CROSS-BORDER COOPERATION AND THE DEVELOPMENT OF REGION - CASE STUDY

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The primary objective of this paper was to evaluate the impact of cross-border cooperation on economic and social development of the region of Subcarpathia and Lviv District. Therefore, an identification and analysis of the factors that most significantly affect the development of cross-border cooperation were performed. The purpose of the paper was to investigate the barriers limiting the development of cooperation, and to indicate the trend of changes of regional policy, having an impact on the creation of means and methods facilitating the active attraction of direct foreign investments. In the dissertation, an attempt was made to prove the research hypothesis according to which cross-border cooperation is a factor influencing on the economic development of border areas and on increase of the standard of living of communities inhabiting them. An attempt was also made to demonstrate that the scope of cross-border cooperation and its effects depend on such factors as:

- level of advancement in the development of these areas and its diversity;
- state and development opportunities of the widely understood infrastructure to a large extent deciding about the attractiveness of these areas;
- size and structure of inflow of direct foreign investments;
- efficiency of the activity of the government and self-government authorities in the sphere of realization of the undertakings;
- level of openness of the state border dividing the cross-border areas.

In order to verify the assumed hypothesis, research was carried out on issues such as:

- identification of areas affecting the development of cross-border cooperation;
- identification of opportunities and barriers for the development of cooperation;
- formulation of the trends of changes of regional policy, affecting the creation of means and methods of active attraction of direct foreign investments.

The study was carried out in the border areas of Subcarpathian Province and Lviv District. In connection with the adopted hypotheses and the versatility of the research process, the collection of empirical material for the research was based on the use of data from primary and secondary sources. Information from primary sources was obtained by conducting a survey in all the units included in the study. It has allowed to evaluate the activity and level of advancement of cooperation, as well as to obtain data concerning the identification of barriers and limitations of this cooperation (formal and legal, institutional, infrastructural, financial, economic and environmental), preventing its development. In the research process one also used the analysis of the data from secondary sources, which are scientific publications in the year books and bulletins of Central Statistical Office and other institutions involved in data collection and processing, as well as national and international studies.
devoted to the analysis and strategy of development of Subcarpathian Province by 2020 and the joint Polish-Ukrainian strategy for cooperation development for 2005-2015. For the description of the data collected one used the descriptive statistics method, which allows the arrangement of the studied factual material to formulate rational conclusions. One also used the time-series comparisons method by which the analyses were made in a dynamic system. In order to separate and classify the objects the taxonomic procedures were used, such as linear ordering method and hierarchical cluster analysis by Ward’s method.

The paper consists of an introduction, five chapters and a conclusion. The first chapter of this work concerns reflections on the origin, essence, rationale, concepts and mechanisms of integration, and geographical forms of economic integration. In addition, it describes the essence of the regions and criteria of distinction of the region and discusses their role in cross-border cooperation. It indicates that the integration processes are of particular importance for the development of these groups of countries. Attention was also drawn to the fact that economic integration in Europe and in the world helps eliminate restrictions caused by difficulties in international trade.

In the second chapter the issues related to institutional and legal foundations of cross-border cooperation were discussed. It sets out, inter alia, the types of agreements and scope of cooperation in the Polish-Ukrainian cross-border region, the conditions of development of the regions concerned, as well as objectives, forms and instruments of cooperation. In addition, the methodological assumptions of analysis were presented, enabling the assessment of the development of cooperation. The EU territorial classification (NUTS) was presented. One indicated the role of aids in the financing of regional development, and the role of Schengen Fund in the new EU Member States.

The third chapter defines the status and prospects of development of border regions in the light of empirical research. It presents the characteristics of the geographical location and the environment, as well as socio-economic potential of Polish and Ukrainian border regions. One evaluated the level and dynamics of development of the individual fields in the border areas studied.

The fourth chapter presents the scope, the fields and forms of cooperation in the light of the conducted research. Moreover, one explained the importance of the Special Economic Zones and Clusters in the development of Polish-Ukrainian border, as well as the role of Euro regions. The analysis of the environment of Subcarpathian Province was also conducted within the socio-economic context. One also described and analysed the level
of foreign investment in the analyzed area. The dynamics of border traffic at the Polish-Ukrainian border crossings and their opportunities for development were also evaluated.

In chapter five, based on extensive research and analysis, one contained information about the region development strategy SWOT of Subcarpathian Province and Lviv District. It also presents an analysis of the survey results in Subcarpathia and Lviv District. One discussed the barriers and prospects for development of cross-border cooperation and the province in the context of the objectives of regional policy in Poland and in the context of integration with the European Union countries.

The study shows that cross-border integration processes in the study area face many barriers that restrict its development. They arise mainly from the organization of the structure of the state and local authorities, instability and unpredictability of changes in legislation, and the slow pace of restructuring of the Ukrainian economy. It can be considered that on both sides of the border, we have to deal with economically poor areas. Subcarpathian Province, in comparison with the rest of the country is one of the poorest and least developed economies, however, has a much higher level of development than Ukrainian border districts. Some barriers to Polish-Ukrainian border cooperation are of a technical nature. One of them is the small capacity of border crossings, the lack of good public transport connections (bus or rail), the poor condition of access roads to the borders or poorly developed infrastructure around them. Poor border infrastructure is a major obstacle limiting the Polish trade with Ukraine. The number of border crossings is too small to efficiently handle border traffic. The current system of trade, which is dominated by small in value, but often made purchases in the provinces along the border, results in the fact that there are very long queues on the crossings, which may discourage further purchases and cooperation. All of these factors indicate insufficient competitiveness of the region.

The positive sides of cross-border cooperation include educational outcomes promoting the development of the abilities of different entities in acquiring European funds to support local and regional initiatives, which undoubtedly improve the quality of life in these areas. As part of the EU funds, one managed to support certain projects from different areas of life, ranging from infrastructure, through environmental protection, economic development, up to the actions of very social nature, which obtained a lot of help from the fund of small euro-regional projects. It is this last group of activities which contributes most to the creation of mutual openness of local communities, promoting the building of bridges between nations. These actions allow to overcome the effects of well-trodden path of thinking about the
borderlands as a peripheral areas and about the integration only in category of the necessary economic and legal adjustments, omitting the issue of social adaptation.

As it results from the considerations within the dissertation, in the areas of Polish-Ukrainian border cooperation there is still much to be done. In order to fully intensify the benefits of it for both sides, one has to effectively alleviate still numerous barriers hindering the activities for the benefit of partnership, both in the economic, legal, and social area. Only then will it be possible to take effective measures to intensify cooperation and encourage the formation of economic and social cohesion of the Polish-Ukrainian border regions.