

# Inter-Territorial Collaboration in the Context of Strengthening Its Economic Security

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## Summary

An article is devoted to developing the concept of inter-territorial collaboration in the context of strengthening its economic security. This concept is based on the study of international experience and successful OTG functioning in Ukraine. The idea includes directions, forms, tools, procedures, and financial sources for joint projects that strengthen territorial associations' economic security. The research consists of assessing the state of economic development of territorial communities and forms of their cooperation with other territorial communities. Analysis, synthesis, induction, and deduction are the main methods of scientific knowledge used to summarize statistical information, normative and legal support, and global experience of cooperation of territorial communities. The study results include the main areas of cooperation of territorial communities in Ukraine, including long-term collaboration. The study also contains successful examples of collaboration between different territorial communities, applying practical aspects and tools to form effective interaction. The main points of discussion concern various forms of interaction between territorial communities, which allow achieving the economic goal more quickly and effectively.

## Keywords:

*territorial communities, decentralization, cooperation of territorial communities, innovation, economic security*

## 1. Introduction

Economic security is usually defined as the most important qualitative feature of a country's economic system. It means the ability to maintain normal living conditions of the population, the sustainable provision of resources for economic sectors development, and the consistent implementation of national interests. In addition, economic security as a system of tools and mechanisms of institutional interaction can prevent threats or minimize their impact on the region's economy (Dichek, 2013).

The cooperation of territorial communities in the context of strengthening economic security is a relevant problem

for many countries that have implemented decentralization and plan to establish interaction between territorial associations, allowing for the most significant financial results. As the world practice shows, this kind of cooperation can be realized in two ways. The first one is based on the fact that the state legally establishes a change in the administrative-territorial division. In other words, by the parliament's decision, territories are divided by the principles proposed in the committees. Poland and Slovakia used such methods of reform. Another way to change administrative-territorial division is to give communities the right to unite voluntarily. For example, in Denmark, in 1999, a law on voluntary community unification was adopted. It promoted the consolidation of almost half of territorial communities within the first year (Hulst & Montfort, 2020).

The solution to the problem of economic security of the regions of Ukraine, in our opinion, is possible through the organization of joint support of sectoral projects as a result of the contractual cooperation of several territorial communities. However, since many budgets are subsidized, today, territorial communities cannot support the economic development of priority industries at their own expense. Given this, we note that the basic provisions regarding the organization and legal implementation of the principles of cooperation of territorial communities, its methods, principles, mechanisms, and sources of funding are defined at the legislative level only in 2014. That is why the topic of the study is relatively new and relevant for the territorial communities of Ukraine.

The Law of Ukraine, "On cooperation of territorial communities" (2014), provides the conditions for using by Ukrainian territorial communities their constitutional right to pool all possible resources for addressing the most important local issues for a particular society. At the same time, part 3 of Article 142 of the Constitution of Ukraine

(1996) guarantees that "territorial communities of villages, settlements, and cities may unite on a contractual basis the objects of communal property, budget funds for joint projects, organizations, and institutions, create appropriate bodies and services for this purpose. Consequently, the prerequisites of cooperation of territorial communities have already been outlined by the legislation. However, the most effective mechanisms for establishing such collaboration have not been developed. This fact forms the relevance of the study. By studying the foreign experience of cooperation of territorial communities in the context of strengthening economic security, it is possible to find helpful directions, forms, tools, procedures, and sources of implementation of joint projects that will enhance the economic condition of territorial districts.

The study aims to develop the concept of cooperation of Ukrainian territorial communities based on foreign experience and peculiarities of national territorial communities' formation.

## 2. Literature review

The development of inter-territorial collaboration in the EU countries is one of inter-municipal cooperation. It is actively stimulated at the local, regional, national and transnational levels, as it helps reduce disparities in local communities' economic development. It is especially true for economic inequality between cities and villages, between the center and the periphery. Solving this problem is crucial for the European regional cohesion policy for 2021-2027 (Utratel, 2017). The scientific basis for the development of areas of inter-territorial cooperation is also sufficient. The background for numerous scientific studies is a long history of local municipal development in European countries, which identifies the main problems and patterns in developing such interaction. The practice of interaction between territorial communities helps to find effective methods, tools, and examples of cooperation.

The development of territorial communities in most Western European countries began in the early 19th century (Hulst & Montfort, 2020). Local authorities have begun to be actively involved in inter-municipal cooperation, including the format of inter-territorial cooperation, to jointly address the complex problems of the territories' economic security.

The region's economic security is understood as the ability of regional authorities to ensure competitiveness, stability, sustainability, and consistency of economic development of the territory, organically integrated into the country's economy as a relatively independent structure. The region's economic security as a category reflects regional interests and the need to protect society

from various internal and external threats while maintaining a balance with national interests (Povzun, 2020). Ensuring the cooperation of local communities in Europe in the context of strengthening economic security is a strategy that allows to achieve the appropriate level of territorial development and provide better services in conditions of constantly growing needs, market challenges, and public demand (Swianiewicz, 2011). Some scholars believe that the cooperation of local communities is a phenomenon characteristic mainly of Western European countries. However, it should be noted that in non-European developed countries (for example, in Canada, the United States, Asian countries), inter-municipal cooperation is also actively developed in various forms. In Western Europe and other developed countries, one of the main tasks of regional policy is to ensure the sustainable development of territories and overcome disparities between neighboring regions (Brovarone et al., 2021). The essence of such cooperation corresponds to the key directions of the general European policy of regional development (European Commission). It is defined by the act adopted by the European Parliament in 2010 - Rurban (Partnership for Sustainable Urban and Rural Development) (European Commission). This act states that cooperation between territorial communities should form the foundation for further socio-economic development with much smaller disparities (European Commission). The experience of India (Kolhea & Dhote, 2016) on the interaction between rural and urban settlements is also interesting for researching. It differs, among others, because the Indian population migrates from large cities to small and medium-sized cities. Thus, large villages acquire the characteristics of urban-type settlements caused by structural changes in the country's economic priorities: from agricultural production to services. Today, India's experience is becoming especially interesting for Ukraine, when many people migrate from the capital and other large cities to smaller ones to buy houses and provide a more straightforward way of life. In this case, we can talk about the objective processes of migration and lifestyle changes, which are not a tool for stimulating socio-economic development, but a consequence. It forms the main difference between Asian and European territorial cooperation.

As for inter-territorial cooperation between cities and regions, European practice suggests stimulating the convergence of territories development (cohesion policy), using such tools as Integrated Territorial Investments (Kaczmarek & Kociuba, 2017).

Joint development projects of several regions forming economic clusters in tourism, agriculture, and industrial activities, are pretty standard. The formation of such territorial associations allows the region to develop more

rapidly, as it can implement its policy of attracting investors, which will be advantageously different from other regions (Dimaki et al., 2011). Various cluster associations present successful examples of such activities in Europe: Oberbayern (Germany), Etelä-Suomi (Finland), (Lazio) Italy, Wien (Austria), Lombardia (Italy), Västsverige (Sweden).

Consequently, the primary purpose of organizing cooperation between territorial communities is to provide them with practical tools for socio-economic growth. In turn, the list of measures and tools may vary depending on the needs of territorial communities. Considering that this study is based on the example of Ukraine, the development of practical tools for cooperation between communities is an urgent issue and forms the novelty of the study.

### 3. Research Methods and Methodology

This study is based on assessing the current state of territorial communities' economic activity and their interaction with each other. The inter-territorial cooperation legislation was studied to develop the concept of such cooperation. The results of the research are presented in the form of rating and structured data. General scientific methods of cognition allow you to highlight relevant, novelty research and develop the theoretical and practical basis for inter-territorial cooperation in terms of economic development.

Methods of grouping help to determine the highest and lowest values for ranking. Methods of synthesis are used to get information on a sample of data. Induction methods identify possible relationships that territorial communities can form. Finally, deductive methods allow to generalize information and propose tools to develop cooperation between territorial communities.

### 4. Results and Discussion

Today, there are 1469 united territorial communities in Ukraine. UTC's economic success is very diverse, as is its ability to create an effective local government, make conditions for business development, fill its budgets, and address issues that improve community life (Decentralization, 2021). Today, the wealthiest territorial community in Ukraine is the Troitsk Territorial Community, located in the Dnipropetrovsk region (see Tab. 1).

**Table 1.** 10 Richest Ukrainian UTC

UTC	Region	Population, thousand people	Income per 1 inhabitant, thousand UAH
Troitsk	Dnipropetrovsk	2,7	17,9
Sencha	Poltava	3	16,7
Slobodzhanske	Dnipropetrovsk	14,6	15,7
Boratyn	Luts'k	7,5	12,1
Verbivske	Dnipropetrovsk	7,5	11,2
Olijivka	Zhytomyr	5,3	11
Bogdanovka	Dnipropetrovsk	6,8	10,9
Shakhtovske	Donetsk	2,9	10,7
Stepanetske	Cherkasy	5,3	10,5
Grachani Pody	Dnipropetrovsk	3,6	10,4

Large business structures in UTC are the starting point for filling the local budget, as the personal income tax provides the primary revenue to the local budget. However, the existence of large enterprises is a legacy of the previous few decades, not the merit of the local leadership of these UTCs. Thus, Verbivsk and Bogdanovka UTC of the Dnipropetrovsk region inherited mining and agricultural enterprises, Olijivka UTC of Zhytomyr region and Boratyn UTC of Volyn region got plant Kromberg and Schubert and other large businesses. Thus the revenue part of the budget of the specified territorial communities is formed not only at the expense of the personal income tax. Sencha UTC of the Poltava region inherited natural resources that fill its budget with rent payments. And Grechani Pody UTC of the Dnipropetrovsk region receives income from land lease (see Tab. 2).

**Table 2.** Formation of own income by the richest Ukrainian UTC

UTC	Personal income tax	Singl e tax	Fuel excise tax	Land fee	Other income
Troitsk	79	3	4	13	1
Sencha	22	2	0	4	73
Slobodzhanske	63	7	12	9	10
Boratyn	87	4	4	2	3
Verbivske	89	4	0	7	1
Olijivka	72	7	4	6	11
Bogdanovka	84	4	1	10	1
Shakhtovske	22	9	0	69	0
Stepanetske	85	6	0	8	1
Grachani Pody	7	3	0	89	1

Also, a defining feature of the profitability of these territorial communities is their cooperation with other

communities and large cities. For UTC-satellites, large cities become a market for products and the residence of the population working in these cities (Slobozhanska UTC is a satellite of Dnieper; Troitsk, Verbkovka, and Bogdanovka UTC are satellites of Pavlograd). It creates preconditions for UTC infrastructure development, the functioning of small and medium-sized businesses, and, as a result, the filling of the local budget. Combining a solid community with other one or two weak communities improves budgets. A city, village, or settlement on the territory of large enterprises (i.e., strong communities) is united with smaller, more vulnerable communities and receives the funds of the district budget (Slobozhanske UTC of Dnipropetrovsk, Sencha and Prishib UTC of Poltava region, etc.). In economically successful territorial communities, funds are spent on kindergartens and schools, which will introduce the latest teaching methods and technologies, make additional payments to teachers to stimulate their professional level, etc. As a result, residents of large cities (in this example - Dnipro) are willing to receive services in UTC, and some of them even change their place of residence to the suburbs. Today in Boratyn, "Kromberg and Schubert" and the rural sports complex are recognized as the best in Eastern Europe. The kindergarten is the best rural kindergarten in Ukraine. In Globino UTC (Poltava region) launched a local program to support young professionals, "Housing," which provides official housing for young professionals who agree to work in this UTC. This is an example of the Indian scenario of inter-territorial cooperation, which was discussed above. It is noteworthy that after establishing the UTC, local governments do not hurry to join other weaker communities. Decisions on collaboration with other successful communities are not actively initiated among these self-government bodies.

UTC's local governments have more advantages in competing with large cities for business structures. They can "attract" business by reducing the cost of registering entrepreneurs. However, in practice, such decisions are rarely made. Analysis of inter-territorial cooperations in the context of strengthening economic security (Tab. 3) shows that in 2019 Ukraine developed four agreements on socio-economic development between different territorial communities, 14 agreements on joint development of tourism potential, and four agreements on agricultural and rural development (Seagull, 2019).

**Table 3.** The main areas of cooperation of territorial communities at the beginning of 2020

<i>N<sup>o</sup></i>	<i>Areas of inter-territorial cooperation</i>	<i>Number of contracts</i>	<i>%</i>
1.	Utilities	90	22,50
2.	Administrative services	90	22,50
3.	Fire safety, law enforcement	43	10,75

4.	Education	34	8,50
5.	Healthcare	29	7,25
6.	Social protection of the population	21	5,25
7.	Energy saving	16	4,00
8.	Physical education and sports	15	3,75
9.	<i>Tourism</i>	<i>14</i>	<i>3,50</i>
10.	Culture	9	2,25
11.	Transport	8	2,00
12.	Information Technology	7	1,75
13.	Storage of archival documents	6	1,50
14.	<i>Socio-economic development, planning and accounting</i>	<i>4</i>	<i>1,00</i>
15.	Environmental protection	4	1,00
16.	<i>Agrarian and rural development</i>	<i>4</i>	<i>1,04</i>
17.	Powers in the field of labor	3	0,75
18.	Gas supply	2	0,50
19.	Management of communal property	1	0,25
	<b>Total</b>	<b>400</b>	<b>100,00</b>

The duration of this process, which will affect future community development, is essential in the organization of cooperation. The most stable and effective collaboration is long-term, from three to five years. A number of these agreements do not specify the term of validity, which may indicate a more extended period of cooperation (see Tab. 4).

**Table 4.** Information on community cooperation as of 01.01.2020

<i>Cooperation forms</i>	<i>Number of agreements for the term of cooperation</i>				<i>Total</i>
	<i>1 year</i>	<i>2 years</i>	<i>2-5 years</i>	<i>More than 5 years</i>	
Delegation of tasks with the transfer of relevant resources	3	8	12	10	33
Implementation of joint projects	120	93	120	74	407
Co-financing of organizations	29	1	10	35	75
Formation of joint utility companies	1	2	2	6	11
Formation of a joint governing body	1	1		2	4
<b>Total</b>	<b>154</b>	<b>105</b>	<b>144</b>	<b>127</b>	<b>530</b>

Based on table 4, most of the cooperation agreements are concluded for one year (29%), among which contracts on solving domestic problems predominate. On the other hand, 144 (27.2%) cooperation agreements have been

concluded for three to five years, including 120 for implementing joint projects. According to the Ministry of Regional Development and Construction of Ukraine, this cooperation includes overhauling roads, schools, clinics, creating landfills, laying of engineering networks, and creating Administrative Services Center and other infrastructure projects. Economic projects are rarely created, but the most significant of them are in Chernihiv and Lviv regions.

Successful cases of interterritorial cooperation A positive example of economic community cooperation is Nedoboiv, Khotyn, Rukshin, Klishkovets communities of the Chernivtsi region that are joined to grow fruit in the Apple agglomeration. In the Lviv region, the creation of a tourist cluster "Lvivske Opillya" with the participation of Bibrk, Davydov, Rozvadiv, and Trostyanets UTCs of the Lviv region and the public organization "Lvivske Opillya" is noteworthy (Sirik, 2020).

The concept of inter-territorial collaboration in the context of strengthening their economic security The concept of territorial development based on cooperation is widespread in many countries worldwide (India, Canada, and most European countries). It is expressed in integrated approaches to the cooperation between different sizes and economic directions. Summing up the research, it is expedient to generalize the concept of cooperation of territorial communities in the context of strengthening their economic security (see Fig. 1).

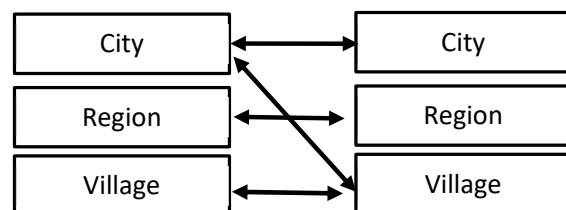
Procedure	Finance sources
initiating cooperation; agreement on cooperation; consideration of proposals; creation of the commission and preparation of the project of interaction; public discussion of cooperation; approval of the draft cooperation agreement; concluding a cooperation agreement	UTC budget; Regional Development Fund; National budget; international funds; grants; crowdfunding; ; loans

**Figure 1.** Components of the inter-territorial collaboration concept in the context of strengthening their economic security

The essence of cooperation is to combine UTC's efforts and resources to solve existing problems of regional development. The ultimate purpose of cooperation should be to improve the community members' quality of life.

Areas of cooperation. At the same time, cooperation between territorial communities can be carried out not only in the direction of the city-village. Effective spatial development can be carried out in any order (see Fig. 2).

The essence of cooperation		Purpose
territorial communities pool their efforts and resources on a contractual basis to strengthen economic security		improving the quality of life of community members
Directions	Forms	Tools
city-city region-region town-village village-village	delegation of tasks to be performed with the transfer of resources; co-financing of the project; formation of common infrastructure; ; formation of a joint governing body	developed infrastructure; ; human resources; adequacy of authority; community activity; financial security



**Figure 2.** Areas of cooperation of territorial communities

Forms of cooperation. The Law "On Cooperation of Territorial Communities" defines various forms of cooperation:

Delegation one or several tasks to one subject from another by transferring to it corresponding resources;  
 Implementation of joint projects, which involves the coordination of subjects and the accumulation of resources for the joint implementation of relevant activities (the most popular). Joint financing (maintenance) by the subjects of cooperation infrastructure objects.

Formation of common utilities, institutions, and organizations - joint infrastructure facilities by the subjects of cooperation Formation by the cooperation

subjects a joint governing body to implement the powers defined by law (Tatarchuk, 2019).

Cooperation tools. For Ukraine, it is essential not only the directions and forms of interaction between different types of territorial communities but also examples of successful instruments of inter-municipal cooperation. Effective use of such tools allows creating innovative clusters with different sectoral orientations (high technology, IT, robotics, agricultural production, organic farming, etc.). For the residents of a territorial community, it is necessary to build infrastructure that will help to receive all the essential services. In this case, any action to open or develop a business requires immediate and effective administrative support. That is why at this stage, it is essential to organize:

- effective operation of administrative service centers between territorial communities;
- to train employees of the administration staff to solve common tasks;
- organize sufficient information and resource providers for the implementation of joint projects.

Human resources (personnel) are considered a set of quantitative and qualitative characteristics of people's working abilities, which is their ability due to the available knowledge and skills to perform the necessary tasks and achieve goals (Millovda et al., 2018). According to Levchenko et al. (2021), effective use of the population's intellectual potential allows bringing innovative technologies into the territory's economic development. Therefore, when developing joint projects of territorial significance, it is necessary to find specialists who will be competent at each stage of the project implementation, starting with the design and ending with the promotion. One of the main tasks of the territorial community is to provide local governments with the necessary number of employees of the required specialization, the appropriate level of qualification, and motivation to achieve the goals. At this stage, it is necessary to create:

- design offices;
- investment attraction and financing department;
- controlling branches and determining the persons responsible for conducting joint activities between territorial communities.

The concept of reforming local self-government consolidates the largest list of powers for communities (villages, settlements, cities). The powers vested in territorial communities in the framework of future economic cooperation include:

- community development planning and budgeting; economical development;

- investment attraction;
- development of entrepreneurship;
- land management;
- issuing building permits;
- commissioning of buildings;
- development of local infrastructure: maintenance and construction of roads, water, heat, gas and sewerage, and landscaping.

Cooperation between territorial communities is considered capable if it can ensure an appropriate level of service provision through the relevant local self-government bodies, particularly in the financial support and infrastructure development of the respective administrative-territorial unit. The success of joint projects can be determined by economic indicators that determine the strength of the impact on budgeting (Smyrnov et al., 2020).

An essential component of successful economic development between territorial communities is social activity, especially business activity. Therefore, local governments should promote business development of the region using the following tools:

- provision of vacant land for temporary use for business purposes;
- providing accessible buildings for temporary use to create a business;
- providing benefits to start-ups that involve local labor in production processes;
- providing tax benefits to companies engaged in regional development;
- creation of effective communication mechanisms in the direction of government-community-business.

The procedure for organizing cooperation consists of a number of consecutive actions provided by law: initiation, resolving issues of consent, consideration of the initiator's proposal, creation of a commission and preparation of a draft agreement, public discussion, approval, and conclusion of a cooperation agreement (Sirik, 2020).

Each stage involves the commission of authorized entities a number of necessary organizational, administrative and conciliatory actions to achieve intermediate and final goals.

Financial support of cooperation. One of the essential components of the cooperation process is the formation of a financial base that directly affects the success of organized cooperation and is carried out based on trust, transparency, and responsibility of each entity. The guarantee of mobilization of financial resources is planning of expenditure or other sources not prohibited by the legislation of Ukraine (state financial support,

international technical assistance, non-repayable financial assistance, funds of partners, loans, and others).

Today, local governments and entities sometimes have problems with project funding, as the cooperation agreement concluded in the current year can be funded only in the next budget year (Sirik, 2020). One of the main tasks of local governments in most countries is to organize the search for extra-budgetary funds and establish cooperation with various international institutions and grant programs. Therefore, to increase the collaboration between UTCs, which will actively use alternative sources of funding, it is advisable to constantly monitor existing programs and grants and inform the region's population about such programs.

Modern concepts of crowdfunding are interesting for alternative funding. Such projects allow city residents to create business units and participate in regional development, receiving additional income from the established business activities. Local governments should monitor such programs to ensure a sufficient level of public confidence in development projects and the fulfillment of companies' obligations to pay dividends.

In modern research, much attention is focused on the role of business in local economic development. Both scientists and practitioners today agree that UTCs is a kind of "business hub," where small and medium-sized enterprises have the opportunity to grow. Therefore, creating a business-friendly local environment where existing businesses and start-ups can grow dynamically is crucial, and the leader is a private entrepreneur (Tatarchuk, 2019). United territorial communities have many rights, instruments of democracy, and ways of influencing local self-government bodies and their officials. However, all of them are regulated by law. To use them effectively, community members need to have a clear idea of the possibilities, methods, and tools for implementing inter-territorial cooperation.

First of all, the cooperation of territorial communities should be aimed at improving the quality of life of the population. At the same time, the cooperation form is not particularly important for the UTC population. Still, for local governments, the possibility and ease of implementation of ideas depend on the form of cooperation. There are alternative approaches to solving the problem of territorial cooperation by creating an urban agglomeration as a form of interaction between the city and surrounding villages. In fact, such cooperation can be a broader form of community cooperation, as it increases the ability to pool resources, create a more robust infrastructure for shared use (transport routes, water mains, solid waste landfills, industrial parks, wholesale markets for agricultural products, recreational zones, and other

projects) (Sirik, 2020). At the same time, the city agglomeration is not a new administrative-territorial unit. Still, it is an organizational entity consisting of several territorial communities, which aim to implement local self-government functions jointly. In Ukraine, this form of association already exists. The most powerful today is the Kyiv agglomeration. However, in general, it can be argued that the philosophy of the mechanism of inter-territorial cooperation is based on the synergistic effect of partnership in the format of "government - community - business". Thus, it requires joint work not only by authorities but also by urban communities and businesses (Jankowiak, 2021). In essence, the mechanism of inter-territorial economic coordination, which operates on the principles of partnership, dialogue, mutual trust, and responsibility, is a universal form of regulation of inter-territorial economic relations between UTCs (Miklovda et al., 2018).

It is worth considering another type of cooperation, which allows uniting the efforts of UTCs and their management bodies and other interested stakeholders, including the private sector, public organizations, and scientific institutions. All these union members will work as one team to achieve a common goal - economic growth. This work includes expanding the range of subjects outside the municipal authorities using a cluster approach to the organization of partnerships in territorial development. Cluster is an economic concept that both foreign and domestic scientists study. According to leading scholars, a cluster is a systematically organized group of economically interconnected firms, suppliers, related industries, and organizations that emerge in specific areas and countries to gain a competitive advantage. Sokolenko S. (2002) defines a cluster as a networked industrial group of close, geographically related companies and organizations, which operate jointly in a particular type of business and are characterized by common areas of activity and complementarity. Given the simplified procedure for concluding agreements on the cooperation of territorial communities in the form of joint projects, which provides for the possibility of not applying the requirements of Articles 5-9 of the Law of Ukraine "On Cooperation of Territorial Communities", local governments of Ukraine prefer cooperation as the primary form of partnership. That is why the issue of forming an integrated approach to cooperation through the formation of clusters requires further development and research.



## 5. Conclusions

The analysis of the foreign experience of cooperation between territorial communities in the context of strengthening economic security allows us to draw the following conclusions:

- the need for cooperation between territorial communities does not arise to a greater extent due to the imbalance of economic development, but to stimulate and prevent future problems arising from urbanization;
- the primary purpose of organizing cooperation is to provide the necessary tools for social and economic growth that all participants in the cooperation process can use;
- by forming inter-territorial cooperation, communities can develop a competitive business climate, which will attract entrepreneurs to start their activities in that particular territory.

The analysis of the current situation in Ukrainian inter-territorial cooperation allows us to draw the following conclusions:

- in Ukraine, some territorial communities already have a successful experience of inter-territorial cooperation, but to a greater extent, such cooperation occurs in the direction of agglomerations between the city and the village, where the city acts as a consumer of products produced in the village;
- economic cooperation of territorial communities is not a common subject of cooperation between UTCs. Today, most cooperation agreements are concluded to solve communal problems and save budget funds;

The most successful examples of economic cooperation in Ukraine are an agglomeration of Yabloni V, engaged in joint fruit processing, Lviv Opillia.

The developed concept of cooperation of territorial communities made it possible to determine corporation's essence, goals, directions, forms, tools, and procedure.

The main tools of such cooperation are infrastructure, human capacity, sufficient authority, public activity, and sufficient funding.

Financing is the most problematic component of territorial communities' cooperation to strengthen their economic security. It is due to the way of using budget funds and the possibility of financing projects one year after the idea of such cooperation arises. At the same time, the community can use alternative means of financing, which include: funding from international funds, grants, crowdfunding, and lending.

The form of interaction between territorial communities remains a debatable issue. Creating clusters in the "government-community-business" format allows expanding cooperation between municipal authorities, involving business and the population in projects. The

formation of effective economic clusters is a subject of development and further research.

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