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INTERREGIONAL COOPERATION IN THE GOVERNMENT REGIONAL POLICY SYSTEM

The article deals with the essence and fundamentals of interregional cooperation arrangement. Its priorities at the present stage are highlighted. It is proved that there are a number of advantages of using this form of cooperation by the regions. Its close connection with the economic growth of the regions is substantiated. It is found that the interregional cooperation development contributes to the solution of strategic tasks of the national level. The institutional environment of the interregional cooperation at different levels and its role in the new regional policy of the state are determined. It is proved that resource and organizational support of the interregional cooperation depends on the socio-economic potential of the region. The experience of interregional cooperation between Ukraine and the Republic of Poland is represented. Areas and prospects of development of the interregional cooperation against a backdrop of the European integration of Ukraine are offered.

Keywords: interregional cooperation, regional policy, institutional environment, European integration.

Research rationale. In the context of globalization, the role of the international interregional cooperation steadily increases in the forms of cross-border, transnational and interregional cooperation with neighboring countries, which forms new challenges to the regions of Ukraine for practical application of innovative mechanisms and instruments for stimulating the socio-economic development of territories that have proven themselves positively in the world (in particular, European) practice, sets the actual requirements for the intensive development of new approaches and techniques of managing the economy.

The socio-economic achievements of modern Ukraine are insufficient to ensure its further successful development and growth of living standards. Therefore, an urgent need is to concentrate available resources, accelerate the unification of the efforts of the authorities of all levels and search for new forms and approaches to regional development management, among which special attention should be paid to measures aimed at expansion of the interregional cooperation. The priority of its application is determined not only by the need for adaptation of economic actors to increase in the role of integration processes in the world and national economy. Participation of the regions in such cooperation makes it possible to expect that as a result of uniting their efforts and cooperation in the production and non-production sectors the organizational and economic prerequisites for their sustainable economic growth will be ensured. However, in addition to a fundamentally new state regulation and infrastructure support for the integration processes of the regional economy, the interregional cooperation requires a clear definition of the approaches and technique of its organization, functioning and evaluation. The availability and disclosure of such organized information would allow not only to analyze the consequences of such cooperation, but also to maintain the appropriate transparency in making of managerial decisions of local authorities concerning ensuring the support of the territories, their economic growth and social development.

Purpose of the article is to study the place of interregional cooperation in the system of the new regional policy of the state and to identify the priority directions of interregional cooperation against a backdrop of the European integration of Ukraine.

Analysis of recent researches. The issue of interregional cooperation is addressed by a large number of national and foreign scientists. Some theoretical, methodological and practical issues of this problem were reflected in the papers of O. Alimov, O. Amosha, Ya. Zhalilo, E. Libanova, M. Khvesyk, V. Semenov, O. Mykhaylyuk, and others.

However, the problem of the interregional cooperation's place in the system of new regional policy and the definition of priorities of interregional cooperation against a backdrop of the European integration of Ukraine requires further research.

Statement of basic material.

The economy of the regions in modern Ukraine is characterized by the unbalanced development and heterogeneity of the socio-economic situation, which deepen due to the unstable economic and political situation and intensified crisis phenomena in the economy. And this complicates the process of strategic planning and forecasting of economic and social processes aimed at meeting the needs of the citizens. Therefore, it is necessary to accelerate the internal efforts of each region to achieve own development goals. Toward this goal, a model of endogenous development of the regions, which became particularly popular in the 1980's across the West and is based on the "maximum use of local resources – labor force accumulated at the local level of capital, entrepreneurial potential, specific knowledge of the production process, and the ability to perform specific professional tasks, may be useful. Another element of the model is the ability of the local economy to control the accumulation process at the local level"¹.

However, not all regions have sufficient production and resource potential for self-fulfillment of set tasks, therefore the only way out of this situation is to use the benefits of participation in the interregional or international integration processes.

Success in this direction of regional policy may be achieved through the constructing a modern model of the interregional cooperation – promoting the development of internal integration and consolidation of the country by virtue of the intensification of interregional collaboration and cooperation, which will promote the support of socio-economic growth on the basis of close interregional interaction, economic, trade, financial and investment, scientific and technical, informational and cultural cooperation of the regions and the formation of new integrated economic macro-regions in Ukraine².

Interregional cooperation is an important part of the strategic partnership between Ukraine and neighboring countries, an effective tool of European integration of Ukraine, as well as a practical mechanism for the implementation of European standards at the regional and local levels.

Interregional cooperation is extremely important in the economic development of neighboring territorial formations through the deep integration in the main areas of their activities. Interregional cooperation means any ties established between regions of different state formations.

In its essence, the interregional cooperation is a mutually agreed extraterritorial operation of the authorities of all levels, legal entities and public organizations, which is carried out within the legal framework in order to solve common economic, social, cultural, environmental and other issues. The interregional cooperation is an instrument for solving the regional problems and a component of the mechanism of economic growth both at the national and regional levels. For the country as a whole, the intensification of interregional cooperation solves the main task of "capitalization, mobilization and optimization of the use of regional resources as the main source of socio-economic development of the country"³.

¹ Ромашко, С.М., Саврас, І.З., Селівестов, Р.Г., Юринець, Р.В. (2013). *Моделювання соціально-економічного розвитку територій*: наук.-метод. розробка. Київ: НАДУ, 31.

² Ніжнянські, В., Потканські, Т., Сегварі, П. (2007). *Формування політики регіонального розвитку: досвід країн Центральної та Східної Європи в контексті вступу до ЄС*. Братислава-Будапешт-Варшава-Київ: Видавництво «К.І.С.», 45.

³ Лібанова, Е.М., Хвесик, М.А. (2014). *Соціально-економічний потенціал сталого розвитку України та її регіонів: національна доповідь*. Київ: ДУ ІЕПСР НАН України, 34.

The interregional cooperation makes it possible to more effectively use available economic and resource potential, to improve the self-sustainment in terms of products manufactured by the regions, to make up mind about export competitive products.

Interregional cooperation is aimed at addressing the specific socio-economic problems of each territory. The intensity of this cooperation depends on the level of economic development of the territory, the branching of its transport system, the availability of a competitive advantage to the international division of labor and many other factors. Under all conditions, the development of interregional cooperation gives a new impetus to the development of these territories, promotes the attraction of foreign investment and creation of transport corridors.

Interregional cooperation takes the main integrating place in the new regional policy system, combining its main components (Figure 1).

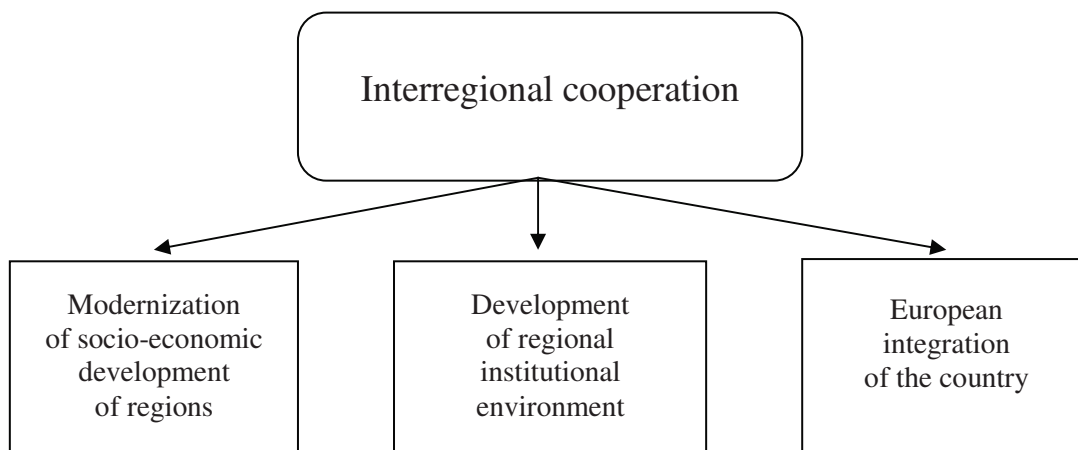


Fig. 1. The role of interregional cooperation in the regional policy system of the country

Thus, as part of the cooperation of the regions, the tasks of modernization of the country are converted into specific modernization tasks of the regions' development, provided for by the relevant regional strategies – the determination of the place and role of the region in the national strategy of modernization is formed. At the same time, the regional development strategy focused on equalization and consolidation of the country's socio-economic environment is modernized: reasonable grounds for avoiding “equalization” are formed, and the positioning of the region in the interregional division of labor is modified. In the end, the European integration strategy of Ukraine becomes practical through the tools of international interregional cooperation, the opportunity to implement foreign policy and foreign economic priorities of the state strategy is created.

In fact, the three-fold task of the national level is solved in the course of interregional cooperation development:

- ensuring the country's reintegration and consolidation as a basis for a favorable climate for long-term development;
- ensuring the country's infrastructure integrity as an environment of free flows of people, resources and information¹;
- capitalization, mobilization and optimization of the use of regional resources as the main source of socio-economic development of the country.

¹ Закон про стимулювання розвитку регіонів 2005 (Верховна Рада України). <<http://zakon5.rada.gov.ua/laws/show/2850-15>>

Interregional cooperation should be considered as a powerful organizational innovation, which significantly increases the efficiency of regional policy of the country due to¹:

- development of the subjectivity of the regions, strengthening their ability to produce their own development initiatives and projects, to create an appropriate development infrastructure – in such circumstances, the role of the state is no longer in generation but in the guiding of development, which requires considerably less financial and managerial resources;
- opportunities for the formation of the national projects of macro-regional (interregional) level – this enables to achieve the proper significance of national projects and, accordingly, the multiplicative effect of the funds attracted by the project;
- opportunities for ensuring the complexity of the development of territories, including depressed regions, due to greater detailed elaboration of the cooperation processes, which becomes possible due to the development of the areas of cooperation at the local level;
- provision of European integration strategy of Ukraine with practical measurement – by establishing the direct links between the interested partners and establishing the interregional cooperation with the EU regions;
- directing the state support of regional development towards consolidated project tasks, which makes it possible to avoid disintegration, minimize the misuse of funds, and reach the cumulative effect of such support.

As practical experience shows, the development of interregional cooperation can take place in several areas. At the level of the central executive authorities of two countries. On the Ukrainian part, this issue is coordinated by the Ministry of Regional Development, Construction and Housing, the Ministry of Foreign Affairs, the Ministry of Infrastructure and the Ministry of Economic Development and Trade.

In order to solve the key issues of interregional cooperation at the intergovernmental level, an institutional mechanism on interregional cooperation is established which makes decisions on key issues of interregional cooperation, defines the general directions and main principles of its development, provides the competent authorities of the two countries with relevant proposals, develops joint programs of activities aimed at interregional cooperation development and generally coordinates the interregional cooperation at the level of regions of Ukraine and the regions of the neighboring state.

This form of cooperation makes it possible to gradually increase the level of socio-economic development of corresponding territories, including periphery ones, to increase the importance of local authorities in development of the cooperation with the authorities of territories of neighboring regions and countries, enabling to involve them in active international cooperation.

The regions participating in this type of integration processes receive²:

- wider access of economic entities to resources: financial, labor, material, and new technologies;
 - the ability to produce and supply the products to a larger interregional market;
 - the ability to operate on a more integrated, possibly international market place.
- The effectiveness of the institutional mechanism on interregional cooperation implies:
- support and implementation of projects which ensure the country's infrastructure integrity;
 - formation of interregional markets, exchanges, and territorial corporations;
 - overcoming barriers which block the development of inter-industry and industrial cooperation;
 - formation of new interregional clusters, industrial parks, interregional development programs;

¹ Семенов, В.Ф., Михайлюк, О.Л., Олійник, В.Д. (2011). *Міжрегіональні диспропорції та регіональне зростання*. Монографія. Одеса: Атлант, 24.

² Сухоруков, А.І., Харазішвілі, Ю.М. (2013). *Ефективність соціально-економічного розвитку та економічна безпека регіону (на прикладі Закарпатської області)*. Київ: НІСД, 27.

- development of the regulatory framework for interregional cooperation in the form of agreements on interregional cooperation, collaboration and integration.

Today, Ukraine has the most developed network of interregional cooperation with the Republic of Poland. Almost all regions of Ukraine and provinces of Poland have concluded interregional cooperation agreements. All 16 Polish provinces have a partner in Ukraine at the regional level. Subcarpathian, Lublin, Lodz, Silesian and Masovian voivodeships have the largest number of the Ukrainian partners. On the Ukrainian part, Lviv, Odesa, Ivano-Frankivsk, Vinnytsia and Volyn regions have the largest number of Polish partners¹.

The basic document of the Ukrainian-Polish interregional cooperation is the Agreement between the Government of Ukraine and the Government of the Republic of Poland on interregional cooperation signed on May 24, 1993. The mentioned international agreement stipulates the legal principles of cooperation between local authorities and local self-government bodies of Ukraine and the Republic of Poland, in particular in the economic, cultural and humanitarian, educational and travel areas.

The process of concluding bilateral partnership agreements at the level of cities, districts and villages on the Ukrainian part and cities, counties and gminas of Poland has a steady tendency towards increase. At the regional and local levels, today about 450 interregional cooperation agreements have been signed between Ukraine and Poland.

An important aspect of the Ukrainian-Polish interregional and cross-border cooperation development is the involvement of EU funds as part of implementation of certain projects. In this context, it is necessary to mention the Cross Border Cooperation Programme Poland-Belarus-Ukraine 2007-2013 and 2014-2020, which is an effective tool for using EU funds by local authorities and local governments, as well as non-governmental organizations of both countries for implementation of projects in the area of interregional and cross-border cooperation².

Although there is a significant difference in the current socio-economic development of Ukraine and Poland due to different rates of economic development, which adversely affects the contents and scope of regional cooperation, in which Ukraine still has somewhat less progress than Poland which has already solved all problems associated with joining the EU and other international organizations. From this point of view, for Ukraine it is important to use a positive experience of Poland for transforming its socio-economic system into an integrated European space. The positive moment of the Ukraine's and Poland's neighborhood is the latter's membership in the EU. For Ukraine, this fact opens up new opportunities in the area of political and economic transformations. In practice, this testifies to the substantial activity of Ukraine in modernization of the state and economy, the implementation of democratic institutions, support for the idea of civil society, and the expansion of the activities of non-governmental organizations.

Economic ties in interregional cooperation cover a wide range of areas of economic activity: trade and intermediary, production and investment, monetary and financial, scientific and technical, and migration spheres, forming a mechanism for consolidating the internal economic space of a country which operates on its own. Interregional cooperation within the country is able to significantly expand the total effective capacity of the domestic market, Interregional cooperation is an instrument for solving internal problems of territories not on the basis of competition for attraction of centralized financial resources (receipt of budget subsidies and subventions or regional tax preferences), but on the basis of more efficient use of development resources the region. This will reduce the burden on the state budget concerning addressing of these issues.

¹ Міжрегіональне співробітництво між Україною та Польщею. <<http://poland.mfa.gov.ua/ua/ukraine-pl/regions>> (2018, березень, 03).

² Україна та Польща зміцнюють міжрегіональне співробітництво. <<https://www.kmu.gov.ua/ua/news/249438636>> (2018, березень, 03).

Interregional cooperation is one of the mechanisms of activation of innovative processes and attracting the investments for implementation of highly effective innovative projects, capable of forming new centers of economic development, around which the areas of economic growth will be created due to possibilities of consolidation of resources of interested regions in the course of implementation of projects of common interest. Interregional cooperation in Ukraine is gradually gaining ground.

Priorities of interregional cooperation in Ukraine should include:

- development of natural (including natural-climatic) resources;
- generation and transportation of energy;
- development of communication lines of national and international importance;
- the formation of the infrastructure of specific markets (first of all, the market of agrarian products);
- solving of ecological and social problems;
- creation of a joint tourist product;
- scientific and technical cooperation and technology transfer;
- formation of a common innovation infrastructure, etc.

Today, the interregional cooperation in the agrarian sector is developing most actively in Ukraine, as well as tourism, construction, and advisory services. Instead, interregional cooperation in the areas of high technologies, industrial cooperation and import substitution, medicine, development of alternative energy (in particular, in the development and deployment of renewable energy sources) is developing at a slow pace.

Meanwhile, assessing the state of interregional cooperation at the current stage of development of Ukraine, it should be noted that the domination of supply-marketing economic relations between Ukrainian regions over a long period resulted in the formation of economic ties with the predominance of trade as the simplest form of economic cooperation. Mutual exchange of goods and services between regions of Ukraine is based on the static specialization of regions and determined by the current levels of their development. Regions with lower levels of development, with a lack of investments and an excess of labor, specialize in the production and export of labor-intensive products. Developed regions which receive a significant amount of investments and have a large amount of capital (including innovative, scientific and technical one) specialize in the export of capital-intensive products. To the end that interregional cooperation gains the full-fledged functionality, there should be a transition from a commercial to a project model of regional interrelations. The idea is to prepare and implement projects and programs at the interregional level which ensure joint participation in the development (use) of regional resource potential and the achievement of synergistic effects on this basis.

The most promising areas of interregional cooperation, above all, are those which at the same time:

- require coordination of the authorities and self-government bodies of several regions;
- require a significant amount of funds which one region can not provide on its own
- solve problems which are common to several regions;
- enable capitalization of the resource (natural, human, geo-strategic, scientific and technological, etc.), which capacity significantly exceeds the potential of the development of a particular region.

Conclusions. The effectiveness of the state regional policy implementation in modern Ukraine depends on the use of the potential of innovative mechanisms and tools which stimulate the social and economic activity, develop and support the entrepreneurial initiative at the local level in order to address the urgent socio-economic problems. Among the innovations which promote regional development, the first place should be given to the use of the potential and benefits of interregional cooperation, which contributes to the development of the domestic market, strengthens the economic and social cohesion of the country. The innovation component

of interregional cooperation is focused on the synergistic effect: achieving a stable balanced socio-economic development at the national level through increased competitiveness of the regions. Due to the implementation of joint (interregional) projects in the areas of production, services, infrastructure support, the socio-economic situation in the regions improves, in particular, the economic interaction of problematic (old-industrial, rural, remote) territories with the leading regions is intensified; disparities in regional development become more equitable; opportunities for mastering new, previously underutilized development resources are created.

Integration is a dominant trend in modern development, covering the activities of economic actors of all levels. Participation in it expands the possibilities of attracting foreign investments and new technologies, creating new vacancies, enables not only to successfully adapt to aggressive external conditions, but also results in capitalization of business, expansion of its scope, contributes to positive changes in financial condition. Therefore, the main attention in the development of the Ukrainian regions should be given to the unification of their efforts in interregional socio-economic interaction as a prerequisite for increasing the competitiveness of the regions and living standards of their inhabitants, as well as a factor of further formation of nationhood and strengthening its economic power.

To this end, one of the priority goals of country's regional development is the territorial socio-economic integration and spatial development, one of the operational objectives of which is the development of interregional cooperation.

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