V. Pyla, T. Pepa, S. Pirozhkow, S. Pysarenko, V. Reutow, L. Chernyuk and others. However, despite the rather deep theoretical basis of the models of transboundary cooperation, described in the works of scientists, the mechanisms for their implementation, which requires studies and programs, which are implemented in transboundary areas are researched not enough.

Since 1990, the European Union provides financial support to transboundary cooperation through the use of a number of initiatives, programmes and projects, namely: INTERREG, PHARE CBC, TACIS CBC, PHARE CREDO, MEDA, CARDS, LACE. INTERREG is the leading software shell of most spatial development projects in different European territories and public (local) initiatives (Community Initiative) of the EU providing support for the development of the border regions of the EU member countries and some coastal areas (Studennikov, 2006).

## Material and methods

Methods of the research are based on systematic theoretical understanding of the problems of the European regional transboundary cooperation in the context of sustainable development of border areas. The fundamental bases of general economic theory, the achievements of domestic and foreign theory and practice of functioning of the Euroregional transboundary/inter-regional cooperation are the theoretical and methodological bases of the research. The dialectical method of scientific knowledge and methods of cognition: the theoretical method of synthesis, the method of comparative analysis and synthesis, grouping and classification, the method of statistical analysis, the mapping method, the comparison method and expert assessments are used. The methods of logic synthesis and designing of schemes, the method of historical and logical unity, quantitative and qualitative analyses are also used.

The works of Ukrainian and foreign scientists, regulatory-legal acts of Ukraine, international agreements, law and regulative acts on regional policy, documents of the European Commission and the Council of Europe, the General concept of development of border regions of Ukraine and countries of the Central Europe, as well as materials published in monographic literature and periodicals, information from the Internet, were used as the information base of research.

## Results and discussion

The development of regionalism in Ukraine occurs under specific conditions and is of a different nature than in Europe. European regionalism is traditionally defined as follows: “... organized Europe is a regional form of the inevitable process of globalization, the mechanism that provides economic relations, which is a guarantee of peaceful relations” (The law of Ukraine, 2004). European regionalism is an objective process of implementation of the state, administrative and international potential of subjects of different European countries, the formation and development of a variety of external

relations and contacts between them within the framework and within the legal authority. These powers are set by central authorities or with their participation under the existing constitutional acts, as well as taking into account the international obligations of the state as a subject of international law. There is also a point of view, which assumes that the formation of Euroregions and regionalization in general is a way to overcome the negative consequences of globalization. A considerable amount of time and resources that must be mobilized to the neighbouring countries and regions in order to cope adequately with the consequences of globalization, necessitates the existence of free transboundary mechanisms for dialogue between governments and their cooperation. An important area of international integration is transboundary cooperation, which has been successfully developing in the world for a long time.

Analysis of international experience in the development of transboundary cooperation has shown that the most effective organizational form of transboundary cooperation is the creation of Euroregions. Under this concept we need to understand the area of transboundary cooperation, and in its framework, the specific transboundary projects are implemented, problems of employment, development of infrastructure, environment, etc. are solved by the way of economic, social, cultural and humanitarian cooperation (Indicative program, 2007–2010).

Euroregions are considered to be one of the organizational forms of transboundary relations, which is within their competence, and with the consent of the Central government on the basis of a special extended powers with respect to the international cooperation of local authorities in border areas have the opportunity to develop a special integrated programme of cooperation and to implement specific transboundary economic projects.

The idea of transboundary cooperation in Europe appeared in the 1950-ies. Then, for the first time after the war a slogan on the approximation instead of separating people by boundaries became popular. The main aim of such cooperation is the achievement of mutual social and economic growth, establishment and development of relations between the economic, scientific, cultural and municipal institutions of the regions. In Europe, much attention is paid to the importance of transboundary cooperation in the framework of Euroregions, which is seen as a stabilizing factor in the relations between two countries.

In the area of Gronau on the German-Dutch border the first Euroregion was created in 1958. Currently, the Euroregion Gronau includes 106 communes and districts of the Netherlands and Germany with a total population of 2 million people and a total area of 8,351.2 sq km. There are five such Euroregions that cover virtually all the entire border area of the German-Dutch border. The experience of the first Euroregion has received international recognition.

Integration processes in the Euroregions are characterized by some features, namely:

- participants are not only administrative bodies, but also trade unions, chamber of commerce, which often play a key role in the development of economic cooperation within the region;
- the basis for the cooperation is the specific projects funded from several sources. For example, in the region EMS-Dollard (EDR) (one of the German-Dutch integration associations), there is the following scheme: 50 % of the expenditure is paid by the EU, 15% is spent from the budget of the Netherlands and Germany, and the remaining 20% is paid directly by the project participants;
- much attention is paid to social and cultural programs: strengthening contacts in education, health, culture, science, religion, and social

informal movements. Special importance is given to personal contacts and the formation of well-developed social infrastructure (Proceedings of international scientific-practical conference, 2011).

The precondition of emergence of the Euroregions and the result of formation of this trend, as regionalism, was the development of transboundary cooperation. In the EU countries, transboundary cooperation is aimed at solving the problems of economic development through the coordinated development of the economy of the neighbouring regions, and especially infrastructure. An important place in this cooperation is also taken by the issues of culture and education, social sphere and environment. The focus of cooperation in these areas is caused by the high level of integration of the EU countries.

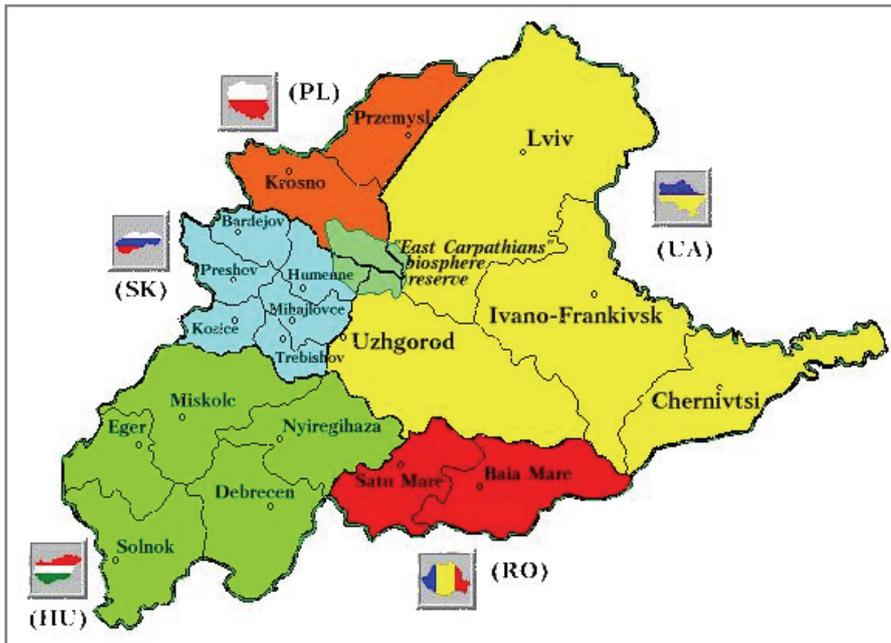
In relations between the EU countries, the border barriers to movement of goods, capital and labor are eliminated, the legal framework of economic activity is unified, and there are no significant inter-state differences at the level of wholesale and retail prices for industrial and consumer goods in investment conditions, as well as income and level of living of the population. In the conditions of formation of the single market of the EU countries, the external borders serve as the barrier function. Internal borders between the countries-participants lost these functions, but geo-economic results and consequences of their long action left in the past.

Euroregion, on the one hand, can be defined as a geographically limited part of the border area, which is formed from the territorial-administrative units on both sides of the border, which are united by common interests in economic development, nature conservation, preservation and development of culture and the intensification of scientific exchanges. On the other hand, Euroregion is a kind of umbrella project under which the bilateral and multilateral sector-specific projects are implemented (Concept and its pilot application, 2012).

The most common form of organization of transboundary cooperation to ensure sustainable development of territories is the practice of creating "regions", which is widespread throughout Europe. At the present time, the practice of Euroregions is necessary to distinguish between policy intentions and practice of action, the actual experience of cooperation. The objective value of Euroregions for Ukraine is most likely to stimulate dialogue and institutional innovations, and to a lesser extent in achieving a new quality of regional development and new economic characteristics of the territory. The formation of Euroregions is caused by concluding cooperation agreements between local authorities in border areas. As a result, there appears the formation of associations of administrative-territorial units of the municipal and regional (provincial) level which are interested in joint implementation of various projects. The institutional framework of Euroregions is inter-regional council of deputies of local authorities and regional business associations. The necessary funds for the implementation of projects of Euroregions are searched in the local budgets, the budget of the country, and finances of the EU programmes are also used.

The concept of Euroregion is the idea of establishing priority "strategic alliances" with one or two or three adjacent territories, and as a result, small square regions are formed; the level of their interdependence and economic integration sometimes exceeds the appropriate level of interconnection with the regions of their countries. In the framework of such small transboundary regions, the integration covers firms and companies and educational institutions, the transport infrastructure is well developed, and even transnational bodies of coordination and management are created.

One of the key objectives of the concept of Euroregions development is the provision of internal borders transparency in the EU due to the joint



**Figure 1** The map of the Euroregion "Carpathian Euroregion"

Source: Official website of the Euroregion "Carpatskyj"



**Figure 2** The map of the Euroregion "Bug"

Source: Official website of the Euroregion "Bug"

A special role in the development of transboundary relations belongs to the largest European transboundary merger of the interregional Association "Carpathian Euroregion" (created on February 14, 1993, with the participation of border regions of Ukraine, Poland, Slovakia, Hungary and Romania), because its activities are fully consistent with the principles of the European framework Convention for transboundary cooperation between the administrative territorial units and local authorities. According to the Charter of the Carpathian Euroregion, the Supreme body of the Association is the Council of the Euroregion. It consists of three representatives from each member of the Association. The main person who is responsible for the functioning of the structures of the Euroregion is the Executive Director. He/she is elected by the Council from among the candidates on a competitive basis and manages the Association's activities through the Secretariat and national representatives (Recommendation no. 296). At this stage, there are 4 working committees. According to Ukrainian experts, the activities of the interregional Association "Carpathian Euroregion" confirm the appropriateness of its existence, and show its important role in the establishment of good neighbourly relations, the development of economic relations between the border regions. However, there are constraints. Problems of this Euroregion are rather traditional for transboundary cooperation:

- insufficient activity of local public authorities,
- lack of centralized funding from the state,
- lack of own resources of the regions,
- differences in customs and tax legislation of the participating countries (Bila, 2013).

However, the "Carpathian Euroregion" shows another possible disadvantage of European regions – large size. The "Carpathian Euroregion" covers territory, which is equal to a number of small West European States with a population of 15 million people. From the Ukrainian side, the Euroregion includes four areas, and that creates serious management problems (Figure 1).

The borders of the territory of Ukraine are also included in the Euroregion "Bug". The border regions of Ukraine and Poland became the parts of this Euroregion on September 29, 1995. Later, the Euroregion "Bug" officially adopted the Brest region, which allowed legal formalizing of the Belarusian side participation in the Euroregion (Figure 2).

decision of the border regions to solve common or related problems of local and regional character (transport, roads and railway lines, frontier agriculture, environmental protection, the consequences of natural disasters, etc). The starting point for the development of such cooperation is often the forming of private initiatives on small projects, which subsequently received the support of the local authorities, and they took upon themselves their further promotion and implementation. Gradually, transboundary cooperation has gained a clearer

structure, and the general authorities were formed.

The concept of development of Euroregions is designed to solve problems of economic, social, cultural and environmental development in border areas. In addition, it certainly promotes active participation in the processes of European integration of the new countries and their territories at provincial and municipal levels. Due to the current geopolitical changes in the early 1990ies, the idea of Euroregions creation was extended to the countries of Central and Eastern Europe.



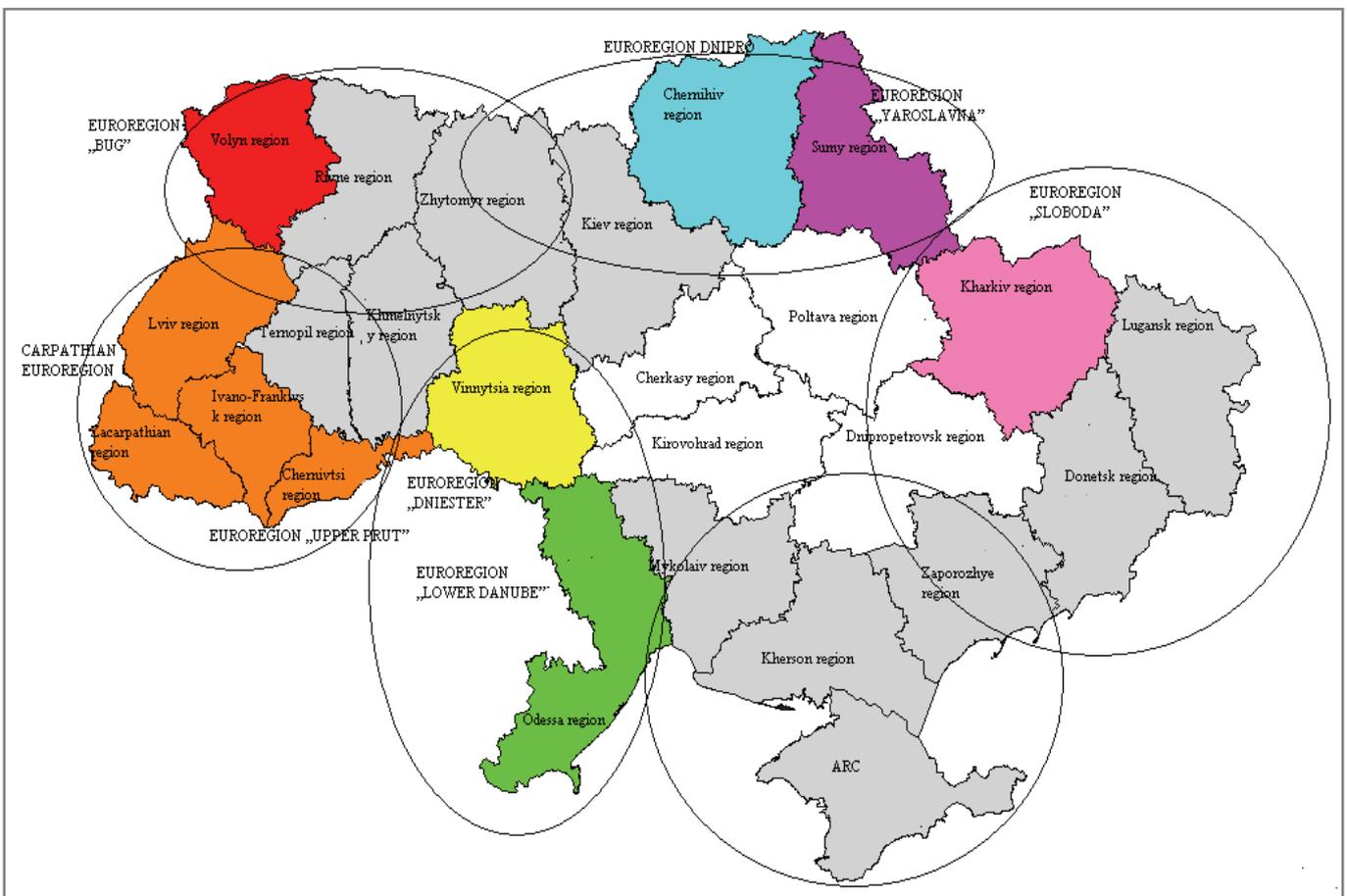
**Figure 3** The map of the Euroregion "Dniester"  
Source: Official website of the Euroregion "Dniester"

There is an important fact that the "Bug" is officially accepted into the Association of European Euroregions. This, of course, will contribute to an increased focus on European countries to solve problems in these regions. Euroregions are one of the forms of cooperation of regional and local authorities, but at the same time, they are a way of harmonious integration of Belarus into the structures of modern Europe.

The Euroregion "Nyzhnij Dunaj" unites the border territory of Moldova, Romania and Ukraine. It was created on the initiative of the presidents of the three countries in 1996 and implemented by signing the agreement on the establishment of the Euroregion "Nyzhnij Dunaj" in Galati in February, 1997. On the Moldovan side, it includes the districts of Cahul, Cantemir and Vulcanesht, on Romanian – counties Galats, Tulcha and Krejla, and Odessa region of Ukraine.

The Agreement on the establishment of the Euroregion "Verhnij Prut" was signed on September 22, 2000, in the Romanian city of Botoshany; it consisted of Chernivtsi region of Ukraine, Beltskij and Edynetskij counties of the Republic of Moldova, as well as Botoshansky and Suchavskij counties of Romania.

The Euroregion "Sloboda" was established on November 7, 2003, in Kharkiv, by the leaders of executive authorities and local self-government of Kharkov and Belgorod regions of Ukraine and the Russian Federation, respectively, as the highest form of transboundary cooperation to harmonize the interaction of the parties for the implementation of basic social and economic functions in the borderlands, elimination of unnecessary barriers to the contacts of the population, bringing innovation and investment to stabilize and grow the economy, and to enhance interregional economic cooperation.



**Figure 4** The map of participation of the Ukrainian regions to Euroregions  
\* Gray colours represent the regions, which are proposed to be included in the composition of Euroregions for enhancing transboundary cooperation

**Table 1** Scenarios of development of relations of Ukraine with neighbouring countries\*

Neighbouring country	Dynamics of trade and economic relations	Social factor	Political factor	Scenarios
Russia	-	+	-	pessimistic
Belarus	-	+	-	pessimistic
Poland	+	+	+	optimistic
Slovakia	+	-	+	neutral
Hungary	+	-	+	neutral
Romania	+	-	+	neutral
Moldova	-	-	-	pessimistic

\* Copyright forecast is based on the analysis of the dynamics of foreign economic activity of Ukraine

On April 29, 2003, representatives signed the agreement on the establishment of the transboundary Community Euroregion "Dniester", including Gomel region of the Republic of Belarus, Bryanska region of the Russian Federation, and Chernihiv region of Ukraine. The founders of the Euroregion «Yaroslavna» are the Sumy region of Ukraine and Kursk region of the Russian Federation (Dubovik).

The Euroregion "Dniester" includes one administrative-territorial unit of Ukraine (Vinnytsia region), three regional territorial units of Moldova (districts), and two district-owned Moldova, but are on the other side of the Dniester River (Figure 3). The region occupies the territory of 34,218 km<sup>2</sup>, with a population of more than two million people (Official website of the Euroregion "Dniester").

The main purpose of creation and activity of the Euroregion "Dniester" is the implementation of sustainable development programmes in the areas adjacent to the river Dniester.

The region has a large number of unresolved issues on environmental protection, which include problems of storage and processing of waste, and ecological rehabilitation of the river basins of the Dniester and Pivdennyj Bug, namely: cleaning up rivers, coastal protection, and exploitation of hydropower and water treatment facilities, and monitoring traffic loads.

In the Dniester basin, there are many non-governmental environmental organizations of Ukraine and Moldova, whose efforts are aimed at improving the ecological status and water quality of the basin. For example, in Prydnistrovje, there are currently approximately 15 non-governmental environmental organizations, and five resource information centers have been created (The action programme to improve transboundary cooperation and sustainable management in the basin of the Dniester River). Using the format of the Euroregion as a mechanism for strengthening the social economic development of the region, it became possible to raise the environmental problems of the Dniester River and crossing the Ukrainian-Moldovan border before the European Union and to receive constructive consent to the development of several projects.

In general, the geographical map showing attraction of Ukrainian regions in the composition of the Euroregions has the following form (Figure 4).

The absence of including the interests and practices of transboundary cooperation as a form of foreign economic activity realization of enterprises and companies of the neighbouring countries' territories forms the general problems of development of Ukrainian border regions. Among them are the following:

- ❑ low level of social and economic development in comparison with other (central) regions, the peripheral nature of the economy;
- ❑ transboundary regions form the so-called "zone of potential political tensions";

- ❑ distance from the domestic sources of regional security forms their focus on foreign economic cooperation, which makes them vulnerable to the dynamics of trade and economic relations of Ukraine with the neighbouring countries (Table 1);

- ❑ discrepancy in the rate of development of foreign economic openness in the structural-economic (diversity of species and forms of foreign economic activity) and legal (the development of foreign economic activity of the region, the liberalization law) aspects in favour of the second one;

- ❑ presence of such natural-climatic conditions, industrial structure, the similarity in cultural and ethnic relationship with the regions of neighboring countries, resulting in the effective reproduction chain is created (for all factors) that is also in direct relation to the relations of the countries.

## Conclusions

The above statements allows us to hypothesize about the heterogeneity of the edge space of Ukraine for the degree of adaptability / involvement of border regions and their economic entities in the system of transboundary cooperation in the framework of the development of foreign trade exchanges, participation in international scientific and technical, industrial and investment cooperation, use of transboundary provisions for social and economic development (increase gross of regional product (GRP) in general and for one person in particular), etc. In this regard, in our opinion, the development of transboundary cooperation with the Russian Federation, Belarus, and Moldova must be different from the directions of development of transboundary cooperation in the Western border regions of Poland, Slovakia, Hungary, and Romania.

Assessing the effectiveness of financial and investment transboundary linkages of Euroregions in Ukraine, it can be argued that, despite the favourable geographic position, natural resources, skilled personnel, achievements in scientific research, a large capacity of the domestic market, the volume of foreign investments into the economics of the country is significantly lower than the volumes in Western Europe.

The development of transboundary cooperation in the framework of Euroregions established in Ukraine, due to financial problems and the various powers of local authorities in partner countries is very slow compared to the Euroregions, which are formed within the European Community. This can be seen in comparison with, for example, actively cooperating borderland of Switzerland, southern Germany and France, which form the area of regional cooperation in Upper Bavaria, in which

there are two regional committees that monitor joint activities in the field of industry and ecology.

In Eastern Europe it is important that the Euroregions, as a form of transboundary cooperation contribute not only to strengthening and deepening of good-neighbourly relations between countries, but they also are kinds of tools for the integration of countries into the European structures. This is especially important for Ukraine in connection with the situation and the desire to be a member of the European Union. Euroregions are sometimes explained as means for resolving possible territorial issues between two countries. They relieve tensions in any territorial claims; allow solving the problems associated with the situation of national minorities. It is a kind of a testing ground for the compatibility of the legislation of different countries, and legal systems.

International experience of transboundary cooperation testifies in favour of the fact that the large-scale relations between neighbouring territories are a common form of organization of foreign economic and other activities. However, contrary to the membership in the Euroregions, the majority of the German-Polish projects have failed in the quest for more effective partnership having difficulties at the Central offices of the Euroregions. As a result, the EU funds are often used as additional items of income rather than for the implementation of joint initiatives. Internal conflicts over the allocation of resources often prevent coordination of initiatives for regional development, intended for a border region. There is a complicated situation in almost all regions of the Euroregions, which include Ukraine, and it is easy to explain. The world practice of transboundary cooperation in the form of Euroregions provides interaction between equal partners. However, the analysis of the existing economic relations suggests that numerous political declarations have not yet transformed into a new quality of economic relations. In Euroregions, the simplest technological cooperation and transboundary trade dominate, which have the special character. For example, the experience of most European regions shows that the private sector is poorly represented in the transboundary cooperation and it is rather difficult to bring it to cooperation. Most experts indicate that today, Euroregions are still far from achieving the goals. Despite generous subsidies, the real cooperation is provided only in some areas of interaction.

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