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# MODERN PARTICIPATING MODELS OF UKRAINIAN ENTERPRISES WITHIN THE CROSS-BORDER COOPERATION SYSTEM

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odern development of cross-border cooperation encourages businesses to seek new forms and mechanisms enabling the mobilization of productive capacity and resources to enhance their competitiveness, and the optimal mix of opportunities and resources available in cross-border areas. Today, cross-border cooperation of companies actively moving towards effective cooperation undertaken by both the old and new forms.

# Analysis of recent researches and publications

The study mentioned problems involved scientists who study the direct cross-border cooperation: N.A Mikula, Y. Makogon, I.S. Skorokhodov, N.M Ohrebchuk et al.

# Unsolved part of the problem

Most scientific papers are considered by one or several forms that characterize cross-border cooperation between enterprises, but a comprehensive study of all forms, which are implemented economic relations that arise between entities on both sides of the border, not made.

*The purpose* of the article serves to systematize patterns of cooperation that arise between companies involved in cross-border cooperation.

## The main material

Cross-border cooperation of enterprises should be considered in the light of structural economic models participating enterprises in international economic relations, group composition which essentially is a set of possible forms of cross-border cooperation of distributed according to the sphere of economic interests and the main goal of the company(Pic. 1.).

Consider each of the models separately and give the main characteristics of the forms of cooperation that includes them.

The predominant model of cross-border cooperation for most Ukrainian companies is foreign, which is the exercise of export-import operations. Areas and volume of import-export operations differ significantly from partner to partner. In addition, they have changed over time. Thus, for small businesses and to households, especially in the early business development, cross-border cooperation is often limited to one transaction or recurrent operations that are not accompanied by even verbal agreements. Such forms of cross-border cooperation were common in

Заєць М.А., Кравченко Є.В. Сучасні моделі участі українських підприємств в системі транскордонної співпраці

В статті розглянуті, проаналізовані й систематизовані основні моделі участі українських підприємств в транскордонному співробітництві, наведені приклади з їх практичного використання.

*Ключові слова:* моделі участі, транскордонне співробітництво, українські підприємства.

Заец Н.А., Кравченко Е.В. Современные модели участия украинских предприятий в системе трансграничного сотрудничества.

В статье рассмотрены, проанализированы и систематизированы основные модели участия украинских предприятий в трансграничном сотрудничестве, приведены примеры их практического использования.

*Ключевые слова:* модели участия, трансграничное сотрудничество, украинские предприятия.

M. Zaec, I. Kravchenko. Modern participating models of Ukrainian enterprises within the cross-border cooperation system.

The article highlights, analyses and systemizes the major participating models of Ukrainian enterprises in cross-border cooperation. The examples of their practical usage are also provided.

*Keywords:* participating models, cross-border cooperation, Ukrainian enterprises.

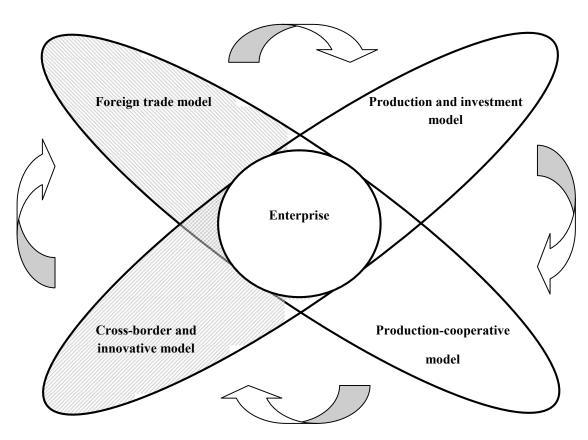
the 1990s, when much of the Ukrainian people had to engage in business activities in order to ensure the necessary income to meet their own needs.

Using the opportunity provided by open borders, entrepreneurs focused on the markets of neighboring countries to sell their products or purchase of goods for trading activities in Ukraine. Over time, some entrepreneurs have chosen some partners to cooperate and agree on the necessary scope and range of foreign operations and the conditions for their implementation.

Given the need for a high-tech manufacturing to create export potential and a competitive national

economy plays an important role investment policy. Current national investment policy should take into account the benefits of cross-border cooperation in terms of their production and investment model. Production and investment model has significant economic advantages over a conventional foreign trade cooperation.

Production and investment model is typically represented by investment in foreign direct investment to be eligible subject to product control and / or joint ventures.



Pic. 1. Models participating companies in cross-border cooperation

Today, in the Volyn region recorded more than 200 joint ventures, 54% of them are enterprises established with Polish businessmen. 53 of them are Ukrainian-Belarusian. As an example of effective cooperation activities should result in a joint venture LLC «Modern-Expo» (the production and sales of commercial equipment and machinery), Ltd. «Arkus-ROMETTE» (production bikes) Ltd. «Ahrofrukt» (wholesale trade) [9].

In 2012, «Naftogaz Ukraine» and the Romanian Rompetrol Group agreed to establish a joint venture for the development networks of auto gas stations in Ukraine. Company plans to open 700 gas stations, which will be sold to the Romanian fuel quality standards «Euro-5» and «Euro 6» and Ukrainian energy [3].

Today in Ukraine registered 248 Ukrainian-Slovak enterprises (136 are common). In the border regions of Slovakia's main operating office of Open Joint Stock Company «Ukrainian Danube shipping» and JSC Representation «UkrTransNafta.» Ltd. joint venture "KHEMOSVIT-LUTS'KKHIM" (Lutsk) is a subsidiary of Slovak company «Chemosvit as» (production of plastic products, 4 plants in the Volyn region). New impetus to the development of crossborder cooperation between Ukraine and the countries of the Visegrad can provide the implementation of the Neighbourhood Programmes of the European Union that offer new solutions to contemporary problems that exist at the external borders of the European Union and, therefore, promote cooperation, good neighborliness and security along the external borders of the European Union. [5, 6].

An important role for the development of crossborder cooperation of the supply of products to play co-operatives, which are the basis of production and cooperative model that complements the investment level of cross-border cooperation between business complex industrial and technological, financial, economic, organizational, administrative and other relations and creates one process manufacturing facilities (products) to meet social and individual needs.

Production model of cooperative participation of Ukrainian companies in cross-border co-both contractual and integration-structural methods of cooperation

Contractual manner. In cooperative deliveries attended by over 300 companies from the border regions of Ukraine and the Russian Federation. Shipments in 2007 were carried out in 1250 by the positions of Ukraine and the Russian Federation to 1780 positions of the Russian Federation in Ukraine. In cooperative relations mainly involved machine building, military-industrial complex, aircraft, chemicals, steel, and manufacturing. About 90% of mutual cooperation in the supply falls on the industrialized eastern border regions of Ukraine.

Cross-border cooperation between Donetsk and Rostov region generates direct economic, trade, scientific, technical, cultural and other ties. This is confirmed in the economic relations between JSC «Donetskgormash» with production and supplying parts and mining equipment at JSC «Rostov Coal Company.» JSC «Snizhnyanskhimmash» performed by supplying equipment orders for the company «Neftespetskonstruktsiya» (Novocherkassk), JSC «Nord» sells refrigerators and freezers through the trading company, located in Kamensk-Shahtinsky Rostov region. Simultaneously JSC «Starokramatorsk Machine Works» set equipment for JSC «Taganrog Metallurgical Plant», JSC «Slavyanskbetonmash» -«Mashprom» (Novocherkassk) and «Rostovavtomost» (Rostov-on-Don). State Enterprise «Mariupol sea trading port» successfully cooperates with the coal industry Rostov region and JSC «Plant insulators Slave» - from power plants in the Rostov region and other regions of Russia. [2]

Co-operation between enterprises of the border regions of Ukraine and Belarus peculiar one-sided, which mainly consists of the collection at Ukrainian enterprises of machinery, vehicles and equipment from Belarus components. To some extent, as a result, reduced the share of imports of machinery and technical products in Ukraine and declining revenues from customs duties. There are no significant projects in the field of scientific and technical cooperation, technology transfer and innovation. Not fully utilized the benefits of transit Ukraine on Belarusian goods transport by rail, road, river and sea transport [7].

A great example of the integration and structural way of cross-border cooperation can serve as a holding company. Owners of the collective enterprise in Lutsk, established in 1989, initially engaged in cross-border trade with Poland, but later decided to

further business development it is necessary to make your own production. In 2005, the company was engaged in two major categories: production and sale of bakery and bakery equipment dealership supplies for other businesses. One of his partners is a Polish cross-border private company «Rempek» which produces bakery equipment. On the basis of this production created holding company, which included hotel and construction business, trade vehicles, production of nonwoven materials for the production of linoleum on the Ukrainian-Slovak joint venture in Kalush, Ivano-Frankivsk region. In turn, damp ¬ guilt Holding receives from Belarus. One of the pending cross-border projects is the construction of the holding in Lutsk processing plant waste lubricants. The project is not completed due to bankruptcy of the Polish partner. The degree of completion of the property is 80%. Owners holding seek a foreign partner in the production of biofuels. However, foreign investors are deterred by administrative barriers in the documents, a large number of permissions problems crossing etc [8].

At the present stage of development of crossborder cooperation, in addition to foreign trade, production and investment and production cooperational relations, the competitiveness of the national economy affects the level of innovation activity of enterprises. Application enterprises innovative forms of cross border cooperation converts peripheral regions with relatively backward economies in regions highly secured technology in various areas of industrial production

Cross-border and innovation model of Ukrainian enterprises are overwhelmingly represented by cluster form of doing business. (Table 1)

The data in Table 1.2 shows that much more under the cluster approach developed cooperation between the regions of the country, especially the western and southern regions. Thus, Khmelnytsky, Lutsk, Ivano-Frankivsk and Chernivtsi regions created several clusters that are actively developing in the production of building materials and construction, field of clothing production, designing clothes and design, tourism and building its infrastructure. In the area of data fields among companies belonging to clusters are manufacturing, scientific research, health and healing others. Regional cluster structures exist in other regions of Ukraine: Cherkasy, Kyiv and Zaporizhia oblasts and Crimea. Clusters are located in these areas operate in communicative, informative, cultural, tourism, innovation and environmental spheres. Among the cross-border clusters created in Ukraine, you can select a cluster in the field of design and construction, and tourism cluster that are located in Kharkiv and Belgorod (Russia) regions [1].

Equally important innovative form of transborder cooperation enterprise's cross-border industrial parks. In the Donetsk region plans to create the industrial and scientific areas «Donbass tehnokray», which involves the integration of three systems - education, science and industry. That is, it is an area of economic activity of enterprises, research centers and other

organizations that will operate on the basis of scientific and technological research and will have extensive contacts at regional and international levels.

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The basis for the development of industrial and scientific areas «Donbass tehnokray» may be a creation of small enterprises producing energy-saving LED lamps at the Donetsk National Academy of Civil Engineering and Architecture, JSC «Granite». At the first stage of creating the industrial and scientific areas, the main areas is the development of a series of electronic, energy saving technology, power - and lighting, as well as alternative sources of electricity, including solar cells [2].

Table 1. Cross-border and regional clusters in Ukraine

Name, date of creation	Location	The direction of activity
Tourism Cluster, 2008	Kharkov and Belgorod region (Euroregion «Sloboda», 2003)	Rural tourism and visiting tourist spots of historical culture
Building Cluster, 2007		Cooperation in the field of design and construction
Building Cluster, 2000-2001 pp.	Khmelnytsky region	Cooperation in the field of building materials and construction
«Sewing cluster»2000-2001,		Cooperation in the field of clothing production, including designing clothes and Design
«Tourism cluster» Kamenetz, 2000- 2001	Khmelnytsky, Lutsk,Ivano- Frankivsk, Chernivtsi	Collaboration for the development of tourist march tours, infrastructure construction
Mega cluster structure «Network regions winners of the competition» Seven Wonders of Ukraine	Chernivtsi, Cherkasy, Kyiv, Zaporizhia regions and Crimea	Implementation of joint communicative, informative, cultural, sightseeing, tourist activities
Innovation Cluster «Intelligence Resource», 2005	Sevastopol Crimea	Cooperation in the field of innovation
Environmental Cluster «Vtorma cluster», 2005 and «Health», 2008, «Ekoenerho», 2008		Working in the environmental field, the field of population health improvement and conservation of solar energy

As part of the industrial and research areas are proposed innovative investment project «International Building Don Park - Donbass - Dnepr». The concept of this mega-project involves the development of a coherent strategy for the Rostov area, Donetsk, Luhansk and Dnipropetrovsk regions, primarily for the implementation of transnational projects of international transport corridors «East - West» and «Silk Road». In turn, this requires a coordinated construction and reconstruction of transport infrastructure above areas, such as rehabilitation and expansion railway lines and highways combination of Rostov-on-Don - Donetsk - Dnepropetrovsk, construction of modern airports in these cities, and the creation of international vehicle «dry» port, which includes the International airport «Donetsk», railway junction station Yasynuvata and international highway «East - West». This «dry» port is required for international transport corridors «Europe – Asia».

Most infrastructure projects, which will need to build in the above construction of the park, require considerable use of metal and metal in general, which in turn will be satisfied with the mining and metallurgical complex in Donetsk, Dnepropetrovsk, Lugansk, Zaporozhye and Rostov regions. The interest of international and European investors will be provided through the use of unified European standards ("Eurocodes") in carrying out all work within the megaproject.

The best example of cross-border partnerships in the world of experience which can be used at the base in Ukraine, is a network of partnerships under the EURES (European Employment Service). In today's world operates 22 cross-border partnerships in Europe with more than 13 countries. Their aim is to meet the information needs and provision of cross-border labor mobility in the region. All partnerships bring together employment services and training, employers' organizations and trade unions, local authorities and other agencies dealing with employment and training. They are an important means of monitoring the cross-border employment in the labor market, which are key elements of the European labor market [4]

## Conclusions

Therefore, to determine the nature and forms of transboundary co-operation of enterprises, it is

necessary to consider four basic models of implementation entities transboundary cooperation: foreign trade, production and investment, production and cross-border cooperation and innovation.

Submission forms of cross-border cooperation using their organizing model of enterprises participating in international economic relations, allows you to understand the nature of these forms and scope of assignment more fully.

With the development of the European integration process and the processes of internationalization are becoming increasingly important and innovative new forms of cross-border cooperation, including cross-border clusters, cross-border industrial zones and parks, cross-border partnership, the European grouping of territorial cooperation and union Euroregional cooperation.

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