

## THE PECULIARITIES OF ECONOMIC SECURITY IN CROSS-BORDER TERRITORIES

Globalization has become an integral factor of modern life that influences political, economic, social and cultural spheres on its different levels. It is known that national security depends on economic security of the regions, especially cross-border ones. Therefore, this article presents basic approaches reflected in relations to economic security in cross-border territories in the context of transfrontal collaboration, threats, features and the prospects of their influence on the development and strengthening of economical growth.

**Key words:** globalization, economic security, cross-border territories

Economic security of Ukraine is formed under the influence of national social and economic processes, regional and local factors of economic progress, the forms of cross-border cooperation with the neighboring states. The degree of economic interest implementation of the regions and states distinguishes the level of economic security<sup>1</sup>.

Thus, the features of economic security considered exactly in the frontier regions depend on maximal closeness of resources and cooperation results implemented by the population of two or more states. Successful economic transformations on each side of such territory will enhance the economy of the country as the whole.

Scientists as S. Naumenko, S. Varnaliy, O. Vlasiuk, M. Dolishniy, Y. Makogon, A. Melnyk, B. Melnyk, A. Mokiy, S. Pysarenko, E. Savielieva and W. Mikula as well as their Polish colleagues - scientists J. Andreasik, B. Kawałko, E. Kawecka-Wyrzykowska, J. Szlachta and A. Klasik examine important aspects of these problems . A particular attention should be given to the interesting research paper wrote by J. Andreasik on *Prospect of the transfrontal Polish-Ukraine collaboration in the context of membership of Poland in the European Union*. In doing so, there is a necessity for further education of theoretical research outcomes and a practical use of of methods of the promotion of cross-border cooperation in the context of economic security with the aim of ensuring the dynamic development of cross-border territories as the components of national economy. Such necessity determines the relevance of research and identifies the aims of the article. Therefore, in the context of realization of transfrontal collaboration by cross-border regions, their main economic interests are:

- the possibility of entering into foreign markets;
- attracting new sources of financial funding;
- adoption of progressive experience in technology;

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<sup>1</sup> S. Naumenko, *Development of cross-border cooperation in the system of economic security of Ukraine*, Summary, Kiev 2007, p. 21.

- development of infrastructure;
- liberalization of market.

The aim of realization and essence of every type of economic interests of a region depends on the maintenance of such a state of the economic system that is characterized by balance and ability to provide the effectiveness of the functioning economic rules<sup>2</sup>.

In the context of economic security ensuring the cross-border cooperation becomes a specific value, as the level of the security has an impact on the intensity of business relations between the cross-border territories. Potential partners and investors do not want to cooperate with employers from the regions depressed by numerous threats, as they do not want to risk their own business. On the other side, a high level of economic security contributes to the development of foreign business contacts<sup>3</sup>.

The strengthening of economic security will be a stable process in the case of exercising a set of necessary measures in any field: in foreign trade, in manufacture, finance, food industry, investment processes and environmental protection, etc.<sup>4</sup> In fact, as we marked already, the presence of numerous threats for potential partners and investors do not create conditions for cooperation with individual and legal entities from depressed territories, because of high exposure of their business to large risks.

In the worldwide literature the interpretation of the term security is practically canonized. In *Encyclopedic dictionary* of F. Brockhuas and A. Elfon, published in 1891, the term security (personal or security of property) is considered as the most important component of human development. The authors of the dictionary defining the term of security view the cause forthcoming and the sense of the state. The security is created by the elimination of dangers, which can threaten citizens, society and the state as a whole<sup>5</sup>.

From the linguistic point of view the security is the lack of danger, it is reliability, as defined by V. Dal in *Dictionary of the Ruthenia language*. S. Ozhegov defines security as the situation, when there is no danger to anyone or anything. Thus security is achieved through a range of measures<sup>6</sup>.

Economic security is a complex multi-faceted economic category, which has a rather complicated internal structure. The analysis of real processes and understanding the problem gained from the research experience can be divided into its three major elements<sup>7</sup>:

- economic independence, which means an opportunity to exercise state control over national resources, the ability to use national competitive advantages to ensure equal participation in international trade;

<sup>2</sup> Ibidem, p. 21.

<sup>3</sup> I. Bondarchuk, I. Hrytsyak, A. Darulis, B. Lesser, I. Rozputnenka. *Cross-border cooperation*, K.I.C, Kiev 2003, p. 320.

<sup>4</sup> L. Verbovska, *Cross-border territories as an object of economic security in the cross-border cooperation*, "Bulletin of the economy of transportation and industry", 2010, № 29.

<sup>5</sup> Ibidem.

<sup>6</sup> V. Gorbulin, A. Kaczynski, *The principles of Ukraine's National Security: Handbook*, Kiev 2009, p. 272.

<sup>7</sup> *Korystin OE Economic Security: teach. Manual*, O. E. Korystin, O.I. Baranowski, L. Gerasimenko, KNUVS 2010, p. 368.

- resilience and stability of the national economy, which provides strength and reliability of all elements of the economic system, the protection of all forms of property, a guarantee for effective business activities, control of destabilizing factors;
- the ability of self-development and progress, i.e. the ability to “sell yourself” and to protect national economic interests, a possibility of constant modernization of production, efficient investment and innovation policies, the ability to develop intellectual and labor potential of the country.

Economic security of cross-border territories is possible to be defined as an investment-attractive state, that is able to generate competitive products, providing balanced foreign trade, firmness of the financial system of country in the global system and effective and strong international mutual relations. Analysing the research provided by scientist L. Kokovski there might be distinguished other threats to economic security of cross-border territories in the context of foreign economic activity taking into account a negative balance of foreign trade. Potential risks depend on:

- the increase of external gross and state debt;
- the loss of internal market of the region;
- the increase of dependence on import;
- high export dependence;
- the increase of dependence of country economy on the external state of affairs in export markets, world prices;
- the lack of development of the internal market;
- the increased value of the import;
- high import dependence;
- the loss of internal market (forcing home products by foreign commodities out of internal market);
- the decline in home production;
- the increase of dependence of economy on external deliveries;
- low investment attractiveness to foreign capitals;
- the fear of potential partners and investors risk exposure of their own business;
- the low rate of development of regional economy;
- the raw material structure of export.

Potential risks are caused by the region being technologically backward that in turn is accompanied by a threat of low investment attractiveness for a foreign capital and depletion of natural resources in the region<sup>8</sup>. Legal guarantees of international economic security lie in the recognition of principles of equality of the countries regardless social and political order; freedom of choice of ways and forms of economic life; mutually beneficial cooperation and free development of economic, financial, scientific, technological and other peaceful relations among states for economic and social progress as well as peaceful settlement of economic disputes.

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<sup>8</sup> L. Kokovskiy, *Current research question of foreign security*, “The formation of market relations in Ukraine”, 2011, № 12 (127).

What is understood by the term of economic security of the country is not only security above national interests, but also the willingness and ability of institutions to create mechanisms for the implementation and protection of national interests of the national economy and of social and political stability of society. The economic security of the country's relative, even in the most economically developed and socially stable countries with a stable political regime might be exposed to possible external adverse effects. In the process of internationalization of production, including the place of national economy in the world economy, the economic security of the country is more closely associated with international economic security.

The economic security of the region meant primarily the ability of regional government to ensure competitiveness, stability and a progressive economic development area organically integrated into the economy as a relatively independent structure. The focal point of the economic security of the region as a category are regional interests (provision and maintenance of a decent standard of living, rational use of available economic potential, carrying out an independent social and economic policy in the region, balance and integrity in the financial system of the country) and the need to protect them from various internal (that occur within the region) and external (carried out by economic policy and administration of other regions and foreign countries) threats while respecting the balance of national interests.

Intercommunication on economic security issues during cross-border cooperation of the region stipulates a requirement for the development of practical recommendations, mechanisms of strengthening the components of economic security (material-resource, food, power, ecologically-technogenic ones, technological and financial ones and those of external economic) taking into account the features of cross-border territories as subjects of cross-border cooperation.

It might be assumed that strengthening economic security will be a stable process in the case of exercising a set of necessary measures in desired fields of: foreign trade, manufacture, finance, food industry and investment processes, environmental protection, etc. This will promote the harmonious development of the region, improve its image and will be reflected in the surge of cross-border cooperation.

A different level of transformation of the regions-partners is primarily represented by competitiveness. For example, the competition between the Volyn and foreign businessmen that exists in a separate trade commodity group (in particular by food commodities) increases as a result of the introduction general custom tariff of European Union (EU)<sup>9</sup>.

Majority of trade losses in the Volyn region, obviously, have been caused by non-tariff barriers. Anti-dumping procedures and protective actions of the EU in relation to the import of commodities of origin from Ukraine are used against industrial products that are partly produced by the Volyn region. Inflexibility of technical, sanitary, phytosanitary and veterinary inspections results in the substantial reduction of the Volyn export of

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<sup>9</sup> S. Naumenko, L. Naumenko, *Conceptual approach is to forming of mechanism of support of economic security of region*, Kiev 2011, p. 13.

agricultural products<sup>10</sup>. However, under these circumstances domestic exporters are forced to improve the quality of their products that will automatically open to them a way to the markets of the EU.

In a medium-term prospect it might soften the influence of existing barriers on the condition of the effective protection of trade interests of the region and the country. The system of encouraging initiatives that would put the financial help of the state to the regions in dependence on the degree of development of partner relations and dynamics of indexes of socio-economic development of cross-border regions, ought to be established as a firmly existing mechanism. It would create conditions for competition among regions for the receipt of budgetary facilities and would explain to them the rules of more efficient work<sup>11</sup>.

Economic security of cross-border territories is formed under the act of national socio-economic processes, regional and local factors of economic advancement and character of transfrontal collaboration with nearby territories of the foreign states.

The level of the cross-border cooperation largely depends on the level of the development of the internal self-government. Only when such conditions are established that local authorities have considerable plenary powers in the sphere of external economic relations, and these plenary powers will clearly share responsibility with the center, effective co-operation of cross-border enterprises is possible.

In order to determine economic security for the zone of border territories (lines) we can apply quantitative and qualitative indexes. Thus, it is necessary to talk about these two methods of analysis not only in a general view basically going near the models of estimation and prognosis of risks<sup>12</sup> that arise in cross-border territories, but also about applying the enumerated prevention methods against negative risks that can cause economic security in cross-border territories<sup>13</sup>:

- a mathematical design, development of mathematical models;
- an expert one, used at the receipt of expert estimations that help to set a possibility of origin of those or other events related to the analysis of risk;
- a sociological one, used to determine sociological estimations of population perception or separate task forces of some determination of risk;

With regard to quality estimations, depending on a situation, the complexity of the problem, the level of economic development of the cross-border territory, we can apply the following methods:

- expert methods (carrying out role-plays and others like that), specialists are asked to express their ideas about range of problems, and on their basis corresponding conclusions are provided;
- a method of scenarios, use of present information, various scenarios that in the future are distributed from a size and origin of the problem or potential risk;

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<sup>10</sup> L. Kokovskiy, *Current research question...*

<sup>11</sup> Ibidem.

<sup>12</sup> V. Gorbulin, A. Kaczynski, *The principles of Ukraine's...*, p.272.

<sup>13</sup> L. Verbovska. *Cross-border territories as an object...*

– history-associative methods, consist in bringing in certificates of historical character. Determining influence on the development of cross-border cooperation and the level of economic security is an innovative component. Innovative potential of Ukraine and its cross-border territories in many parameters answers the question about the level of the development in modern countries (presence of highly skilled labour force, wide network of educational, scientific and technical establishments).

The Volyn region has also considerable natural resources and an advantageous geographical location at the crossing of transport ways to Europe that are favorable pre-conditions for the development of innovative activity in the region. For this reason the features of forming an innovative-investment model of cross-border cooperation should be<sup>14</sup>:

- concentration of resources of cross-border territories on fundamental and applied researches in the fields, where science, technology and production capability are available;
- introduction of a program-target approach to innovative cross-border activity;
- increasing the participation of small and medium businesses in innovative and investment cooperation;
- creation of new organizational forms of innovative-investment development of cross-border territories and the improvement of the already existing ones .

The development of cross-border cooperation of frontier regions needs the development of a corresponding legislative base and the formation of organizational, financial and information support, as well as training of personnel for the fulfillment of cross-border cooperation in the interests of the country and the regions. Accordingly, the mechanism of cross-border cooperation at a regional level must envisage such events of institutional and organizationally-economic character as:

- creation of the mixed commissions consisting of representatives from corresponding subdivisions of regional government and expert bodies for priority directions of cooperation;
- organization of a wide information campaign on interregional cooperation conducted by a professional company ;
- foresight of the budgetary financing for carrying out the interregional activity;
- using funds of international organizations and programs of technical help, structural funds of the EU;
- the organization of the work of the interested subjects towards management and execution of certain projects from general programs under the condition of all-round and solidary participation of regional government bodies.

In the scientific work of S. Naumenko<sup>15</sup>, there are proposed measures to provide economic security on the borders, where the process of concordance of interests and contractual relations in cross-border regions must be implemented take place with the

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<sup>14</sup> S. Naumenko, *Development of cross-border cooperation...* (Abstract of dissertation for the degree of Candidate of Economic Sciences), p. 21.

<sup>15</sup> Ibidem, p. 21.

aim of seeking decisions for general and identical issues. In fact, as it is known that a frontier collaboration is aimed at overcoming negative aspects of the existence of borders and consequences that arose in the territories through their placing and it is focused on the improvement of living conditions. the improvements of terms of life of population have for an object. Cross-border territories are investment-attractive, and just because of this fact an important feature can be achieved: a possibility to take advantage of the EU cross-border programs and other programs whose priority is the development of infrastructure. What is important is bringing in of investments and the most effective use of the external factor - to experience the euro-regional cooperation of regions of the EU, a system of subsidizing the cross-border cooperation with the aim of internal development of cross-border territories of Ukraine and that will provide economic security.

It is needed to notice that the cross-border programs present a ponderable financial instrument of making decisions on social economic problems. Yes, among all national indicative programs of European Neighborhood and Partnership Instrument (ENPI) 2007- 2010 the budget of the corresponding program for Ukraine was slightly lower than a size of program budget for Morocco and Egypt and included 494 million euro<sup>16</sup>. Today cross-border territories of Ukraine participate in three programs of land borders, namely<sup>17</sup>:

- Poland-Belarus-Ukraine - its indicative assignments during the period of 2007-2013 consist of 186,201 million euro;
- Hungary-Slovakia-Romania-Ukraine – 68,638 million euro;
- Romania-Moldova–Ukraine – 126,718 million euro;
- the program of the Black Sea include 17,306 million euro.

What is particularly interesting is a new *European Neighbourhood and Partnership Poland-Belarus-Ukraine 2007-2013*, which opens up significant financial prospects for economic integration and cooperation offering a wider range of mechanisms of interaction. It provides the establishment of a European level, an open and integrated market functioning on the basis of commonly harmonized rules and the EU legislation, which will bring about significant economic and political benefits to Ukraine and Belarus.

For this reason, there is an urgent need for the coordination and integration of their involved financial and human resources to intensify the cross-border cooperation between Ukraine, Belarus and Poland, including elements of the integration of border regions, which is particularly important in the context of a dialogue on economic security of border areas in these countries.

The program *Hungary-Slovakia-Romania-Ukraine 2007-2013*, which also extends to the Western regions of Ukraine, is based on joint planning efforts of all four participating

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<sup>16</sup> *Mechanisms and instruments of taking advantage of cross-border cooperation in the increase of competitiveness of western regions of Ukraine*. Analytical lecture. Lviv 2011. Electronic resource: [http://www.niss.gov.ua/content/articles/files/dop\\_Lvyv-c4a98.pdf](http://www.niss.gov.ua/content/articles/files/dop_Lvyv-c4a98.pdf).

<sup>17</sup> *Projects of cross-border cooperation (suggestions of regions)*. Electronic resource: [http://minregionbud.gov.ua/news/data/attach/1960/db\\_regon.doc](http://minregionbud.gov.ua/news/data/attach/1960/db_regon.doc).

countries and aims to create a framework for environmental activities that will lead to more intensive and deeper social and economic cooperation between the regions of Ukraine and neighboring countries.

An exchange of ideas and creative works with the colleagues from other countries is an important element of the development of mechanism for the financial support of cross-border territories through participating in general programs and strengthening their economic security. However, there are many reasons that cause the inhibition of the complex development of the regions of the state, that in turn complicate the conditions for strengthening the positions of Ukraine in an international economical cooperation.

On the whole in the development there is a row of problems related to the active use of all spectrum of possibilities of the cross-border programs<sup>18</sup>. The cross-border integration takes place mainly between institutions and in a smaller scope -between target groups. There are disproportions between the activity of participants of cross-border programs.

For example, taking into account the *Program Poland-Belarus-Ukraine*, it is possible to notice that the Polish colleagues have greater experience in the presentation and realization of the cross-border projects at a professional level. The Volyn region as the cross-border territory tries to participate actively in the execution of projects on the collaboration with the EU. Therefore, a close cooperation between Polish and Ukrainian colleagues is recommended in order to get and share experience bringing efficiency to their mutual understanding and simplicity in the cooperation.

- a comparatively low share of the economic component in ongoing projects that have a political or cultural orientation mainly. Within the framework of the cross-border program of the neighborliness of “Poland-Belarus-Ukraine” 2004-2006 a part of the executed projects in the sphere of culture equalled 35%, in the field of education – 39%, in the field of development of business and tourism – 19%<sup>19</sup>;
- certain underestimation of possibilities of cross-border cooperation from the side of Ukrainian business;
- low intercommunication on cooperation of governments with public organizations;
- weak informative support of the Ukrainian subjects in relation to those possibilities, that is opened within the framework of cross-border cooperation. In Poland decision-making process is made far easier and quicker to obtain information about the conducted projects than in our country;
- a weak monitoring system of the executed projects, their efficiency and contribution to socio-economic development of certain regions<sup>20</sup>;
- lack of complex solutions is going near realization of the programs of cross-border cooperation. This problem is faced because of the insufficient number of professional personnel that can prepare and professionally carry out necessary projects and provide the contact of territorial communities of the foreign states at a professional

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<sup>18</sup> T. Bozhydarnik, *Features cross-asymmetry of Ukraine and EU*, Scientific papers, Luck 2008. Part 1 (5(19)), Series “Economic theory and economic history”, p. 62-72.

<sup>19</sup> *Program Poland-Belarus-Ukraine*. Electronic resource: <http://www.pl-by-ua.eu/ua>.

<sup>20</sup> T. Bozhydarnik, *Features cross-asymmetry of Ukraine...*, p. 62-72.

level and with language proficiency. It is particularly seen at district levels, and in the lack of experience in such kind of work.

Thus, without regard to that, Ukraine has been participating in the realization of the projects on cross-border cooperation with the EU for a long time, which objectively helps to create prospects for the development of cross-border infrastructure, human capital, institutional collaboration, given that financial possibilities are used only partly or were lost fully. Therefore, this direction of receiving financial means for the Ukrainian economy is a substantial reserve for the future.

In order to attract financial incentive processes for resources dedicated to the implementation of interregional and cross-border projects of the Western regions of Ukraine and to improve their use, it should be foreseen to<sup>21</sup>:

- 1) develop a mechanism of international technical assistance in accordance with strategic objectives of transformation and socio-economic development of Ukraine. To establish a regular dialogue between Ukraine and the donors of setting up clear and transparent procedures for international technical assistance programs, including the cross-border cooperation, to specify them in individual projects and to ensure mandatory participation of the Ukrainian recipients in training for technical project tasks.
- 2) develop and implement an effective, transparent project management, monitoring and evaluation of cross-border projects, principles of transparency and accountability for public participation at all stages of a project. For this purpose it is expedient to involve collaboration with leading scientific authorities, institutions, NGOs and experts of the Joint Technical Secretariat of the EU cross-border cooperation.
- 3) provide organizational and financial support to participants in international projects implemented within the EU cooperation programs with neighboring countries. This should transfer powers to local authorities for a competitive selection of projects of international cooperation and for an action about additional financing within the allocated quota from the state budget or by relevant articles of local spending. The introduction of such a funding mechanism is subject to the state budget formation “from below the mountain” and the transfer of authority from the formation of local-budget communities that provide them a financial autonomy in the implementation of joint international projects, including the cross-border ones.
- 4) Regional governments and local authorities to actively support the economic interregional and cross-border cooperation and to provide advice to economic enterprises regarding the search for partners across the border, as support business promotes the economic development of the region and increases revenues to local budgets. This solves the problem of limited financial resources and allows you to provide the required entry of funding for cross-border projects (10% of project budget).

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<sup>21</sup> *Mechanisms and instruments of taking advantage cross-border cooperation in the increase of competitiveness of western regions of Ukraine*. Analytical lecture. Lviv 2011. Electronic resource: [http://www.niss.gov.ua/content/articles/files/dop\\_Lvyv-c4a98.pdf](http://www.niss.gov.ua/content/articles/files/dop_Lvyv-c4a98.pdf).

- 5) provide a mechanism for preferential target loans (low interest rate) for the Ukrainian beneficiaries of the cross-border EU programs to allow them to finance the required 10% of project budget.

The evidence of economic security and competitiveness of the region is an economic growth and level of living. This is manifested through the optimization of industries and economic activities, their level of innovation, efficiency of production, export potential, investments, employment, income, social status and environmental safety. Most of these characteristics are improved in the regions of Ukraine through the use of the benefits of the participation in the projects of interregional and transborder cooperation. In particular, the activities funded by the European Commission provide better quality of life and competitiveness of the border area promoting economic and social development and environmental improvements and creating a more competitive cross-border economy.

Thus, some cross-border economic projects, business entities in Ukraine and Poland and other countries provide joint activities for the market research and production and sales, including the EU countries and allow the increase and by importing technology – the efficiency of production and foreign trade.

Another segment of the entity, which involved most of the population of border regions, is a cross-border trade. The implementation of the cross-border cooperation projects financed by EU funds, provides training activities with training and employment for citizens of Ukraine, increasing employment and income. Significant amounts of financial resources have been allocated with the EU for the implementation of infrastructure projects in the region, energy efficiency, social and environmental measures.

The enhanced participation of the regions of Ukraine in the projects of interregional cooperation allows asymmetry in regional development and combines socio-economic potential and competitive advantages of boundary location of some regions of Ukraine to strengthen their international competitiveness, improve the structure of exports and imports, lower foreign technological dependence, increase scientific capacity of scientific and technical potential in industries and sectors reducing the spatial and structural imbalances in the economy.

Thus, increasing the need for an updated system study and resolving the problems increase the competitiveness of Ukraine's Western regions by taking advantage of the interregional and transborder cooperation in the economic sphere, aimed at initiating and implementing projects that include joint ventures, industrial and trade associations, efficiency of resource support and strengthen the competitive advantages of the basic factor of economic activities (primarily through the introduction of efficient management technologies by domestic enterprises promoting a balanced spatial and territorial development, the formation of a rational space- a sectoral structure of regional economy, capable to adequately respond to external challenges and processes of global economic integration. Particularly the expansion considered in terms of geographically located vs. cross-border cooperation and involvement in it not only Western but also because of investment in other regions of Ukraine due to the interregional cooperation in this field.

Thus, a regional policy should include not only the priorities of interregional cooperation in the region, but also planing and development of industries and sectors with regard to their international competitiveness. If the basis for successful implementation of sectoral integration models is a competitive industry that will use modern forms of cooperation (or a cluster technology park), then for the structural integration of essential complementarity, along with competitiveness, is the structure of socio-economic system of regions of different countries. In order to ensure effective institutional integration of the considered models regional programs for each area of international cooperation should be developed and implemented determining the competitive field as a basis for interregional and international sectoral cooperation, ways to strengthen the position in the region of non-competitive industries on the basis of cooperation as domestic and foreign partners; a scheme complementarity of economic structures of local areas and regions of the EU.

It must be noted that the formation of the main directions of interregional and cross-border cooperation should be based focusing on industrial enterprises and the advantages of each region should be taken into account to determine where significant value is the “knowledge resource”. The basis of international cooperation should be shared amid innovative projects developed with the support of scientific potential of the donor and innovations needed by industrial recipients.

Therefore, the main criteria of economic competitiveness of the Western regions of Ukraine in the context of the benefit gained from interregional and transfrontier cooperation include<sup>22</sup>:

- the creation of innovative cross-border clusters and industrial zones, trade and logistics centers, establishment of joint (with foreign partners) projects with the formation of territorial and sectoral industrial production systems to enhance enterprise competitiveness, the efficiency of local production;
- attraction of investment and financial resources for infrastructure development in the region, increase efficiency and improve the economic environment;
- increasing the share of innovative projects within the cooperation programs;
- development of transport and border infrastructure;
- increased business and public activity, increased income and quality of life (due to participation in joint projects), increased employment and investment in disposable population per capita ;
- improving institutional support for cross-border and interregional cooperation, the development of modern European machinery of local government on the principles of monopolization of economy and the improvement of the competitive environment.

The current EU regional policy focuses on the economic security of countries and on finding new forms of the cross-border cooperation to improve cooperation and formation

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<sup>22</sup> *Mechanisms and instruments of taking advantage of cross-border cooperation in the increase of competitiveness of Western regions of Ukraine*. Analytical lecture. Lviv 2011. Electronic resource: [http://www.niss.gov.ua/content/articles/files/dop\\_Lvyv-c4a98.pdf](http://www.niss.gov.ua/content/articles/files/dop_Lvyv-c4a98.pdf).

of large-scale integrated space. Thus, the European borders started to operate “European grouping of territorial cooperation”, “Cross-border partnerships,” “Cross-border clusters”, “Cross-border industrial zone”, “Cross-border innovation projects”, “Cross-border regions knowledge” and others. They are those “poles of growth” in the peripheral border regions that confidently compete with the central, regional and metropolitan centres. The main purpose of the above mentioned new forms – to accelerate economic growth by combining the efforts of participants, providing competitive advantages to cross-border regions. From all these organizational forms of the cross-border cooperation in Ukraine, there is only experience of “Cross-border clusters” and “Cross-border industrial zones”. Their further development and improvement of functioning, particularly in the Western regions of Ukraine, will foster economic activity and stimulate economic growth that will positively affect the socio-economic development and competitiveness capacity of the border regions of Ukraine and the EU. This type of problems sets new requirements for determining an active role of the state policy to stimulate the creation of innovation and investment in cross-border clusters and industrial zones in the Western regions of Ukraine.

Thus, it is possible to draw conclusions that the feature of economic security of frontier regions is a maximal closeness of resources and results with regard to the population of two and more states. Therefore, successful economic transformations in each such territory will help the increase of economy of the country as a whole.

Regarding the cooperation of cross-border territories of Poland and Ukraine a transfrontal collaboration is effectively adjusted by the important element of providing the economic security not only to these two states, but also to the EU as a whole.

From the point of view of Poland and the EU it is necessary to work out mechanisms for an effective management of the borders. Nevertheless, it will be a serious obstacle on the way of the development of trade-oriented partner relations, because such good-neighborliness must not only be concentrated on the questions of the safety. Its impact must go out far outside this area and to have in turn a socio-economic value, both at the national as well as at the regional level, bearing in mind that<sup>23</sup>:

- potential partners and investors do not wish to cooperate with the individual and legal entities from the depressed territories due to the fear of exposing their own business to high risks, but, on the other hand, high security of economic strength helps to adjust external economic business contacts;
- regions of Ukraine that border with members of the EU, unlike other frontier regions, were brought over to carry out projects due to money of the EU, including cross-border cooperation within the framework of the implementation of the programs of the cross-border cooperation of the European instrument of neighborhood and partnership of 2007-2013. It is therefore necessary to effectively use the given

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<sup>23</sup> J. Andreasik, B. Kawałko, E. Kawecka-Wyrzykowska, J. Szlachta, *Perspektywy przygranicznej współpracy polsko-ukraińskiej w świetle członkostwa Polski w Unii Europejskiej*, WSZiA w Zamościu, Zamość 200, s. 56.

possibilities, that will be conducive to the increase of economic security of the regions and also to strengthening the cross-border cooperation.

Basic instruments of ensuring the economic security in the conditions of cross-border cooperation must be:

- the improvement of the normatively-legal ensuring;
- removal of political and administrative barriers;
- creation of economic, social and cultural infrastructure with the formation of general organs, managing subjects, associations, business-incubators, innovative-investment funds;
- the development and acceptance of a Strategy of ensuring the economic security of cross-border territories ;
- effective cooperation within the framework of the cross-border programs of the EU.

Carrying out similar events will substantially contribute to the further development of cross-border cooperation, strengthening of economic security of cross-border territories and creation of necessary socio-economic and organizational terms for the achievement of a complex and steady development of cross-border regions under the European integration of Ukraine.

Therefore today an extraordinarily important issue is to ensure the economic security for Ukraine and its regions, considered as one of the major national priorities which requires increased attention of representatives of national structures, public and political movements, scientists and wide attendance of citizens. Providing the stable economic security is the overarching goal to ensure a guarantee of the independence of Ukraine by creating conditions for country's steady development and increase of well-being of its citizens.

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## CZYNNIKI CHARAKTERYZUJĄCE BEZPIECZEŃSTWO EKONOMICZNE W REJONACH PRZYGRANICZNYCH

Globalizacja stała się nieodłącznym czynnikiem współczesnego życia, co wpływa na polityczne, ekonomiczne, społeczne i kulturalne obszary życia na różnych jego poziomach. Jest powszechnie wiadomo, że bezpieczeństwo narodowe zależy od bezpieczeństwa ekonomicznego, a w szczególności w rejonach przygranicznych. W związku z powyższym, w artykule zaprezentowano metodologiczne podejście w odniesieniu do bezpieczeństwa ekonomicznego na terytoriach przygranicznych w kontekście współpracy nadgranicznej, zagrożeń, czynników charakterystycznych oraz perspektyw ich wpływu na rozwój oraz umacnianie wzrostu ekonomicznego.

**Słowa kluczowe:** bezpieczeństwo ekonomiczne, rejony przygraniczne