

Features of the Organization and Development of Cross-border Cooperation between Regions

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Abstract Developing economic relations currently characterized by increasing processes of integration and the role of cross-border cooperation between regions. The importance of integration processes in the world economy is corrected by the directions of development of social and economic mechanisms at the level of interregional development of the cooperating countries. Today's integration is characterized by creation of territorial educations, signing and implementation of inter-regional agreements with other states. So the development of cross-border cooperation and various contacts outside the state is observed. It is important to study of integration processes and influence of border on its further development especially in such questions as economy, policy, culture and social development. Timely adaptation to constantly changing external conditions of managing by means of border and cross-border development of regions is necessary.

Keywords: *integration, cooperation, cross-border cooperation, regions, management*

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1. Introduction

In recent years integration processes cover almost all the continents and the subcontinent, which further contributes to the formation of numerous regional and sub-regional trade blocs. Most of these blocs proclaims the ultimate goal of access to the integration stage of economic cooperation [3].

In the 30th years of the XX century in works of the German and Swedish economists was mentioned a term "economic integration". Today there are many definitions of this term.

In translation from Latin the word "integratio" means merging, completion, "integrare" – to turn into the whole. Thus, integration means the process of association, merging of parts in some integrity of this term [6].

So, the purpose of economic integration is to integrate of national economies for the joint solution of economic problems and development of economy in general.

This article describes the main processes that contribute to the formation of cross-border cooperation between regions.

2. Theoretical Bases of Development of Cross-border Cooperation

The growing economic, political and cultural relations between the countries stimulate development of cross-border cooperation of regions.

In the late 70s of the XX century, the Swiss scientist Denis de Rougemont gave the following scientific definition

to the cross-border region. The cross-border region is "the potential region", a single from the point of view of geography, history, ecology, ethnic groups, economic opportunities and so forth, but at the same time broken into the pieces by the sovereignty of the governments operating on both parties of the governments.

This term was for the first time entered on the 106th Madrid Convention on the general principles of cross-border cooperation, where cross-border cooperation was defined as any general actions directed on the strengthening and deepening of good-neighborhood between territorial communities or the authorities which are under jurisdiction of two or several contractual parties, and also the conclusions for this purpose of necessary agreements for achievement of arrangements.

Active development of cross-border cooperation in Europe was observed in the 50th of the XX century, after World War II. During this period representatives of many border regions started meeting the purpose of discussion of opportunities of elimination of barriers on and further development of cross-border cooperation. The basis for this was the need to improve the standard of life, desire of the stable world, elimination of unnecessary restrictions, and also other factors which entailed separation of people and the organizations in border regions. However in some European countries, such as Greece, Spain and Portugal, cross-border cooperation became more active only from 80th of the XX century, thanks to serious political changes, democratization of political systems and membership in the European Union. In the Central and Eastern Europe process of formation of cooperation has been developed since 1989. Formation of the new states and emergence of borders as a result of collapse of the USSR, the Federal

Republic Yugoslavia, Czechoslovakia for a certain time suspended cross-border cooperation on old borders and didn't develop on the new borders. In new states considerable part of border territories before division were internal territories which got under action of the uniform national legislation, of customs regulations and had no signs of a periphery. There were two parallel processes in new border territories passed – arrangement of border with strengthening of its barrier function and development of cross-border cooperation which main purpose is leveling of borders.

At the same time in Europe occur three seemingly different, but closely interrelated processes:

- transfer of national borders of member states of the European Union on external border of the EU and therefore become external concerning the third countries;
- attempt to establish intellectual, cultural, political, trade and economic contacts with the third states which are behind external borders of the EU;
- processes of democratization in the countries of Central Eastern Europe and their membership in the Council of Europe.

These processes directly affected border regions of Europe

The state councilor Hans-Martin Tschudi (Switzerland) at the IX meeting of the Congress of Local and Regional Authorities of Europe (Strasbourg, 4-6 July 2002) in the report "Promoting cross-border cooperation: an important factor of democratic stability in Europe", said: " For determination of all forms of cooperation, taken together, the notion of "trans-European cooperation". Differences can be in determining the cooperation in the following cases:

- cross-border cooperation two-, three- or multilateral cooperation between local and regional authorities (public and private economic agents may also be included in this context) to geographically adjacent areas;
- inter-territorial cooperation two-, three- or multilateral cooperation between local and regional authorities (public and private subjects may also be included in this context) between non-adjacent territories;
- transnational cooperation – cooperation between national, regional and local authorities according to transnational programs and projects. This form of cooperation covers big neighboring territories and includes subjects, at least, of two EU member states and/or the country – not members of the EU.

Also the Association of the European Border Regions entered the three-level division concerning the cooperation:

1. The cross-border – direct neighbor's cooperation of regional and local authorities along frontier in all areas of life with the assistance of all subjects

2. The interregional – cooperation between regional and local authorities only in separate areas of life and with the assistance of the selected subjects. One of the main priorities of interregional agreements is cross-border cooperation in a question of environmental protection. The operating euroregional organization which authorized purpose is environmental protection, the Working community of the Alpine countries – Arge Alp is. This organization reached of considerable results in this area. Besides, a subject of interests of Arge Alp is close cooperation of partners in questions of tourism.

3. The international – cooperation between the states, including the regions, particularly in the framework of specific topics.

Apart from level division of cross-border cooperation it is necessary to consider the separate and complementing its forms

1. Government and regional cooperation. In this case the main position is held by the central authorities, agreements are signed at the international level.

2. Regional and municipal cooperation. This cooperation has informal character, cultural and economic agreements between border territories are often concluded.

In the West European practice allocate two types of transnational communications of "the substate communities" today. If communities and authorities cooperate with the communities of other states, it means "border cooperation"; if they cooperate with not adjacent foreign communities, the term "interregional" and "cross-border" cooperation is more often used.

Based on the practice of European cross-border cooperation, there are two models of establishing legal and institutional framework used regional and local authorities in the process of formalizing the interaction.

The first model – self-governing is applied more often. Generally its dominates on internal borders of the EU. Creation of structures of cross-border cooperation is effect of local initiatives of the public, and also self-government institutions of provinces (the Netherlands, Belgium), federal lands (Germany), gmins (Poland), their unions and agreements. At the first stage the border union of territorial units, and then standard and legal registration and conclusion of agreement is created. The following step is creation of euroregional structure with the union of territorial units of the foreign partner or partners. In practice this way was used at creation of euroregions "Shelmond", "Maas-Rhein", "Saar-Laure-Lux-Rhein", "Nisa", "Pomerania", "Glyatsenzis".

At the same time other model, administrative and self-government, is characterized by active partnership in process of registration of cross-border cooperation of the regional and/or central authorities and self-government institutions. It illustrates need of creation of the cross-border interregional union that have the charter, joint for the cooperating parties. This model dominates on external borders of the EU. There is an essential inclusion in cross-border cooperation of a government factor (Ministry of Foreign Affairs), and also regional structures in these territories. Thus creation euroregions means influence of socio-political specifics of the cooperating partners, and also conviction in great opportunities for introduction by the regional authorities into cross-border cooperation of new qualities. So the above way was used at creation of all euroregions of the Republic of Belarus: "Bug", "Neman", "Ozerny Krai", "Belovezhskaya Pushcha" and "Dniepr"

The process of integration within cross-border cooperation gained active development at the beginning of the 90th of the XX century when the complex of actions in the field of spatial planning was offered. Development of the coordinated programs for financing of cross-border cooperation and harmonization of plans of land use on both sides of border was directly connected with carrying out complex scientific researches on a social and economic situation of border areas. At the same time necessitates combination to researches on joint construction of industrial border complexes was caused by forces of two states. In the field it is possible to carry to basic elements of cross-border cooperation: scientific and

technological parks; innovative centers; zones of new and high technologies with special financial, economic and economic conditions of development of the knowledge-intensive branches. Development and the subsequent implementation of joint projects on border infrastructure in spheres of transport, telecommunications, health care and education became especially important. It should be noted that during tens years of border of the European states carried out security function therefore border territories had no favorable investment climate. At the same time in these territories infrastructure backwardness was observed.

Because of a big variety of forms, decisions and the sizes of the area on which cross-border cooperation develops, it is difficult to choose universal definition of this phenomenon.

It is possible to agree that cross-border cooperation – it quite institutionalized cooperation between participants both (or more) the parties and its main objective is coordination and development of the general policy and actions, and also achievement joint actions of development of the areas divided by border

In one of reports of the European parliament cross-border cooperation is defined as "cooperation on internal and external borders of the EU in which regions play a major role". On the basis of this definition the following views of cross-border regions are allocated:

1) old forms of cooperation, that are typical for northwest Europe and following from traditional ties which realization is accelerated thanks to Community;

2) later forms of cooperation connected with political changes in the state after the accession to the EU

3) the cooperation that initiated directly by Community through various programs of support;

4) cooperation that leads to membership in the EU or association with it (The Central and Eastern Europe and the region of the Mediterranean Sea);

5) the form of cooperation representing connection of the first and third forms when the EU through the programs and initiatives creates new cross-border regions from parts of the "old" regions. This form of cooperation is characteristic for Northern Europe

The basis of cross-border cooperation is the process of creation of communications and the contractual relations between the states for the purpose of search of solutions of the common identical problems. This interaction assumes dialogue between all social groups of the population and authorities.

Cross-border cooperation is directed on overcoming of negative aspects of existence of borders and consequences. The main aims of such cooperation is

- overcoming stereotypes and prejudices;
- the removal of political and administrative barriers between neighboring nations;
- the creation of economic, social and cultural infrastructure, on condition of formation of authorities, businesses, etc.

The main elements of cross-border cooperation means cooperation of local authorities and cooperation of other territorial participants (the enterprises, chambers of commerce, schools, universities, etc.), and also an orientation on elimination of the dysfunctions caused by border (political and administrative, economic, cultural, etc.)

Many European researchers tried to create typology of forms of cross-border cooperation. Professor of Lancaster university M. Perkmann was the most known among them. His typology is based on the empirical researches of cross-border cooperation conducted for many years by the Association of the European Border Regions (AEBR) and published in 2000 in the form of "Practical Guide to Cross-border Cooperation". The guide actually allocated euroregions, working communities and Interreg-structures. M. Perkmann allocated two bases of a typologization: the intensity of cooperation and geographical coverage (Figure 1).

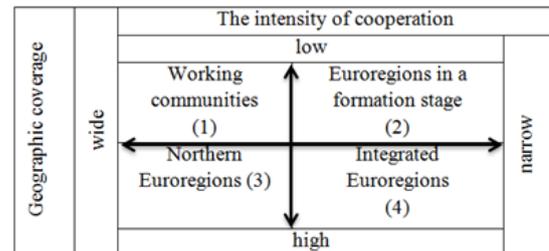


Figure 1. Typology of cross-border regions according to M. Perkmann

On these theoretical bases it is possible to establish four types of cross-border areas:

1) Working communities. The first of them was officially formed in 1972. It is a wide form of the interregional cooperation covering five or more regions and sometimes including bilateral border cooperation. The working communities created as a result of the conclusion of the relevant agreements (for example, the protocol on cooperation), often don't possess the legal status and don't "burden" the power of the cooperating regions with obligations. Besides, the important characteristic of working communities was their relative dependence on the states under which jurisdiction there are territories involved in cooperation process. The most common areas of cooperation is an exchange of information, consultations, carrying out researches as a basis of strategic planning, cultural projects (means of understanding of foreign culture), strengthening of economic cooperation.

2) Euroregions in a formation stage. Generally presented by the structures, which are specially created for the solution of tasks within Interreg and other initiatives of Community. They differ from the working communities is usually the common border.

3) Northern euroregions differ from the first type generally wider geographical coverage that often explained natural and geographical features of the Northern countries – big territorial spaces with small population density.

4) The Integrated euroregions are characterized by high degree of intensity of cooperation. It is necessary to consider also criterion of interstate border which is associated with the Euroregion. Here it is possible to allocate euroregions on internal and external borders.

3. The Mechanism of Cross-border Cooperation

Cross-border cooperation is one of instruments of acceleration the processes by means of approach of a

standard of living of the population of border territories before Central European ensuring free crossing with goods, persons and the capitals of frontier. Such cooperation contributes to the joint efforts of subjects' cross-border cooperation to solve common problems of the border regions, the implementation of European integration activities at the regional level.

So cross-border cooperation is two-, three- or multilateral cooperation between regions. Thus, important point, to define of initiators of cooperation. Any cooperation begins with idea. Ideas in cross-border cooperation are the directions, a way of further development of cooperation between regions which cover economic, political, cultural, ecological and other spheres. The region, which represents ideas, is called as the initiator region. That is the initiator region (IR) is the certain territory having own resources and results of economic activity capable to creation of bilateral or multilateral communities with regions of other states under certain conditions.

The region, which is supported and take an idea is called partner region (PR). In other words, the partner region is the territory which has its own resources and results of economic activity and accepted the conditions of the initiator region (Figure 2).

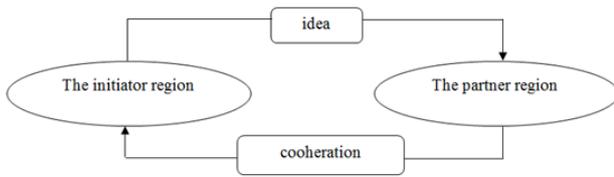


Figure 2. The general idea of cross-border cooperation

In the figure we can see the model of emergence and further development of cross-border cooperation between regions. The initiator region in the form of projects offers further ways of development of cooperation. Such initiative projects from one region may come set. The partner region supports the initiative of cooperation on one of projects or of several at the same time. Cooperation can be carried out with one and more partner regions at the same time [8].

Exploring the process of cross-border cooperation, between regions can be divided into four stages of development: studying of the existing communications between partners, definition of strategy of further development, development and providing programs of development, monitoring and evaluation. Cooperation take place at the state and local levels. At the state level it is shown in the international agreements. On regional — arises from the need, spontaneously. This cooperation is manifested in joint activity between neighboring territories which is caused by economic needs of regions [10]. The system of cross-border cooperation is presented in Figure 3.

Cross-border cooperation makes active different forms of interaction as between countries and their regions. Therefore, it is important to pay particular attention to the organizational aspects.

Today regions are open and have opportunity to develop independently, but at the same time remain subordinate to the government. Often the authorities of regions have many various tasks demanding operational decisions. It is necessary to support constantly developed communications with foreign partners and at the same time to establish new relations.

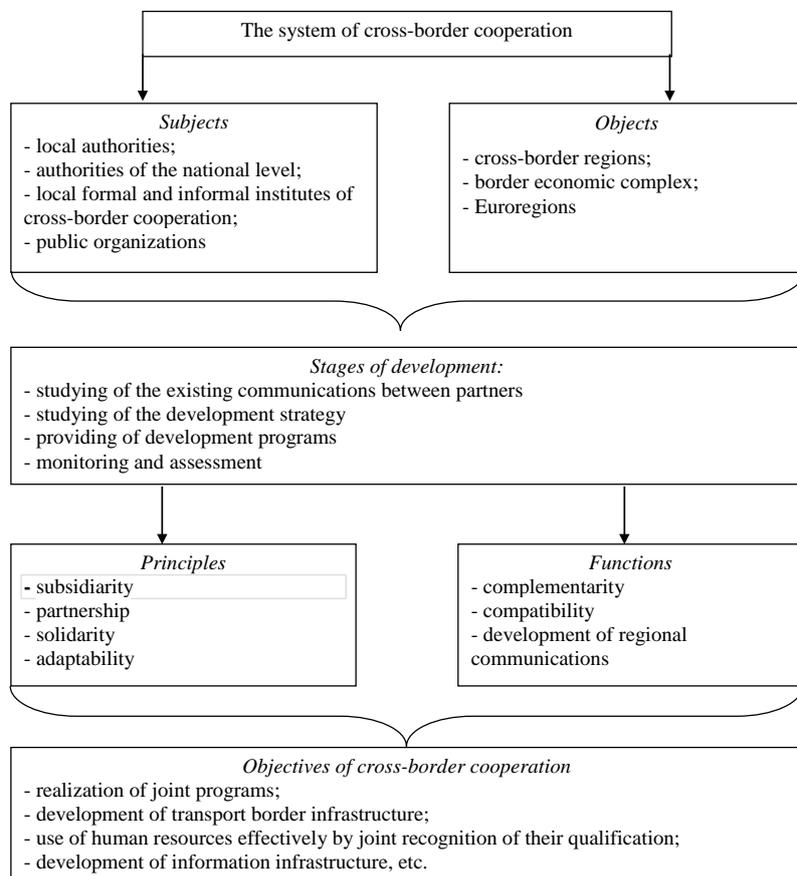


Figure 3. The system of cross-border cooperation

4. Organization of Cross-border Cooperation

At the organization of cross-border cooperation it is necessary to consider the conditions of cooperation in the long term and try to find possibilities of its strengthening. It is necessary to know the possibilities of two cooperating countries when operational decisions are taken into account. It is also important to use effectively available resource potential, to determine the priority directions of cooperation by authorities.

The organization of cross-border cooperation of regions is process of selection, establishment and development of the communications promoting further strengthening and development of subjects of cooperation of different regions of neighboring countries in economic, political, ecological, social, educational and other spheres.

One of the most important tasks of the organization of cross-border cooperation is the creating the best conditions for advance of goods and services of the region on the international market. In modern conditions for the solution of this aim it is necessary to solve the following objects:

- creation of cross-border labor market for foreign trade activities, and reduction of migration in border zones;
- improvement of information support of export-import transactions between the cooperating regions that will allow to create the information massif to assess the degree of interaction regions;
- acceptance of measures to develop the foreign trade actions and creation of safety conditions on borders of the cooperating regions;
- equality and rational use of natural regional resources;
- creation and use of social and production regional infrastructure;
- building confidence between the regions, developing regional cultural ties.

Given the fact that objectives for the further development of cross-border cooperation requires parallel strengthening of the state influence on cooperation between regions due to the following directions:

- 1) it is necessary to consider specifics of the regions which are carrying out foreign economic activity — distance between regions and quantity of borders between them;
- 2) first of all to realize the cooperation that satisfy the main objectives of regional development;
- 3) to develop new spheres of cooperation;
- 4) to strengthen cooperation at the interstate, regional and municipal levels.

Today regional cooperation can be considered at the following levels:

1. international — it is the system of actions coordinated by both states or the organizations directed on creation of political, social, economic ties, provided the independence of these countries and providing favorable conditions to both participating parties;
2. interstate – considered cooperation in various areas of neighboring countries;
3. regional – this cooperation is carried out by border regions of the cooperating states;

4. municipal — within this cooperation formed communications of local governments, municipalities for the solution of questions of local value.

Organization of cross-border cooperation is a backbone element that unites many elements of economic cooperation of regions in a whole and promotes their further development.

5. Management of Cross-border Cooperation

Modern theories consider the region as multifunctional system. In works of Granberg [4], the following is allocated to the most widespread to model:

1. Region as quasi-state means separate subsystem state with the same functions. Regional authorities regulate the economy of the region and provide its functioning in the national economy.
2. Region as quasi-corporation is considered as the large subject of property possessing own resource potential and conducting economic activity with other corporations.
3. Region-market considers the general conditions and features of activity of the market of the region in different spheres.
4. Region-society – first of all investigates social life and its development. This theory is starting for research of economic activity of regions as includes practically all aspects of functioning of the region (cultural, political educational and others).

Considering the region as a company we assume that all process of organization of cross-border cooperation can be divided into some stages: development, realization and assessment. The offered directions have to be coordinated with both parties of cooperation – authorities at the regional or on the state levels.

In Figure 4 is presented the mechanism of management of regional cross-border cooperation.

The organization of cross-border cooperation of regions begins with emergence of the idea of cooperation in one of the regions. Often the idea put forward an initiative group which includes representatives of border businesses, educational, medical institutions or administration of the region treat. The idea is brought up for discussion at the level of the regional authorities of the initiator region. Authorities of the region, generally the head of administration or his deputy, consider the presented idea and at the statement appoint the working group for further creation of the project and its coordination with the partner region.

In preparing the project for cross-border cooperation, a working group of regional authorities and members of the initiative group is created. This group defines the main objective or purposes of cooperation, approve questions of financing of the project. It is important to notice that cooperation should comply with the basic objectives of development of the region and the state as a whole. Another important aspect is the study of experience with similar projects in other regions of the state, or the experience of other regions.

At a development stage the analysis of the available information on the priority directions of the regional development, definition of the resources participating in

process of cross-border cooperation of regions, the possible directions of cooperation are defined. In this case the offered options are coordinated with the partner region. Specific joint projects are developed further by the working groups to which structure the working group of

the partner region is added. It is an important element of a development stage as the further destiny of projects depends on group. The main objective is providing these groups with the necessary statistical and actual information.

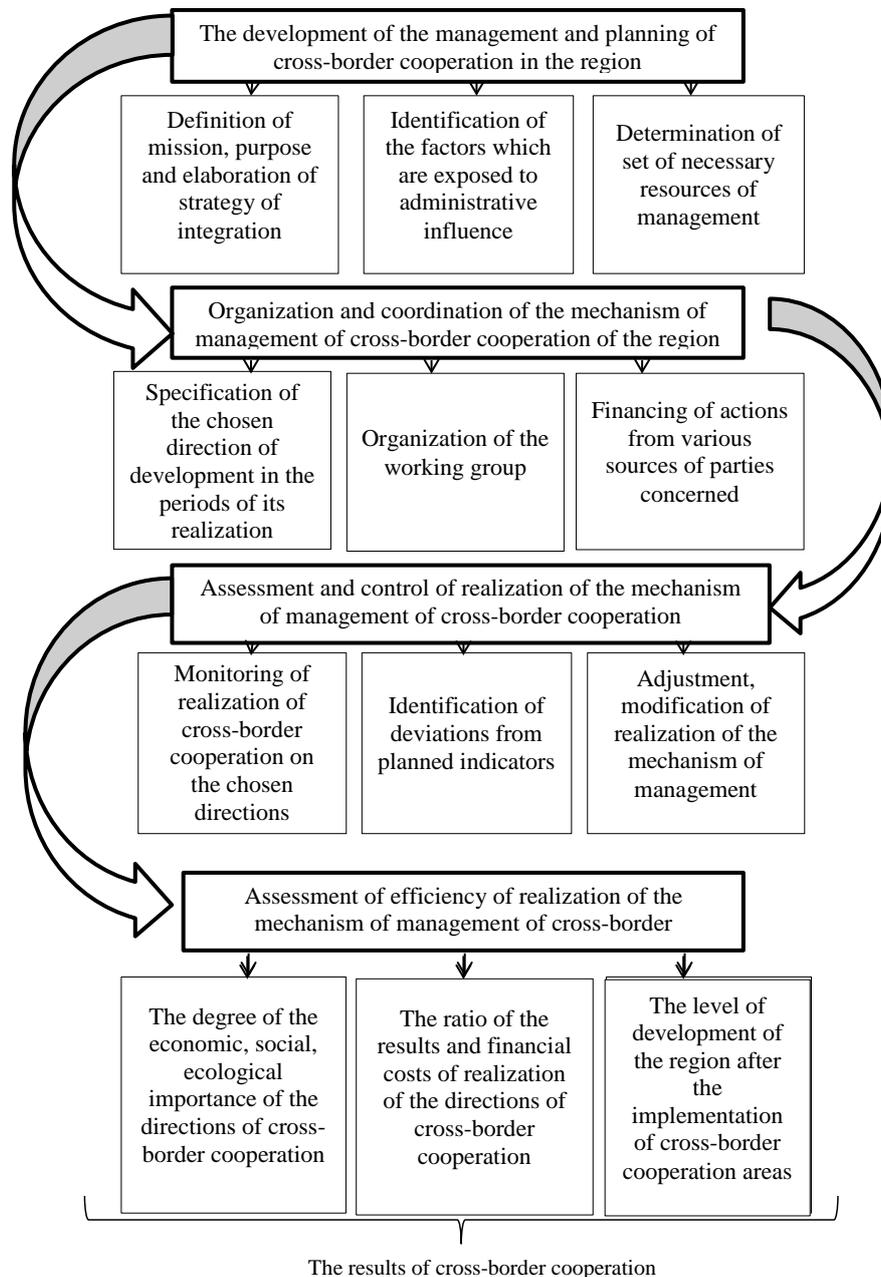


Figure 4. The mechanism of management of regional cross-border cooperation

Important stage of the mechanism of management the cross-border cooperation is realization. More detailed consideration of the chosen direction of cooperation and the description of all possible alternatives of its realization is carried out. At this stage the final statement of the chosen direction of cooperation and its justification is carried out. Also for the selected directions of cooperation financing sources are defined. Financing can be carried out at the expense of budgetary funds and due to attraction of private financial means.

To justify the need to finance of cross-border projects and programs are important following information:

- preliminary calculation of the total project cost;
- assessment of influence of the project on social and economic development of the region;

— assessment of potential economic risks in project implementation.

Important aspect of realization of cross-border cooperation is to promote. The presentation of joint projects is necessary for attraction as it is possible bigger number of participants that will also serve as a reference point for involvement of investors.

The evaluation stage and control of realization of the mechanism of management of cross-border cooperation includes monitoring, identification of deviations from planned indicators and their correction.

It is important to organize monitoring of realization chosen directions of regional cooperation (Figure 5). In this case monitoring is understood as complex system of supervision over processes of realization of the directions

of cross-border cooperation and detection of compliance to initial assumptions.

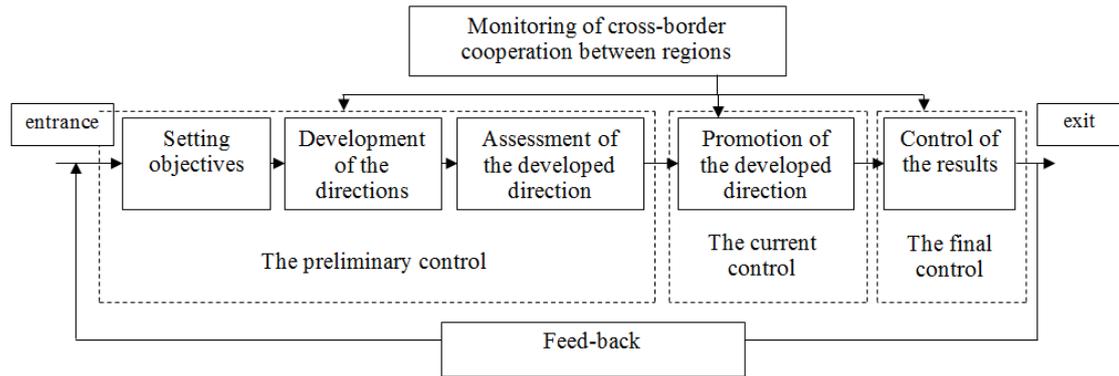


Figure 5. Monitoring of process of realization of cross-border cooperation on the chosen directions

As a result of all mechanism of the organization of cross-border cooperation the information massif, which will allow to order all data set on certain signs, received in the developed process is formed.

The final stage of the mechanism of management of cross-border cooperation is an assessment of efficiency, which means determination of the importance of the realized directions for the region and the state in general; ratio of results and financial costs of realization of the directions of cross-border cooperation; a region level of development after realization of the directions of cross-border cooperation.

It should be noted that efficiency of cross-border cooperation depends on such factors as a geographical position, natural and resource potential, infrastructure of the region, structure of economy of the region, innovative and investment activity.

There are seven the most important principles that can create the effective organizational scheme of cross-border cooperation:

1. Realism. The system of the studied indicators necessary for an assessment of a state, dynamics and results of activity of social and economic system of regions, has to be supplied with necessary information.

2. Purposefulness. At statement of the purposes of cooperation of regions it is necessary to consider main objectives of the state, to calculate effect for the region, accurately to limit target group.

3. Project approach. Correctness of observance of stages of the organization of cross-border cooperation.

4. Efficiency. Fast collecting and providing information for the solution of the current tasks.

5. Consistency. Acceptance of common decisions between the cooperating regions.

6. Competence. The working groups from both parties have necessary knowledge and experience in the sphere of cross-border cooperation on the chosen directions and are capable to make quick and effective administrative decisions.

7. Monitoring. Need to develop a system for monitoring and control at all levels of the organization of cooperation.

Thus, having the working group on the organization of cross-border cooperation it is necessary to distribute competently duties among participants for both regions. The offered mechanism of the organization is supposed for implementation of long-term projects of cooperation. But it is important to note that mechanisms of

management such are always exposed to changes as in many respects depend on the participating regions, domestic and foreign policy of the states, and also on development of world economic communications in general.

6. Conclusions

Recently cross-border cooperation is defined as a forms of independent interregional interaction of regional authorities, businesses and the population in economic, political, ecological, social and other kinds of activity.

Therefore, the impact of the border on cross-border cooperation is of particular importance. The border can be "barrier", "filter" or "bridge". Effectiveness of cross-border cooperation between regions depends on the priorities of cooperation and the competitiveness of regions.

Organization of cross-border cooperation is a backbone element which unites many components of economic cooperation of regions in a whole and promotes their further development. All process of the organization of cross-border cooperation can be divided into some stages: statement, development, assessment and advance. All of these directions have to be coordinated with both parties of cooperation.

The priority areas of cooperation include trade, science, transport and social cooperation. These directions for many regions participating in cooperation are actually. Research of these directions is a necessary condition of the analysis of all process of cross-border cooperation.

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