



GROWTH "TRIANGLES" IN REGIONS BORDERING THE ENLARGED EUROPEAN UNION

A Research Agenda

Janek Uiboupin

TSEBA, Pan-European Institute,
Tel: +358 2 4814 566 Email: janek.uiboupin@tukkk.fi



The aim and focus of the project

- The project aims analyze the impact of cross-border cooperation on regional development in the EU Eastern neighbors.
- The main countries of interest are Ukraine and Belarus as they are current and the future EU key partners in Eastern Europe.
- We look at growth triangles (clusters) as the role of cross-border cooperation of business units, regional authorities and research and science centers and in regional development.



Research tasks:

- To identify main growth regions and sectors in Ukraine and Belarus and to bring out factors of development for these growth clusters.
- To analyze how different types of cross-border cooperation (FDI, strategic alliances, trade relations) enhance regional development.
- To study the effect of technology transfer through FDI on firms' R&D activities and innovation.
- To bring out the role of research centers, regulations and regional authorities in R&D activities and innovation of firms.
- To analyze the process of the internationalization of the banking sector in Ukraine and Belarus and to identify the impact of that process on the development of observed transition economies.



Collection of data:

Data provided by national statistical offices:

- Cross-border trade and investment patterns
- Value-added and firm size statistics in selected industries
- Growth data of different regions and sectors

Survey data

- Firms opinions about cross-border cooperation, innovation, regional development, regional authorities and regulations

National Bank of Ukraine:

- Financial sector development
- Banks' accounting data
- Licensed foreign banks



Main hypotheses:

- Growth clusters emerge mainly in regions of industrial production and research centers
- Growth clusters in Ukraine and Belarus are mainly designed by cross-border business relations
- Cross-border cooperation contributes to the growth and innovation of firms
- Banking market liberalization and opening up for foreign banks contributes to development of the financial sector and economic development in transition countries neighboring the enlarged European Union



Methodology

- The analysis of a questionnaire-based survey will be used to map the perception of firms about cross-border cooperation
- Panel data econometric techniques are used to compare R&D activities in foreign and domestic owned firms
- Comparative statistics is used to analyze growth and development in different clusters and regions



Research output

- More knowledge about cross-border cooperation and its impact on the development of economies in transition
- Policy implications to improve investment climate and innovation in EU Eastern neighbors
- Better understanding of business opportunities in Eastern Europe