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# EXPERT ASSESSMENT OF PROBLEMS AND PROSPECTS OF TRANSBOUNDARY COOPERATION MANAGEMENT IN THE CARPATHIAN EUROREGION

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# ЕКСПЕРТНА ОЦІНКА ПРОБЛЕМ ТА ПЕРСПЕКТИВ УПРАВЛІННЯ ТРАНСКОРДОННИМ СПІВРОБІТИЦТВОМ В КАРПАТСЬКОМУ €ВРОРЕГІОНІ

**Abstract**. The impact of cross-border cooperation in the Transcarpathian region on the border subjects of the regional economy on the basis of marketing questionnaire is investigated. Marketing and digital communications in development of cross-border processes is estimated. The main problems and innovative models of increasing efficiency in cross-border cooperation in the Carpathian Euroregion are identified.



**Аннотация**. На основі маркетингового анкетного опитування досліджено вплив транскордонного співробітництва в Закарпатській області на прикордонних суб'єктів регіональної економіки. Оцінено маркетингові та цифрові комунікації з розвитку транскордонних процесів. Виявлені основні проблеми та інноваційні моделі підвищення ефективності транскордонним співробітництвом у Карпатському Єврорегіоні.

Key words: cross-border cooperation, Carpathian Euroregion, management, marketing, market partnership. Ключові слова: транскордонне співробітництво, Карпатський Єврорегіон, менеджмент, маркетинг, ринкове партнерство.

#### 1. Introduction

The basis for the creation of a cross-border institutional framework «Carpathian Euroregion» (CE) includes the development and maintenance of effective conditions for the development of border areas, in particular in the area of international business, solving common problems for local communities, developing regional development programs, representing projects and submitting them to EU grants programs, etc. However, the results show [1, p. 7-11] that the representative office of the CE, which at first was located in the Transcarpathian region (headed by the subdivisions of the regional state administration and the regional council) and since 2008 in the Lviv region (built to the Polish experience on the basis of association of local self-government bodies), did not form a proper permanent mechanism for the development of a regional border economy on the basis of social market and principles of European integration cooperation. As a result, entrepreneurial structures, government, communities and science are developing in completely opposite directions.

Therefore, we believe that, before developing and creating Euro-regional forms of cross-border cooperation (CBC), it is necessary first of all to identify for whom they will be created, and in what way each of its future users will see its mechanism. On the basis of different judgments this will greatly help to build the system that meets the needs of all its participants. The above mentioned statements confirm the relevance of this work for conducting a scientific study regarding identifying problems and perspectives of the cross-border mechanism in the CE based on the results of expert assessment.

# 2. Actual scientific researches and target setting

Various conceptual theories of CBC formation and developlent and its main organizational form - the Euroregion - have been researched in both the foreign and Ukrainian works of scientists (with the overwhelming majority of the latter). To the foreign scientists it should be included the following: H. Tanaka [2, p. 64-76], F. Dediu [3, p. 208-211], T. Icho [4], M. Greta & J. Otto [5], I. Suli-Zakar, K. Czimre, K. Teperics [6], E. Wolanin-Jarosz [7], M. Malikowski [8, p. 84-85].

The leading Ukrainian scientists who made the most significant contribution to the researching the issues of cross-border processes on the example of the Carpathian Euroregion were: I. Artyomov [9], N. Mikula [10; 11], V. Gorbovy & G. Lytvyn [12], O. Tsitsinska [13], V. Goblik [14], M. Lendel & P Studenya [15]. and many other scholars [16].

Recently, some scholars [17] suggest using the modern form of CBC - the European grouping of territorial cooperation. They are created not primarily to address such global issues as democracy, socioeconomic development, security, as Euroregions, but mainly to solve point problems or even to solve only one particular task. However, according to C. Bila and V. Romanova [18] among the priorities of state regional policy in Ukraine should be not a change of CBC form, but providing the existing form of intergovernmental regional cooperation by specific content appropriate for the formation of an institutional platform for European integration of Ukraine.

Thus, to study the peculiarities of the proper functioning of Carpathian Euroregion mechanism is important and necessary for the effective development of the EU-Ukraine border areas. Therefore, conducting an expert survey of interested parties in these processes is caused by the time challenges. Confirmation of this is the thesis of the Minister for Foreign Affairs of Ukraine Pavlo Klimkin [19] (during a visit to Zakarpattya at the end of 2017): "You must restart the Carpathian Euroregion. It founded in the 90's, there were plenty of plans, but now actually nothing happens". The Minister believes that the future of the Euroregion is the development of small and mediumsized businesses, unique opportunities for tourism, as well as within the framework of the development of science and education.

## 3. The research objective and tasks

In the framework of this scientific research, there was set a goal to identify the main problems and innovative models for increasing the efficiency of cross-border cooperation in the Carpathian Euroregion. To achieve this goal, the following tasks need to be addressed:

- to determine the influence of CBC and its current mechanism of existence on the border subjects of the regional economy;
- to assess marketing and digital communications in CBC development by judgments of its respective users

## 4. The statment of the basic materials.

The object of marketing diagnostics are the participants of transborder cooperation in Transcarpathian region, which are geographically and geopolitically located in the center of interregional association "Carpathian Euroregion". An expert investigation was conducted by using the questionnaire method via e-mail and direct distribution of survey. The questionnaire is created in the form of semi-closed questions with direct content of investigated problem. For the reliability of conducted research two types of sample were selected: district - the division of general



population into parts, groups, differing on the basis that should affect the investigated phenomenon, and the typical one - purposefully selected the object with the most typical characteristics. In given case, in the sample are included representatives of economic sector (business entities involved in foreign economic activity (FEA)); management bodies (local authorities and district state administrations of economic departments); public sector (non-governmental institutions involved in the CBC); the scientific sector (representatives of universities with the corresponding directions of work of the departments).

For representative sample, in this marketing research participated experts of 5 executive bodies of 5 cities of region significance (i.e. 100% - Beregovo, Mukachevo, Uzhhorod, Khust and representatives of 9 executive bodies of district state administrations from 13 (i.e. 69.23% - except Volovets, Mizhhirsky, Svalyavsky and Irshava districts); 5 representatives of 8 the most active NGOs of the region focused on the CBC (which carry out the project or initiative activity - 62.5%); 3 experts of 5 scientificpedagogical institutions of the region (i.e. 60% -Mukachevo State University, Uzhhorod National University and the Zakarpattya Regional Center of Socio-Economic and Humanitarian Studies of the National Academy of Sciences of Ukraine); as well as representatives of 74 of 1497 enterprises involved in foreign economic activity (which is 5% - the sample is representative, since more than half of the registered entities either did not carry out any activity or their turnovers were low. Therefore, only the most active enterprises of the region were chosen, just as they are defined in CBC).

First of all, in order to carry out an effective research, it is necessary to identify who is an active participant of the CBC, and whether the category of respondents who are not active (or not a participant at all) should be involved in active participation in foreign economic activity with the border members of the neighboring countries.

The results of above mentioned issue showed positive answers, in particular, all experts of local authorities, district state administrations, higher educational institutions and public organizations of the region indicate that they are already active participants of CBC. With regard to business environment only 47% consider themselves participants of CBC, the rest (53%) - intend to become participants. In fact, the subjects of entrepreneurship chosen by us for all 100% are already active participants of CBC, as they carry out foreign economic activity. This follows from the definition of the Law of Ukraine "About cross border cooperation" [20], which states that legal entities and individuals can be participants in CBC if their actions are aimed at establishing and deepening relations with neighboring states (in this case, economic ones through export-import operations, foreign direct investment, etc.). The reason why 53% of business entities did not categorize their activities, as active participants in CBC is explained only by the fact that respondents surveyed are less aware of the concepts of regional border integration.

The issue of cross-border cooperation impact on professional activities has provided the opportunity to receive the following answers: expert respondents from relevant departments of local authorities and district state administrations, as well as non-government organizations and scientific institutions indicate a positive impact in the context of being able to study foreign experience of effective management of the territory through exchange programs, implementation of innovative ideas for raising the living standards of the border population in different spheres of human activity, etc.; representatives of business structures in the overwhelming majority (in particular 66%) cannot assess the impact of CBC on their professional activity, since they do not know what impact it should be. This points on the imperfect work of the organizational mechanism of CBC and especially of the territorial administration (as exactly the latter should create the appropriate conditions for the development of business entrepreneurship in the context of the European integration aspirations of the country). Others (up to 34%) see positive effects, especially by introducing a Deep and comprehensive free trade area, which has led to the simplification of some customs and administrative procedures, it has made it possible for their specialists from certain departments to simplify their work and moving their own focus on solving more important business issues.

Particular interesting for assessing the current CBC is the issue of identifying obstacles that hold back the participants in the active work of CBC. Therefore, it is important to analyze each group of respondents separately in order to take into account the needs of each party more accurately.

District state administrations note that the most important problem in the CBC processes is the lack of adequate financial resources and the problem of organizational and legal provision. In particular, this problem arises in the fact that in the implementation of cross-border projects, co-financing from the bodies of the district state administration is not determined at the legislative level. As a result, they do not have their own funds, and it is prohibited to involve their own employees in the realization of grant projects. That is, this group of participants can only declaratively participate in the CBC.

Local authorities point out, that the most important problems are the absence of proper information provision on CBC processes both in the country and abroad (it occupies an average of 30% of all respondents), a complex linguistic barrier with neighboring countries (also about 30%), low level of project management and other organizational conditions (up to 40%).

Non-governmental public organizations identified two main problems for themselves - a complex language barrier and the lack of proper information support in the context of partner search for the writing and implementation of joint cross-border projects.

Higher scientific and pedagogical institutions assessed the obstacle to active work in CBC from the point of view of the problem of objective analysis and determination of regularities regarding real economic



processes in participants of foreign economic activity. This greatly complicates the work of scientists in writing scientific papers, so the main problem is focused on the absence of a full-scale comprehensive informational environment in CBC.

Representatives of business structures point out that the majority of obstacles to their active participation in CBC processes is caused by the lack of adequate information support and state support in financial issues regarding the development of venture business in joint ventures of foreign partners. In the context of information provision the majority of respondents (up to 80%) point out on the lack of direct benefits of cooperation in the cross-border area. As well, a significant part (about 44%) indicates the problem of searching external markets for sale and resource suppliers, that is, the problem is the lack of proper information business consulting. However, in Transcarpathian region a high percent of enterprises

operate on the tolling operations, so for them, the information component of the development of CBC does not play such a significant role to some extent. But the development of the information component in the cross-border area will make it much easier to start development of small and medium-sized companies that are already involved in external relations and those for whom access to foreign markets is considered an unachievable point (because it costs a lot of financial investments for conducting international information research and constant maintenance of leading marketing specialists).

It is especially important to evaluate the activity of state authorities within the framework of the created CE, the role of the national part of the CE on the development of CBC, and the influence of the Chamber of Commerce in the framework of the development of cross-border business by expert respondents (Table 1-3)

Table 1
EVALUATION OF THE ACTIVITY OF STATE AUTHORITIES WITHIN THE FRAMEWORK OF
THE CE

	Expert conclusions						
Mark	Bodies of district administration  Local self-government bodies		Higher scientific- pedagogical institutions	Public organization	Business structures		
Satisfactorily, %	atisfactorily, % 22 20		66	20	34		
Unsatisfactorily, %	78	80	34	80	66		

Table 2
EVALUATION OF THE ASSOCIATION OF LOCAL SELF-GOVERNMENT BODIES
"EUROREGION CARPATHIANS UKRAINE" WITHIN THE FRAMEWORK OF THE UKRAINIAN
NATIONAL PART OF THE CE

	Expert conclusions						
Mark	Bodies of district administration	Local self- government bodies	Higher scientific- pedagogical institutions	Public organization	Business structures		
Satisfactorily %	44	40	-	40	-		
Unsatisfactorily, %	28	-	100	20	-		
Are not informed about the activity of such an institution, %	28	60	-	40	100		

Table 3
ASSESSMENT OF THE INFLUENCE OF CHAMBERS OF COMMERCE IN THE FRAMEWORK OF
THE DEVELOPMENT OF CROSS-BORDER BUSINESS

	Expert conclusions							
Mark	Bodies of district administration	government		Public organization	Business structures			
Satisfactorily, %	100	100	66	100	57			
Unsatisfactorily, %	-	-	34	-	-			
Are not using their services, %	100	80	100	100	43			



After evaluation of the respondents it was revealed that the activity of state authorities in the framework of the created CE is in unsatisfactory condition. As it was earlier explained by district authorities, the problem financial, organizational and mechanisms. In addition, since 2008 the government of Transcarpathia region has no direct influence on the formation of the Carpathian Euroregion, just as these power was transferred to the Lviv part - the NGO "Association of local government bodies "Euroregion -Carpathians Ukraine". The activity of the latter evaluated was disappointing as well according to the opinion of the experts. Nowadays, not all district state administrations of border territories of Transcarpathia region (in particular 3 of 9), as well as local authorities (3 of 5 cities of region significance) and public organizations (2 of 5 investigated) are informed about this national association and its Representatives of the scientific sector are aware of this organization and evaluate it negatively. In particular, Professor Alain Panov considers current drawback that, instead of creating conditions for the development of cross-border cooperation, effective foreign policy, the national part has turned its attention to completely different aspects – «grant developing» [21]. The result, it has led to the fact that the Western Region of Ukraine, where during the 1990s the effective international relations with the five countries of the Carpathian Euroregion were developed, has been violated - foreign policy problems with Hungary (with the linguistic law of national minorities, the consequence of which is the blockage by the Hungarian government of all intentions of Ukraine concerning European integration) and Poland (the failure of Ukrainians to recognize the guilty in the history of the genocide of the Poles in Volyn

region, which was reflected in the deterioration of the attitude of the Poles towards Ukrainian labor migrants). The most negative assessment was given by business structures, which are not informed about such an institution at all. However, half of the polled businessmen, whose activities began in the early 2000s, answered that they knew about Carpathian Euroregion, because they received various types of consulting assistance at the first stage of their activity, in particular, in the attraction of foreign capital during the agreement of the Special economic zone in Zakarpattya (was standing till the beginning of 2005).

At the same time, experts appreciated positively the influence of Chambers of Commerce and Industry (CCI) in the development of cross-border business. CCI mainly creates conditions for business development through various joint actions: exhibitions, fairs, conferences, seminars, presentations, interchange of delegations and business groups, etc.

Taking into account the above analysis, the experts were asked about which management structures would be appropriate to include in the CE management system on a consultative basis (Table 4).

The most of the expert group exhibited high scores to all of the CEs' new managers proposed by us. The respondents explain this situation by the fact that a modern market economy should include a comprehensive partnership mechanism to facilitate the solving of common problems for its proper existence. Current CBC mechanism focuses on co-operation between nations, but not between market agents inside the territory of cooperation. Therefore, first of all, it is necessary to establish an internal mechanism of cooperation, and only then move to the cross-border level.

THE MODERN SYSTEM OF MANAGEMENT OF THE CE BASED ON THE RESULTS OF EXPERT ASSESSMENTS

	Ot	ffered managers of	f the Carpathia	n Euroregion	
Expert group	Bodies of district and government administration	Local self- government bodies	Business structures	Scientific institutions, higher educational institutions	Public organization
Bodies of district administration	100%	100%	77%	100%	100%
Local self- government bodies	20%	100%	100%	100%	100%
Higher scientific- pedagogical institutions	66%	100%	100%	100%	100%
Public organization	40%	100%	60%	100%	100%
Business structures	72%	95%	71%	79%	100%

It is also worth focusing on analyzing the responses of the business sector (as the answers among proposed managers vary the most). Not all of this group of entrepreneurs agreed with the inclusion in the latest mechanism the regional authorities. It is more important to include municipal structures, as they are

closer to local business, better know the needs of certain organizations and can provide assistance by owning appropriate territorial resources in the community more effectively. At the same time, another category of business sector considers it more expedient to give preference to regional state administrations, as



the latter are central authorities and under certain conditions will be able to achieve certain benefits, subsidies or other facilitating procedures for foreign economic activity from the state budget. Not all entrepreneurs agree to participate in the management of the CBC processes within the CE. This can be caused by the fact, that the great share of these enterprises is working on the customer's raw materials (and CBC problems are of little interest), as well as not all entrepreneurs (as we found at the beginning of the research) are specialists in this sphere and will cost them an extra time to solve the general problems of the

regional foreign economic activity (as they do not see the benefits of such participation - that is, again the basic problem of the lack of information clarification of CBC processes).

Therefore, taking into account the above analysis of answers to the previous question, it is important to investigate what percent of the representatives of the expert group agree to participate on a consultative basis in management of the region in the sphere of CBC within the framework of the Carpathian Euroregion (Table 5).

Table 5
ESTIMATION OF THE POTENTIAL PARTICIPATION OF MARKET AGENTS IN MANAGEMENT
SYSTEM OF THE CARPATHIAN EUROREGION

Evenant angum	% of the results of	% of the results of the expert group's participation in CE management				
Expert group	Yes	No	Are planning			
Bodies of district administration	-	-	100			
Local self-government bodies	75	-	25			
Higher scientific-pedagogical institutions	33	-	67			
Public organization	50	-	50			
Business structures	24	31	45			

Over the last years, cross-border cooperation (thanks to the grant opportunities provided by the EU) has passed into the system of project management. That is, territorial public organizations or administrative bodies have the opportunity to solve local problems through skillful designing of ideas and their presentation to the euro-funds. Taking into account the trends of the latest mechanism of CBC, it is important to analyze what participation of the organization in Transcarpathia region (considered to be the center of international relations) is accepted in grant programs provided by financial institutions of the EU (Table 6).

Questions were divided into 3 types, each of which requires clarification:

1. "Whether your organization participated / is participating in the implementation of grants projects in CBC". In this case, the organization may act as: the main author of the project and as a consequence – to obtaine all the power of financial management, measures defined in the project, responsibility, etc.; or to act as a partner, that is, the proportion of financing and related powers is much smaller, and this institution is not always co-author of the project. On the example of region authorities (from Table 6), they all participated in the implementation of grants. However, it has not been determined whether they relate to authors and chief spending units, or as a secondary partner. Therefore, there is a need for another type of issue;



#### Table 6

# ASSESSMENT OF THE POSSIBILITY OF PARTICIPATION OF THE EXPERT GROUP IN THE IMPLEMENTATION OF CROSS-BORDER PROJECTS

Expert group	partici	pate / is	rganization participating in ation of grants C, (%)	Did your organization submit an application for participation in grant projects from EU programs (%)		Did your organization receive funding in the framework of a competition for the implementation of grants projects in CBC, (%)	
	Yes	No	Are planning	Yes	No	Yes	No
Bodies of district administration	100	-	-	56	44	44	56
Local self- government bodies	80		20	80	20	60	40
Higher scientific- pedagogical institutions	66	34	-	66	34	66	34
Public organization	100		-	100		80	20
Business structures	-	100	-	-	100	-	100

- 2. Did your organization submit an application for participation in grant projects from EU programs. Here it is possible to assess whether at least the expert group tried to create a project. As a result, taking into account the answers of the district authorities, only 56% of respondents (5 of 9 district state administrations investigated) tried to write a draft and represented it for consideration in the grant institution. However, whether they received funding, this is already an answer to the third type of question;
- 3. Did your organization receive funding in the framework of a competition for the implementation of grants projects in CBC. From 5 district state administrations that submitted applications, 4 won a grant for funding.

Consequently, cross-sectional analysis provided an opportunity to assess the design capacity of domestic market agents in Transcarpathia region. However, business structures did not take any part in the implementation of grant projects, but the problem here concerns with the low awareness of entrepreneurs about these opportunities.

It is important to find out which areas of grant projects are implemented or intend to be implemented in the future by CBC participants (Table 7). This table provides an opportunity to evaluate both the current level of CBC in the relevant groups of expert participants, as well as its potential with an effective mechanism of cooperation of individual market participants. In particular, such trends as the development of venture business and entrepreneurship, trade, tourism, environmental and social problems are pointed out by almost all groups of respondents. Thus, these are the key areas for the development of CBC, in which market participants are expected to achieve the appropriate effect together. Therefore, taking into account the above described determinants, the CE should focus its attention on the development of appropriate conditions for the development of such CBC, as an internal market partnership. In science, such mechanisms are generalized and fragmented.



Table 7
AREAS OF CROSS-BORDER COOPERATION OF EXPERT RESPONDENTS

AREAS OF CROSS-BORDER COOPERATION OF EXPERT RESPONDENTS										
Areas of cross-border cooperation	Are	e deali	ng / d	lealt,	%	I	ntendii	ng to d	eal, %	ó
ricus of cross border cooperation	1*	2*	3*	4*	5*	1*	2*	3*	4*	5*
Development of the system of local self- government		60					100	100		
Development of venture business / innovation entrepreneurship				40			100	66	60	93
Trade development				40		100	100	66		100
Tourism development	100	100		80		100	100		80	36
Improving of education system			66	60				100		65
Environmental protection	89	40		40		100	60		60	
Ecological problems	89	40		20		60	100	33	60	
Cultural exchange		100				40				
Social problems	44	60	33	60		100	100	100	80	17
Problems of refugees and displaced persons						80			20	
Rehabilitation of persons as a result of hostilities						100	100		20	
Problems of national minorities	56	20	33	20			40		40	
Historical and cultural heritage	44	80		60				33	60	

<sup>1\* –</sup> Bodies of district administration; 2\* – Local self-government bodies;

At the same time, even with a positive scenario for the future work of the CE regarding the construction of market partnerships, it is important for the latter to identify who will be involved in the project activity in CBC. It is important to investigate it precisely because in a market partnership each of its participants will perform only separate functional links to achieve the common goal of cross-border cooperation. Therefore, the following questionnaire survey concerned the study of competencies of expert respondents in project activities in the context of grant programs of European institutions (Table 8).

As the results of Table 8 show, public organizations are most knowledgeable about the project activity within the framework of the CBC. That is, their knowledge and skills can satisfy the needs of CBC

business sector participants to full extent (based on consulting). Among other respondents, such as local government, only 3 participants of 5 studied, have the necessary knowledge. However, from the Table 6 it is obvious that 4 communities submitted applications for participation in grants programs (80%). It provide ground for asserting that the activities of public institutions can be (for local, including village counsils) devoted precisely to conducting educational seminars on studying project management. In this process, educational institutions can also be included for a more in-depth study of the project activities of nongovernmental institutions with the prospect of developing relevant training programs for students of economic training areas.

Table 8
ASSESSMENT OF COMPETENCE IN PROJECT MANAGEMENT FROM RESPONDENTS

	Expert group						
Mark	Bodies of district administration	Local self-government bodies	Higher scientific- pedagogical institutions	Public organization	Business structures		
Yes, %	44	60	66	100			
No, %	66	20	34		100		

Thus, the first stage of the purpose of this scientific work was investigated in order to determine the impact of the modern mechanism of CBC among its respective users. The next step will be to evaluate marketing and digital communications for the development of CBC judgments by selected experts.

Most importantly to find out from which sources the surveyed respondents receive information on transborder cooperation programs / projects within the framework of the Carpathian Euroregion (within the framework of this association there are boundary zones

<sup>3\* -</sup> Higher scientific-pedagogical institutions; 4\* - Public organization; 5\* - Business structures.



of 5 countries - Ukraine, Poland, Slovakia, Hungary and Romania) (Table 9).

Table 9
INFORMATION SOURCES USING CONCERNING THE CBC PROGRAMS / PROJECTS BY
EXTERNAL PARTIES

		]	Expert group		
Information sources	Bodies of district administration	Local self- government bodies	Higher scientific- pedagogical institutions	Public organization	Business structures
Website of CE, %	22		33		
Websites of district administrations, %			66		
Website of local self- government bodies, %					
Websites of international orgnisations, %	78	60	66	100	
Websites of public organization, %	33		33		
Mass-media, %	66	40			
Conferences, fomums, seminars, %	100	100	100	100	34

The table below gives an opportunity to evaluate the information provision of CBC, at least from the Ukrainian side. Unfortunately, the situation is disappointing, as the classical form of information provision through forums and conferences all over the world has lost such an important significance in the basic information communication system. Undoubtedly, these activities is not loosing its significance in all countries of the world, as it is an important communication component for many issues. However, it can not be the prior tool, where different opportunities, perspectives or problems are represented

for the first time. The basic information security system has taken over the online Internet platform. But the formation of digital information platforms only started its life in Ukraine. Therefore, as most experts have indicated, they will receive all the necessary information on CBC programs and projects from international sources.

The question about the information channels for searching business partners / writing and implementation of the project / or other in the context of the external relations of the investigated experts is quite important as well (Table 10).

Table 10 MARKETING DIAGNOSTICS TOOLS IN THE PROCESS OF IMPLEMENTING INTERNATIONAL RELATIONS

		KELAI	10110		
			Expert group		
Marketing diagnostics tools	Bodies of district administration	Local self- government bodies	Higher scientific- pedagogical institutions	Public organization	Business structures
Conferences, business forums, %	100	100	100	100	34
Own marketing researches, %	55	60	66	80	57
Consulting agencies, %					12
Mass-media, %	66	40			
Are not using information tools,					31



Evaluating the results of Table 10, once again we are convinced that the classic tool - conferences and business forums, is used almost by 100% in the context of all CBC issues. At the same time, the business sector can not rely on such an information provision tool. Therefore, for the sake of effective development in the context of global competition, businesses are required to use the services of the appropriate consulting companies (12% of them are using their services), and also rely on their own strength in the context of marketing research (57% of business experts). But

there is also a category that does not use any information marketing mechanisms - these are enterprises that usually work on the tolling raw materials.

Particularly interesting point in this study is to identify or conduct expert groups of CBC in general marketing activities, to determine what (through the components of marketing costs) and whether there are relevant specialists for this activity and in which particular departments they are involved. Table 11-14 reviews the above mentioned questions.

Table 11 ESTIMATION OF MARKETING ACTIVITY IN THE INVESTIGATED GROUPS OF ORGANIZATIONS

Mark			Expert group		
Wiaik	1*	2*	3*	4*	5*
Yes	100	100	100	100	70
No					
Intend					30

<sup>1\* –</sup> Bodies of district administration; 2\* – Local self-government bodies;

Table 12
ESTIMATION OF MARKETING EXPENSES BY RESULTS OF EXPERT RESPONDENTS
ASSESSMENT

Components of marketing costs	Expert group						
Components of marketing costs	1*	2*	3*	4*	5*		
Questionnaires, field studies	55	60	66	80	57		
Analytics	100	100	100	100	69		
Advertising		80	100		43		
Related costs (printing, questionnaires)	55	60	66	80	57		

<sup>1\* –</sup> Bodies of district administration; 2\* – Local self-government bodies;

Table 13 **AVAILABILITY OF SPECIALISTS WITH KNOWLEDGE OF MARKETING IN THE INVESTIGATED GROUPS OF ORGANIZATIONS** 

Mark	Expert group									
	Regional and international marketing				Interactive / digital marketing					
	1*	2*	3*	4*	5*	1*	2*	3*	4*	5*
Yes	29	20	100	60	32	29	60	66	40	27
No	71	80		40	68	71	40	34	60	73

<sup>1\* –</sup> Bodies of district administration; 2\* – Local self-government bodies;

Table 14
THE PRESENCE OF MARKETERS OR EMPLOYEES, WHO PERFORM THEIR FUNCTIONS
AMONG INVESTIGATED GROUPS OF ORGANIZATIONS

Mark	Expert group						
	1*	2*	3*	4*	5*		
Marketing department			66		38		
Position of the marketer					32		
An employee who serves as a marketer by combining	100	100	34	100	30		

<sup>1\* –</sup> Bodies of district administration; 2\* – Local self-government bodies;

<sup>3\* –</sup> Higher scientific-pedagogical institutions; 4\* – Public organization; 5\* – Business structures.

<sup>3\* –</sup> Higher scientific-pedagogical institutions; 4\* – Public organization; 5\* – Business structures.

<sup>3\* –</sup> Higher scientific-pedagogical institutions; 4\* – Public organization; 5\* – Business structures.

<sup>3\* –</sup> Higher scientific-pedagogical institutions; 4\* – Public organization; 5\* – Business structures.



Consequently, after evaluating tables 11-14, the following conclusions can be drawn for each group of respondents:

- though district authorities and local self-government authorities are engaged in marketing activities for 100%, but real specialists with knowledge of regional and international marketing are satisfied only by 20-30%, while interactive by 30-60%. Also, there is no single marketing department in these respondents, their functions are scattered among employees of different departments;
- higher educational institutions are engaged in marketing activities as well, but the answers differ: scientists understand that they conduct a real diagnosis of economic processes in the development of territories, analyze and provide recommendations for solving certain problems. Administration of these institutions consider marketing activities in the context of promotion in schools and colleges to attract potential applicants for admission to study it in their universities. As scientists point out, these institutions are provided by specialists and marketing departments (to 66% of respondents think so because the university has a marketing department), but the administration does not consider it to be the case (as they understood in this question the presence of marketing department as part of the administrative apparatus of management);
- public non-governmental organizations are obliged to conduct marketing activities, the main type of which are surveys, field research and analytics.
   Adequacy of marketing knowledge is 50% on an average. Since the budget of such organizations is limited, it is difficult to create a marketing department or a separate position;
- taking into account that business sector work on tolling raw materials by more than 30%, it is not engaged in marketing activities. Therefore, in the table 12-14 only those enterprises that carry out marketing were included. Among the main expenses included in the marketing budget are the following: 57% field research and related costs (printing, questionnaires), 69% analytics, 43% advertising. In 38% of respondents there is a marketing department, 32% post of a marketer and 30% an employee who perform marketing functions. Nevertheless, the required level of participants knowledge (which is certified by a diploma) in the context of international regional and

interactive marketing is insufficient - by 68% and 73% respectively.

It is, therefore, revealed that the participants of CBC, although active engagement in marketing activities, in conditions of heavy budget restrictions and lack of own funds, are forced to allocate minimum marketing costs to marketing information research.

Taking into account that the world community integrates into virtual digital space, it is necessary to find out what percentage of organizations (according to the answers of experts) owns its own web site in Internet. The results proved to be positive, as 100% of district authorities, local self-government authorities, higher scientific-pedagogical institutions and the nongovernmental sector have these Internet resources. Among the representatives of the business situation is not so favorable, as only 44% of enterprises have this basic resource.

The progressive development of interactive marketing has begun to be realized through the system of social networks. According to the scientist Yatsyuk D.V. [22]: "One of the elements of increasing brand loyalty is the personal presence of business owner, managers, and management in social networks. Thus, 52% of companies increased demand for their goods and services with Facebook, 43% - thanks to LinkedIn (HubSpot, State of Inbound Marketing). Socially active top management in Facebook, Twitter or LinkedIn can bring a lot of benefits to the company. In particular, it will allow: to distribute information about the company among the target audience; affect the company's reputation positively; to demonstrate the innovation of the company; show "face" of the company; identify the staff as a team; repair / establish a first-person relationship with traditional mass media organizations; increase the credibility of the company in the market and create a competitive advantage; positive impact on the company's business results, etc." As we see, this concept of social networks in the context of interactive marketing can be implemented not only in the business environment, but also embodied in political parties, public movements and many other modern market agents. Therefore, it is interesting for the research to find out what proportion of agents of market transboundary collaboration carries out information and communication marketing in social Internet networks.



Table 15

# REPRESENTATION OF THE INFORMATION BASE IN SOCIAL INTERNET NETWORKS IN THE RESEARCHED GROUPS OF RESPONDENTS

	Expert group							
Mark	Bodies of district administration	Local self- government bodies	Higher scientific- pedagogical institutions	Public organization	Business structures (which has website)			
Yes, particulary in:	33	80	66	100	100			
Facebook	100	100	100	80	59			
Google +					7			
LinkedIn	16			40	71			
Twitter	_	_						
Yahoo!								
No	67	20	34					

So, as we see from the Table 15, the specifics of Transcarpathian market agents in the vast majority places information in social networks. The most popular was the Facebook and LinkedIn network. But analysis shows, most experts in the questionnaire are gradually using social Internet networks (although not all of its types). However, the data from the Table 13 may indicate that because of absence of interactive marketing specialists, market agents don't have the opportunity to use the benefits of online data systems.

Therefore, we believe that creating of appropriate conditions for the stable functioning of marketing CBC is necessary through the introduction of a proper information and marketing system. Creation of these conditions in the European Union is entrusted to the Euroregions. Therefore, the next important question is whether the existing information security of the CE satisfies the CBC participants (Table 16).

The existing information system of the CE does not meet the needs of modern market economy agents in sufficient quantity. But it is necessary to specify in this case what structure of the information system of the CE would correspond to the needs of the transboundary participants.

District authorities as well as local selfgovernment authorities point to the need to build such information elements of the website of the CE: passport of the border areas; current and potential financial instruments in the CBC; representation of digital tourism objects and routes; calendar of events (to study the culture, traditions, customs of 5 countries at once but in their own region); cross-border statistics.

Table 16 ASSESSMENT OF THE ADEOUACY OF INFORMATION SUPPORT ON THE SITE OF THE CE FOR MARKET CONDITIONS OF MANAGEMENT

	Expert group							
Mark	Bodies of district administration	Local self- government bodies	Higher scientific- pedagogical institutions	Public organization	Business structures			
Yes	22	40		40				
No	78	60	100	60	100			

Academic participants of the questionnaire indicate the following recommendation concerning the structure of the information site of the CE: cross-border projects; interregional statistics; condition of crossborder markets; electronic catalog of CBC participants; research topics of border higher education institutions; open online portal services.

Public organizations need the following information network: cross-border projects (implemented, operational and potential); electronic catalogue of public organisations involved in crossborder processes; passport of border areas; the possibility of conducting on-line surveys.

Representatives of the business sector believe that for their active economic growth (and at the same time for the active economic growth of the region), the CE must develop software modules of the computer information system in the following areas: analysis of the business market conditions; existing business infrastructure; full description of the investment projects of the region; legal acts of conducting international business; on-line services (in the context of marketing research and translation); informationbusiness event calendar; available grant mechanisms for financing business development; instructions for writing cross-border projects.



Thus, taking into account the needs of market agents in the construction of a cross-border on-line portal it is extremely important, since only with this development scenario an effective model of modern Euroregional international cooperation will be built.

Therefore, it is proposed to create an appropriate information center within the framework of the Carpathian Euroregion. However, in order to determine its effectiveness, it is necessary to predict how many market agents of transboundary relations can and intend to cooperate with this institutional entity (Table 17). In this case, the cooperation means the transfer of the necessary data set by the CBC members to the CE information center in return for access to international information and analytical platforms and the possibility of obtaining some free marketing research services in the transboundary regions of the CE.

Table 17
ESTIMATION OF THE POSSIBILITIES OF INFORMATION TRANSFER TO THE INFORMATION
CENTER OF THE CE BY RESEARCHED RESPONDENTS

	Expert group							
Mark	Bodies of district administration	Local self- government bodies	Higher scientific- pedagogical institutions	Public organization	Business structures			
Yes	100	100	100	100	47			
No					63			

From the Table 17 it can be seen that only business structures did not agree to share a certain information database. This is due to the fact that more than 30% of them work on the customer's raw materials, which limits the authority of the executives of these institutions. Another category did not agree because of the possible growing influence of the competitive struggle on business structures, which are on other side of the border. However, it is also important to connect these participants to the information center, but only providing generalized information (legislative basis in foreign countries, grant funding mechanisms, event calendar, etc.).

# Conclusions and perspectives for further findings from this research as well as perspectives for further developments in this area.

Consequently, the model for the formation and functioning of cross-border management in the context of the Carpathian Euroregion should be a multilevel governance system and integrated marketing information support. This will enable the business sector (especially the one that is not yet engaged in foreign economic activity), scientific and educational institutions and public to intensify development of the border areas. Such a mechanism activates the opportunity to benefit from cross-border cooperation through: easier information access to available foreign resources (natural, labor, business investment, project, etc.); partnership cooperation of market agents when writing projects and their implementation; promotion of the CE with a special tourist and business climate in the EU; creation of more realistic strategies for the development of the region in certain types of economic activity, etc.

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#### DETECTION OF CHANGES AND THEIR CAUSES IN THE ENVIRONMENT OF THE ENTERPRISE

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## ВИЯВЛЕННЯ ЗМІН ТА ЇХ ПРИЧИН У СЕРЕДОВИЩІ ФУНКЦІОНУВАННЯ ПІДПРИЄМСТВА

Annotation. Enterprises in the process of their activities are constantly faced with changes. Changes may have positive and negative consequences for enterprise activity. The formation of the management mechanism of enterprises should be based on a thorough analysis of possible variants of the behavior of the system and its main components with their interconnections; it is necessary to investigate and systematize the essential characteristics of possible changes in the activities of the enterprise and their main root causes. One of the main problems in the study of changes in the environment and enterprise activity is the lack of a systematic approach to the collection and analysis of information at modern enterprises. It is revealed that the process of formation of adaptation of enterprise activity to changes should be started from the thorough examination of the external and internal environment of its functioning, possible variants of occurrence of changes and their root causes. It should be emphasized that in the study of the external environment it is necessary to allocate regular fluctuations and irregular fluctuations that affect the activity of enterprises. This approach creates the possibility of forming a simplified procedure for identifying trends in the environment and creating an effective mechanism for managing adaptation to changes in modern enterprises.

**Анотація.** Підприємства у процесі своєї діяльності постійно стикаються зі змінами. Зміни можуть мати позитивні та негативні наслідки для діяльності підприємств. Формування механізму управління підприємств повинно базуватись на досконалому аналізі можливих варіантів поведінки системи та основних її компонентів з їх взаємозв'язками, необхідно дослідити та систематизувати сутнісні характеристики можливих змін у діяльності підприємства та їх основних першопричин. Однією із