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DEVELOPMENT OF CROSS-BORDER COOPERATION IN THE DANUBE REGION IN THE CONTEXT OF THE EUROPEAN INTEGRATION PROCESS

It is presented how European integration provides new opportunities for Ukraine and its regions. At the same time, the integration of Ukraine into the European economic space requires the elaboration of its own competitive strategy for each of the cross-border regions, ensuring the formation of appropriate public ideology of their competitiveness.

Key words: *cross-border cooperation, European integration, the Danube region.*

The enlargement of the European Union in the context of the transformation of structural priorities and the globalization of the world economy necessitates the search for approaches to adapting cross-border regions to new challenges, especially in terms of increasing their competitiveness.

With the change of the vector of economic integration of European states in the foreign policy of Ukraine there have been significant changes that require the development of economic strategy in the regional aspect. As a country bordering the European Union, Ukraine has both prospects and responsibilities for the development of cross-border relations in order to fulfil the tasks, which are set by the EU-Ukraine Partnership and Cooperation Agreement, which allows for the intensification of economic growth in border regions.

Under the conditions of global threats, the factors of economic security are not so much the dynamics of production and the availability of natural resources, as the territorial concentration of economic activity, which corresponds to global challenges.

The competitiveness of the territory should be understood as its ability to achieve productivity growth and effectively use all types of capital (natural, industrial, financial, human) to enter the global market, becoming a catalyst in the system of commodity, financial and scientific and technological exchanges. Today, the world order is defined around the great poles of power.

The European Union, with its growing economic importance, is becoming a pole that requires the development and implementation of a model of relations between peripheral regions of different countries, which would meet the principles of regional policy of the EU, contributed to new forms of cooperation in the «region – region». Exacerbation of global instability at the beginning of the XXI century. calls for the development of new forms of

cross-border cooperation alongside Euroregions: cross-border clusters, cross-border industrial zones, cross-border partnerships, cross-border innovation projects, etc.

For Ukraine, European integration is still seen as a long-term goal, for the realization of which it is necessary to achieve real success in socio-economic development and the creation of a competitive economy. And for this it is necessary, first of all, to transform the sectoral structural priorities of the economy. With the intensification of globalization, Ukraine, as a participant in the international division of labour, is involved in sectoral structural and technological changes, which take place in the world economy. The ideas of the Washington Consensus, which defined qualitative transformations in the post-Soviet countries, are related to the globalization of the world economy, primarily through the liberalization of foreign economic relations and the strengthening of the processes of openness of economies.

The relevance of this research lies in the fact that the cross-border cooperation places an important role in improving the competitiveness of peripheral border regions, reducing spatial differentiation between border and inland subregions, on the one hand, and weak development of theoretical and methodological aspects of cross-border cooperation, on the other hand. In the works of domestic scientists – O. Amosha, P. Bilenky, B. Burkinsky, A. Galchinsky, M. Voynarenko, V. Geets, V. Dergachev, V. Dubnytsky, V. Zakharchenko, V. Kravtsiv, V. Lyashenko, Yu. Makogon, N. Mikula, S. Sokolenko, S. Filippova and others, – the processes of globalization are connected with the information revolution of the 1990s, which was the result of the transition of the economy to a new technological system, the distinguishing feature of which are new structural priorities that form the vector of global structural development in light of qualitative changes, which have occurred and are considered as a kind of signal for the economy of Ukraine in choosing the optimal strategy for economic growth.

In a post-industrial society, cross-border production cooperation is an economic tool to increase the competitiveness of Euroregions in terms of scientific and technological progress and the introduction of innovative technologies of a new technological way.

It is the competitiveness of cross-border regions that is an important condition for Ukraine's integration into the global market, and Euroregions intensify their development in the context of globalization.

1. Economic condition of the Ukrainian Danube Region.

The Ukrainian Danube Region has a unique economic and geographical position, as the Danube is one of the most important transport arteries in Europe. This means that a large amount of cargo passes through the river, which must then be distributed in the Black Sea ports. It turns out that Dobrogea and Budjak, which are adjacent to both the Danube and the Black Sea, are the key to Europe. Further integration of Ukraine, Romania and Moldova into the European structure requires the development and implementation of such a model of relations between the regions of different countries, which will meet the principles of European Union regional policy, which will contribute to the formation of new forms of cooperation.

Euroregion «Lower Danube» with an area of 53 thousand square km and with population of almost 4 million persons is one of the largest and most dynamic Euroregions, in terms of their development. The agreement on the establishment, statute and regulations of «The Lower Danube Euroregion» was signed on August 14, 1998 in Galati (Romania) by the heads of the border regions: Ukraine (Odessa region), Moldova (Vulcanesti, Cahul, Cantemir districts) and Romania (counties: Braila, Galati and Tulcea). The agreement was signed in accordance with the provisions of the Protocol on Tripartite Cooperation between

the Governments of Ukraine, Moldova and Romania, signed in Izmail on July 4, 1997, and the agreements reached during the meeting of the three presidents and the European Framework Convention on Transfrontier Co-operation between communities or authorities, which was adopted in Madrid on 21.05.1980.

The participants of the Euroregion include Odessa region (Ukraine), Cahul and Cantemir districts (Moldova), Braila, Galati, Tulcea counties (Romania).

Areas of cooperation in accordance with the statute of the Euroregion are:

- 1) ecology, agriculture and spatial planning (in particular, coordination of programs for environmental protection the basin of the lower Danube, Prut, Siret and Dniester, Danube delta; Danube lakes and floodplains; development of joint programs for conservation of fishery resources of the Danube, Dniester and Prut; development and implementation of joint measures to create new and expand existing natural landscape reserves, solving problems of rational use of resources of the Danube, Dniester, Prut and Black Sea, their environmental protection; coordination of joint efforts to provide the population with quality drinking water; coordination of joint activities to protect the soil and atmosphere, coordinating programs for joint action in the event of fires, floods and other natural disasters);
- 2) economic relations and labour resources (in particular, development of joint programs on regional economic cooperation for maximum use of regional natural and labour resources of the parties; development of a single information system with databases in environmental, economic and commercial spheres, promotion of joint commercial enterprises and banks with joint capital; promoting the creation of free economic zones (free enterprise zones) with further integration into a single international free economic zone, establishment of relations of cooperation in industrial and agricultural production and processing of agricultural products; transport; in the field of trade in industrial, agricultural and food products; coordination of tariffs in the field of transit transportation of cargo. As the seaports of Odessa region and the Romanian provinces are leaders in the field of maritime transport in the Black Sea region, close cooperation and coordination between them will have a positive impact on the performance of transit container traffic; will promote the conclusion of agreements between economic agents; will stimulate the implementation of joint economic and financial activities in third markets; will expand participation in various European economic programs; optimizes the development of joint programs for the use of human resources;
- 3) tourism (cooperation in the field of leisure and recreation, development and promotion of offers in the field of tourism and tourist traffic, infrastructure development of tourism and recreation);
- 4) transport, security and telecommunications (carrying out works on the development of road, river and sea infrastructure; opening of new border crossing points and modernization of existing ones; coordination of actions of law enforcement agencies of the parties to combat organized international crime in border regions);
- 5) border population policy (development of joint employment programs, the exchange of market information of members of the European region, the development of joint programs, which protect mothers and children, and also poor people);
- 6) education, research, culture (establishing relations and links in science, research and education between single universities and institutes; establishing cultural ties and developing programs for cooperation with local specialized institutes; establishing

and developing links in health care and recreation; regional sports events; educational programs).

Cross-border cooperation within the Euroregion «The Lower Danube» is based on the principles of social partnership and concentration of resources. Most of the projects, which were implemented under this cooperation, have an environmental focus.

Projects that have operated or are still operating within the Euroregion «The Lower Danube» are as follows:

- 1) «Danube Lakes, Ukraine. Sustainable restoration and preservation of the natural state of ecosystems» (2000-2003; goal: monitoring of lakes and their water intakes, creation of appropriate technological and technical base, training of local specialists in accordance with European standards, development of practical recommendations in order to prevent environmental problems in the waters of the Danube lakes);
- 2) «Technical assistance to cross-border cooperation for the purpose of management and sustainable development of protected areas of the Euroregion «The Lower Danube»;
- 3) «Emergency Prevention and Flood Protection in the Euroregion «The Lower Danube» (2005-2006; result: opening of an information and analytical center for flood forecasting and prevention in Izmail at the end of 2006)»;
- 4) «Improving cross-border cooperation in the field of integrated water resources management in the Euroregion «The Lower Danube» (2007-2009, only this project is currently being implemented).

One of the most successful projects among the implemented ones can be considered the project in the field of business «Business infrastructure of Odessa region, Euroregion «Lower Danube» (2003-2005; result: strengthening the small and medium business sector in the Danube region in the context of cross-border cooperation, creation of agency of cross-border cooperation «Euroregion «Lower Danube» (Reni), the Agency for Regional Development of Odessa region (Odessa).

The population of the border areas of Ukraine, Romania and Moldova, once separated by border posts have historically tended to each other because of ethnic community, economic and geographical conditions of management.

2. Priorities of development of the Ukrainian Danube region.

The Euroregion «Lower Danube» should become a kind of receptor through which neighbouring countries seem to «sprout up» their border areas, which will reduce the tensions at the borders, creating a special investment climate, opening new prospects for economic prosperity and cultural cooperation.

The development of the Euroregion «Lower Danube» aims to fulfil the following tasks: achieving a harmonious and balanced development of economic activity in the border regions of our countries; solving a number of problems in the field of environmental protection; ensuring the appropriate level of employment and social protection; improving the quality of life in our regions; implementation of steps to integrate transport infrastructure between the member countries of the «Lower Danube» into a single network of European transport corridors; formation of a single cultural space in the Danube region; solving a number of problems related to the elimination of the consequences of natural disasters and man-made disasters. It is planned to open joint trade and service centres in Odesa (Ukraine) and the counties of Cahul (Moldova), Galati, Braila and Tulcea (Romania), as well as to establish an association of free trade zones on the basis of the Reni Special Economic Zone (Ukraine), free trade zones Galati (Romania) and Giurgiulesti (Moldova). The idea of the latter is to combine elements of foreign trade, tourism, recreation, export and

production zones. Its activities should be aimed at attracting cargo flows, processing of export-import and transit cargo, development of transport and communication infrastructure, intensification of industrial production and processing of agricultural raw materials, development of entrepreneurial initiative of the local population. Work is underway to open an international ferry service Izmail (Ukraine) – Tulcea (Romania), as well as to continue work on the opening of an international rail freight and passenger service Reni (Ukraine) – Giurgiulesti (Moldova) – Galati (Romania). It should be noted that these projects are considered not only local, which are important for the development of transport and communication infrastructure of the Euroregion «Lower Danube», but also as a potential element of international transport corridors (in particular, the Cretan ITC № 7 – «Danube Waterway» and transport rings of the Black Sea Economic Cooperation).

The location of the Danube region at the intersection of major international routes from Europe to Asia contributes to the development of the potential of maritime and transport complexes, which includes 3 sea trade ports (Reni, Izmail, Ust-Dunaisk), 2 shipyards, the state shipping company PJSC «Ukrainian Danube Shipping Company», 4 railway stations; locomotive depot, a number of road transport enterprises, Izmail airport. In the transport hub of the region the transfer and distribution of goods between different modes of transport is carried out. There is an international ferry «Reni – Ruse».

The economy of the Euroregion «Lower Danube», which is located at the crossroads of the most important international routes between Europe and Asia, has historically been shaped by maritime revenues, and the current prospects for this depressed region are largely determined by the potential of network structures integrated into the maritime cluster. Based on this, the transport system is one of the components of success and essential attributes of the modern state, which have put forward higher requirements for the quality, regularity and reliability of transport links, safety of cargo and safety of passenger transport, time and cost of delivery (*Regional ...*, 2002).

The transit position of the Euroregion is one of the few features of the attractiveness of the national market for foreign investors and producers, as Western European countries cannot ignore such a large (in size and population) country located at the crossroads of trade routes. The most important factor in strengthening the role of transport in the country's foreign economic activity is the cross-border nature of Ukraine: it has the longest border among European countries. Since the transport component plays an important role in the value of the product, it is naturally more profitable to establish ties with neighbours, thereby reducing transportation costs and increasing profits. In this case, Ukraine prevails due to the number of neighbouring countries. From all the above it follows that the process of integration into the European and world economy requires a highly developed transport system, it becomes the basis for effective entry of Ukraine into the world community and occupying a place in it that corresponds to the level of a highly developed state (*Zakharchenko*, 2020: 309).

The number of problems related to the improvement of the legal framework and technological support, which create a favourable regime for the flow of goods through the transport corridors of Ukraine, has acquired a fully articulated shape in recent years. Ukraine has the largest number of seaports among all the countries of the Black Sea-Azov basin – 19 sea trade, fishing and a large number of different terminals. Capacities of sea trade ports of Ukraine, transport services of the Black Sea basin, which occupy the 3rd place on the market after the Russian Federation and Romania, allow processing 163.7 million tons of cargo per year. Also, our country has the highest transit rate; however, despite this, the implementation of such advantages of transit trade is still in a rather unsatisfactory state.

The formation of the international economy in the context of globalization and on the basis of the principles of the World Trade Organization determines the tasks of national economic systems aimed at the sustainability of active balance of payments or gaining competitive advantage (*Enright, 2000*). This trend determines the parameters of production, investment process and, as a consequence, the development of maritime transport. The latter becomes the most important condition for the protection of economic interests and optimization of exports of transport services (*Flowcs-Williams, 2003*).

Among the main expected results of the creation of a maritime cluster include the strengthening of inter-firm flows of ideas and information; ensuring compliance of development strategies of individual enterprises with the joint development strategy of the coastal region and port economy of Ukraine; intensification of innovative activity in the industry; solving a number of social problems in the region; advanced training of employees of enterprises; increasing the welfare of the region and the level of competitiveness of cluster members.

Creation and development of innovative clusters in the maritime region of Ukraine has a tradition – the Black Sea Shipping Company in cooperation with shipyards, ports, research institutes and maritime universities played the role of a cluster – a manufacturer of maritime transport services.

The use of the cluster concept in the maritime sector will help to unite the efforts of individual participants in the maritime complex of Ukraine to achieve high economic results. However, participation in the cluster will coordinate venture projects to meet business needs and accelerate the commercialization of research. The use of the cluster concept in the Black Sea region will allow the most efficient use of the existing transit potential of the Euroregion, which will result in an increase in its competitiveness and economic security (*Clustering..., 2017: 85*).

Re-profiling, diversification and concentration of production in high-tech industries on the basis of their clustering is a systemic aspect of increasing the competitiveness and investment attractiveness of domestic enterprises. Study and analysis of advanced world experience in the formation and development of clusters will successfully realize the tasks of the Strategy of innovative development of Ukraine till 2030 under the conditions of global challenges, will attract investment to modernize the industry, will develop a national innovation system. The creation of a system of innovation clusters, which provides for an intensive exchange of resources, technologies and know-how, achieved by the strengthening of competitive positions of domestic enterprises in the European market and the growth of innovation potential of the national economy. One of the modern concepts of increasing the competitiveness of the national economy is the cluster concept, which is based on state incentives for the creation and development of clusters in the Euroregion (*Mikula, 2011: 23*). And Krylov Yu. points to the search for specific purely Ukrainian directions of development of cluster systems, based on the experience of creating and operating a transport and tourism cluster «Southern Gate of Ukraine» (*Kirilov, 2013*). Foreign experience shows the effectiveness of cluster policy and its positive impact on the level of economic competitiveness.

Integration processes in the world create preconditions for the formation of international clusters in cross-border countries in order to increase the international competitiveness of Ukrainian producers (*Kirilov, 2013*). Particular attention should be paid to the formation of an innovative model of cross-border cooperation, which involves concentrating the resources of border regions on basic and applied research aimed at

developing their scientific, technological and production potential, as well as use program-targeted approach to innovative development projects.

Levchenko A. and Tsarenko I. focus on the study of two types of factors underlying the development of clusters – evolutionary and constructive (*Levchenko, 2017: 73*), and move on to the analysis of domestic, starting with «Podillya First» (*Levchenko, 2017: 75*).

One of the reasons for the financial and economic crisis of the maritime industry is the lack of deep-water navigation Danube – Black Sea in the Ukrainian part of the Danube Delta, which leads to the need to pay annually by domestic ship-owners about \$ 1 million for passing through Romanian canals and has a negative impact on the work of the ports of Ust-Dunaisk, Izmail and Reni, Izmail Shipbuilding and Kiliya Shipyards. The state of road transport infrastructure, the mode of operation of the highway Odessa – Reni near the village Palanka and technologies of border customs processing of goods and passenger service when crossing the border with Moldova necessitate the construction of a road in a new direction.

The Lower Danube Euroregion Investment Program envisages the following:

- development of strategies for joint development of cities and villages of the region in the framework of cross-border cooperation;
- improvement of the investment climate (harmonization of legislation, provision of tax benefits, removal of customs barriers, legalization of income);
- creation of enterprises with foreign capital;
- creation of business centres and information centres on cross-border cooperation;
- creation of an international free enterprise zone;
- organization of an international universal exchange;
- transport and infrastructure development;
- development of relations in the field of education, science and culture;
- carrying out joint marketing research;
- organization of economic missions, exhibitions, fairs, exchanges;
- environmental monitoring.

Attracting foreign investment in the economy of the Danube region and creating equal conditions for domestic capital would help to solve the following problems:

1. Renewal of the technological base of enterprises in the region, modernization of existing idle industries and re-profiling of idle industries.
2. Development of transport networks, ports and creation of new shipping lines.
3. Expansion and diversification of export potential and development of import-substituting industries in certain industries.
4. The creation of new jobs.
5. Mastering the advanced forms of organization of production and the experience of civilized relations in the field of entrepreneurship.
6. Promotion of domestic goods and technologies on European markets.

Additional tasks:

- increasing the importance of the Danube region in the development of the International Transport Corridor № 7, overcoming its transport and communication isolation. International transport corridors are an extremely complex technological system that concentrates on the general directions of public transport (rail, road, sea, pipeline) and telecommunications (*Derkachov, 2009: 271*);
- creation of conditions for increasing employment;
- achievement of stability of energy and water supply;

- improvement of the environmental situation and improving the environmental security of the region;
- development of life support infrastructure of the population, world economic and transport complexes, enterprises of industrial and agricultural production, tourist and recreational sphere.

The main directions of the program:

- development of maritime and transport complexes;
- ensuring the safety of navigation on the Danube River;
- construction of the deep-water navigable canal Danube – Black Sea;
- creation of new navigable lines, including ferry crossings;
- modernization of the production structure of seaports;
- use, in agreement with Moldova, of the railway line in the direction of the Rhine Sea Commercial Port;
- construction of a bypass section of the Odessa – Reni road and a bridge across the Dniester estuary;
- development of cross-border cooperation;
- development and coordination at the interstate level of the procedure for simplified crossing of the Ukrainian-Romanian state border by citizens of Ukraine living on the territory of the Lower Danube Euroregion;
- demarcation of the state border between Ukraine and Moldova;
- increasing the number of checkpoints on the Ukrainian-Moldovan section of the state border and ensuring their appropriate equipment;
- promotion of the development of cross-border trade within the Lower Danube Euroregion.

After Romania's entry to the European Union, all major cargo flows automatically pass through its territory, as after a smooth voyage through united Europe, no one will go through unnecessary customs. Thus, the restoration of the Danube port economy will begin with Ukraine's accession to the EU. The transport sector is, of course, the leading one in the Danube region and provides the lion's share of revenues to local budgets. But most jobs are created in agriculture. More precisely, it could be created, because the agricultural sector of the region is in decline and many peasants are more likely to be employed than actually work. The situation in agriculture is largely due to the transport isolation of the region. Under such conditions, a small producer may not always have access to markets. The remoteness from the main economic centers of the country and even from Odessa increases depression in the Danube region. New industries focused on the European consumer – ecological agriculture and ecological «green tourism» could become a lifeline for the Danube region.

Regional investment programs must be comprehensive. In limited unity with the focus on the development of individual industries and small businesses, the program should provide for the improvement of roads, telecommunications, which largely determines the investment attractiveness of the region for investment. Programs should include the development of social infrastructure in order to increase the competitiveness of the population in the labor market.

An important function of regional innovation policy is to support small business in science and technology. It is necessary to create business centers and research laboratories that would conduct research in the field of economics and finance, law, tourism, psychology, culture of the Danube region.

The regional government should not only have the right to sovereign decisions, but it should also have the necessary material resources. Today, the issues of inter-budgetary relations, lack of funds for the implementation of educational programs, book publishing, culture, sports, etc. are acute in this area. However, only budget sources are not able to cover all available needs. Therefore, the main mechanism of innovative development of territories, cities, villages should be private-public partnership: exhibition and fair activities, free economic zones, project financing, venture and investment funds.

Interregional cooperation is of great importance, including in the field of education and science. It must be acknowledged that economic potential is increasingly shifting towards economically powerful administrative centers. An important factor in regional development is the movement of investment horizontally. It is necessary to expand wider and more intensively the stable relations between the universities of Romania, Bulgaria, Moldova and to conclude new agreements with universities both in Ukraine itself and in the neighboring countries. It is necessary to adopt and implement the innovative experience of border states and create a favorable investment climate and conditions for interest in the Danube region.

The goals and strategic priorities of the concept of spatial development of the Euroregion «Lower Danube» are as follows:

1. Development of economic potential: stimulation of the creation of joint ventures, joint economic projects and cooperation systems; development of innovations and promotion of their dissemination; development of tourism, implementation of joint programs of its development; implementation of marketing campaigns at the regional level in order to attract capital; development of the transport network, roads that cross the border; development of railways and railway services; development of border crossing infrastructure.
2. Human resources development: implementation of programs for cooperation in education and training; development of cultural, artistic and sports cooperation; training in territorial and economic development, promoting the exchange of practical experience.
3. Institutional development: promoting institutional cooperation, improving the exchange and dissemination of information, creating a common information network.
4. Protection of nature, environment: joint efforts to preserve the nature of border regions (flood protection, garbage disposal, sewage treatment, etc.); preservation of natural values of border areas, protection of natural ecosystem.

The goals of the development of the Danube region are to improve the key conditions for regional cooperation in the field of sustainable development, promote innovation, protect the environment, support territorial, economic and social integration, ensure stability and competitiveness of the region, develop cross-border business cooperation.

Priority areas of the cross-border development strategy:

- ensuring efficiency, energy and resource saving in the field of management;
- increasing the innovative level of the economy;
- formation of a system for ensuring product quality standards;
- formation of branching of the market institutional and organizational infrastructure of the economy;
- creating conditions for business development;
- development of business border infrastructure and cooperation between local and regional communities of neighboring countries;

- deepening of the economic cross-border integration of economic entities of European countries and regions;
- formation and development of cross-border information and communication and transport network;
- development of tourism and resort and recreational sphere;
- equalization of territorial disparities (*Sokolenko, 2004: 172-173*).

One of the resources of such development of border regions are free economic development zones, which are export-production zones with a preferential business regime due to the use of cheap labor, energy and low transport costs in border areas. These zones include industrial enterprises (light industry, automotive, electrical and electronic equipment) engaged in the production of goods and services for export on the basis of processing of foreign materials entering the reverse import mode. The bulk of these enterprises is limited to a 20-kilometer strip along the border, which stimulates the development of twin cities and allows to take serious steps in the development of border social and economic infrastructure; it is necessary to create centers for adaptation of migrants, new jobs, cooperation in the field of education (creation of training centers, student exchange, joint study programs, mutual recognition of diplomas), etc. The economic component of cross-border cooperation are projects between border regions, which are designed to maximize cross-border cooperation for local development and the organization of a continuous flow of tourists in the border areas of neighboring countries; construction of a highway between the border regions of neighboring countries to strengthen regional trade and integration.

Thus, attention should be paid to increasing the economic efficiency of cross-border associations, in particular Euroregions, in the direction of using cluster initiatives as successful coordinating structures. In our opinion, it is expedient to use the European experience in increasing the competitiveness of the border regions of Ukraine at the expense of cross-border clusters. This will strengthen the institutional capacity of Euroregions, will help organize education and training of highly qualified personnel in the field of cross-border cooperation, and, ultimately, will provide networking and synergy effects in the economic sphere with the participation of border regions of Ukraine.

The formation of cross-border clusters will help increase the competitiveness of the economy of the Euroregion «Lower Danube» through the development of entrepreneurship and employment; organization of new businesses within clusters, including through the implementation of cooperation in science and education. International clusters will ensure the growth of exports to our countries through the implementation of joint marketing programs and sales of innovative products to third countries; intensify innovation and investment activities as a result of joint investment projects of clusters within the framework of public-private partnership, attraction of foreign investments; intensify business activity in the Danube region through the implementation of cross-border cluster cooperation programs.

The use of the cluster model in cross-border cooperation allows to increase the competitiveness and investment attractiveness of cross-border regions, which are usually geographically distant from the centers of business activity and are characterized by a significant degree of depression. The cross-border cluster unites into a single integrated production complex of enterprises of several states around the enterprise-innovator, which generates modern technologies, new knowledge, information, capital, infrastructure.

The formation of a cluster within the Euroregion «Lower Danube» ensures the implementation of venture projects based on forecasting the demand for innovative products, the transfer of new technologies, the implementation of which increases the level of economic security, gives a social effect.

The entry into force on 01.09.2017 of the Association Agreement between the European Union, the European Atomic Energy Community and their Member States on the one hand and Ukraine on the other, signed in Brussels, adds optimism to the consideration of the issues reflected in this study. 21.03 and 27.06.2017 according to Art. 486 (2) of the agreement. The economic part of the agreement on the free trade zone has been in force for more than two years. During this time, the EU has become Ukraine's main trading partner.

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