INNOVATIVE APPROACHES TO THE FORMATION AND IMPLEMENTATION OF INTERSECTORAL COOPERATION

ІННОВАЦІЙНІ ПІДХОДИ ДО ФОРМУВАННЯ ТА РЕАЛІЗАЦІЇ МІЖСЕКТОРАЛЬНОГО СПІВРОБІТНИЦТВА

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The article is concerned with the study of theoretical foundations and practical aspects of formation and development of intersectoral cooperation in world practice. The article considers the existent approaches to the definition of the concept of "intersectoral cooperation", in particular from the standpoint of generating innovative solutions to existing problems, as well as its features and types. It is found that intersectoral cooperation is a constructive and mutually beneficial interaction of three sectors: the state, the business sector and institutions of civil society. The conditions for ensuring effectiveness in the process of establishing intersectoral cooperation are determined. The importance of the communication process as the basis of interaction is emphasised. The institutional structure of intersectoral partnership is outlined, including regulatory principles, mechanisms for implementing the principles and corporate social responsibility. The prerequisites and features of the emergence of intersectoral partnership at the regional level are determined. The experience of foreign countries in the development of intersectoral cooperation in various fields, in particular of the EU member states, is considered.

Keywords: intersectoral cooperation, partnership, interaction, public and private partnership, innovative solutions.
Intersectoral cooperation involves bringing together actors from different fields of activity, usually from the public, market and civil society sectors, to the purpose of reaching a mutual understanding in order to agree and implement mutually acceptable plans to address existing problems based on their prior study. At the scientific level, intersectoral cooperation attracts the attention of many scholars. First of all, it is seen as a way of solving vital problems and is implemented as a response to the need to create new effective institutional mechanisms for cooperation. Today, there are many factors that determine the trends and features of intersectoral cooperation and are beyond the direct control of the government.

Today, scientific and practical interest in intersectoral cooperation is driven by the growing importance of reaching consensus on key determinants of sectoral development; the need to reduce inequalities in sectoral and regional development gaps; a deeper understanding of the conditions that ensure effective intersectoral cooperation; and the formation of a positive environment for intersectoral action. Intersectoral cooperation is gaining importance due to the frequent failure of governments, markets and civil society to solve major development problems on their own as a result of the low efficiency of mono-sectoral solutions. It is becoming more relevant due to unique cases of simultaneous use of assets from different sectors, when a particular sector is unable to successfully solve a problem on its own due to the dispersion of resources and there is a need to develop an effective strategy for solving it by combining efforts.

Analysis of recent research and publications. Intersectoral cooperation is gaining popularity in global practice due to the use of innovative approaches to solving urgent problems at both national and regional levels. Accordingly, this type of cooperation is the subject of scientific research by many scholars. A. Mykolaets considers intersectoral cooperation as a systemic set of forms, methods and means of ensuring constructive cooperation of three subsystems (state, civil society, and business structures), which are interconnected and interact with each other through a number of formal and informal methods, communication channels, techniques and connections [4].

L. Olenkovska has noted that partnership, in such circumstances is seen as a condition of activity and as a process. In the first case, it should be understood as a combination of efforts for the sake of jointly defined goals; and in the second case, it involves a series of joint actions, a joint search for solutions to existing problems. In other words, participants achieve their goals more effectively through strategic alliances with other sectors than on their own due to a number of factors, including the availability of proven forms of interaction, trust between participants, information support for interaction, social responsibility, and horizontal informal ties [5].

T. Matovka has studied the specific features of partnership implementation at the regional level, which allows developing and implementing socially useful projects and marketing strategies, and engaging young people in practical activities [3]. Foreign scholars identify the conditions for ensuring efficiency in the process of establishing intersectoral cooperation [8], its sectoral specificity [11], and the most proven forms and types of partnerships [10].

Identification of previously unresolved parts of the overall problem. The analysis of international experience shows the success of intersectoral partnerships, which are vividly demonstrated by Canada, France, Bulgaria, Croatia, the Czech Republic, Portugal, etc. The study of international experience in the formation and development of intersectoral partnerships and the prospects for its adaptation
in Ukraine is relevant in modern conditions of development.

**Formulation of the goals of the article (Setting objectives).** The article is aimed at studying the theoretical foundations and practical aspects of formation and development of intersectoral cooperation in the world practice.

**Presentation of the main research material.**

In practice, intersectoral cooperation stimulates organisational change, and is based on clear intentions of different sectors and organisations to achieve a common goal. Sectors can be represented by separate organisations, and in turn, the environments of different sectors influence the internal environment of each participating organisation. In general, the terms intersectoral activity and intersectoral cooperation cover many different types of activities, ranging from information sharing and networking to coalition building, formation of common policies, formal agreements and development of a set of rules.

Intersectoral cooperation is understood as constructive and mutually beneficial interaction (alliance, cooperation, joint efforts) of three sectors – the state, the business sector (the commercial component), and institutions of civil society – to address pressing issues. There are two types of economic and organisational forms of intersectoral partnership: binary (two-component combinations of partnership participants) and integral (combinations involving interaction between NGOs, the state, business, and civil society organisations).

Most of today's development problems are of political, economic or social origin; many of them are complex and too difficult for any single organisation to solve effectively. In the course of scientific research, it has been proved that in order to make effective decisions in solving problems, intersectoral (cross-sectoral) cooperation is necessary as a collaboration of organisations representing different sectors.

Intersectoral cooperation is based on the theoretical premise that the state, the market and civil society have specific assets that can be productively combined to solve complex problems. It is understood that the state encompasses institutions and activities related to the maintenance of order and the production of public goods; the laws and regulations it creates are unique and can help create a favourable environment for institutions to perform their functions [12].

The market sector consists of a number of private organisations for which price factors are of primary importance in the production and consumption of goods and services [9]. As a result, market institutions are forced to look for ways to increase efficiency and introduce innovative solutions in the production, distribution and consumption of goods and services to achieve the optimal allocation of limited resources. The weakness of the market sector is manifested in the potential exclusion from participation in market processes of participants with low purchasing power, vulnerability to negative externalities and lack of effective accountability mechanisms.

According to foreign scholars, civil society is distinguished by its focus on achieving the common good as defined by social groups. The strengths of civil society as a sector include its ability to respond to a variety of issues due to the large number of organisations that make up the sector and the support of individuals or organisations that share common values. However, the sector can suffer from fragmentation, duplication of efforts, and a lack of information sharing or coordination, as well as a lack of resources.

The results of studies analysing partnerships between the public, non-profit and private sectors show that the benefits of cooperation can be sector-specific. Entities from different sectors focusing on the same problem are likely to think about it differently and use differentiated approaches, and each partner will perform its inherent functions in the joint project in the most efficient and effective way. Theories of sector differences suggest that partners are or should be selected based on a specific set of competitive advantages [11].

In practice, intersectoral partnerships take the following forms: public-private, private-non-profit, public-non-profit, and public-private cooperation. All of them have a certain basis, taking into account the specifics of the sectors: the public sector serves the public interest and has special rights to solve social problems; the public and non-profit sectors are aimed at cooperating with the private sector to obtain resources; public and charitable organisations are attractive partners for business and are independent of the state and the market [6].

Such interaction is based on a communication process; all components should work closely together, perform functions to create conditions for the functioning of other components of the system, exercise mutual control, and transfer some of the powers to the participating party that is able to perform them more effectively [1].
The principles of intersectoral partnership are presented in Figure 1.

Thus, intersectoral cooperation is an inherently complex and comprehensive concept. The experience of its use by foreign countries proves the importance of creating certain necessary conditions to ensure effective operation.

The importance of ensuring a set of conditions for establishing effective work within the framework of intersectoral cooperation is justified as follows: each organisation in practice cares about achieving the priority goals of its core business for which it was established. That is why when implementing intersectoral actions, it is necessary to create an awareness of unity among partners in order to jointly achieve the desired result. Building individual and organisational relationships are important building blocks for intersectoral actions and can evolve from information sharing to formal partnerships that need to be established, reviewed and managed. To be effective, certain conditions need to be met in the process of establishing intersectoral cooperation (Figure 2).

Potential opportunities for cross-sectoral cooperation are determined by the prevailing environment, which consists of social, political and economic components; the organisational context of partners; and the presence of triggers of motivational power to accelerate activities. Cooperation in this aspect is more important than organisational measures or political control. In its turn, the potential of organisations for intersectoral cooperation is based on organisational support, resources provision and staffing. Therefore, organisations should strive to create an innovative environment to support staff and develop professional skills.

Analysis of foreign experience has shown that organisations should be able to clearly define the need for cooperation; reach consensus on the scope and nature of the problem to be solved; and agree on mechanisms for joint activities. To do this, participants need to agree on desired outcomes, success indicators, leadership, operational processes, resource contributions, conflict resolution methods, etc. Action planning is a challenging prerequisite, as it requires a significant time period to prevent potential problems and involves demonstrating the results achieved during the initial period, despite them being not considerable yet. An important step towards achieving sustainable results for each participant is to agree on processes for monitoring the achievements and on indicators that allow for quantitative measurement of the processes being implemented.

The Canadian experience describes the following conditions for effective intersectoral cooperation [8]:

![Figure 1. Principles of intersectoral partnership](image-url)
– a stable political environment that encourages cooperation and investment based on consensus and trust, which are achieved at the planning stage;
– shared values, interests and alignment of goals when each participant sets objectives and tasks;
– involvement of key players interested in cooperation; horizontal and vertical links both within and between organisations;
– joint management and accountability, which does not imply separate responsibility of each participant;
– ensuring teamwork and support;
– focus on specific goals and tangible results.

For the development of an intersectoral partnership, its institutional structure is of great importance, which implies the existence of an institution for contracting the relationship between its agents, i.e. the format of a contractual partnership between the parties. The institutional structure can be represented as follows (Figure 3). The combinatorial sub-mechanisms of intersectoral partnership reflect the possibilities of combining the resources of its participants. These possibilities are determined by the action of optimising sub-mechanisms of such partnership, both formal and informal. The institutional structure of an intersectoral partnership is an element of a higher-order institution – a development matrix the guidelines of which are aimed at socialising economic and rationalising social processes in society. In intersectoral partnerships, there are also external (institutional foundations of partnership) and internal norms (principles according to which the partnership is implemented) [7].

Intersectoral partnerships at the regional level are seen as a factor in enhancing the competitiveness of areas. Taking into account the advantages of intersectoral cooperation, such as avoiding duplication of resource costs when solving complex problems, and maximising the potential in achieving the previously set goals, intersectoral cooperation is seen as a strategy that optimises the strengths of sectors and limits the impact of particular weaknesses due to their sectoral origin. The various competitive advantages of each sector can compensate for the shortcomings identified by other participants.

At the regional level, the effectiveness of partnerships is determined to a greater extent by the nature of the communication environment than by government policy. In the regional dimension, intersectoral partnerships can be considered as an innovative approach, where each sector is traditionally active in its own field of activity, but together they act as an effective tool for regional development.

Today, social partnership is being actualised as an intersectoral interaction between the state, civil society and socially responsible business. It is understood that the subject of such partnership is a range of social problems, which, in our opinion, is important for the regional level. Modern scientific approaches to social partnership include a number of perspectives, including network, managerial, axiological and modus-oriented approaches [2].
The managerial or administrative approach substantiates social partnership as a set of interconnected and sequenced methods of solving social problems through the implementation of contacts between institutions formed in the course of human activity in various fields. The axiological approach is grounded on the value aspects of the functioning of such a partnership, which is based on the systemic theory of the society structure and, at the same time, on the dominant and determining role of the cultural sphere in shaping social interaction. The modus-oriented approach defines social partnership as a complex, multi-subjective socio-cultural phenomenon in the social sphere, which is conditioned by the existence, activity and interaction of social actors who perform certain social roles and have certain value orientations.

Scientific and methodological approaches to the development of a network approach to assessing the essence of intersectoral social partnerships involve consideration of social networks as a basic element when the partnership is aimed at improving the quality of life of the local community and provides a synergistic effect from the integration of resources of participants and the local community.

The objectives prerequisites for the emergence of partnerships at the regional level for a territorial community are: a shortage of community funding from the state budget, achieving a higher degree of satisfaction of the needs of the local population, offering better quality goods and services using all available resources, ensuring a greater degree of utility and efficiency in the provision of public goods.

The motivations for joining intersectoral partnerships on the part of businesses include the geographical location of the region, the desire to expand their market positions, gain experience in project implementation, and join best practices. For the public sector, the reasons are the desire to spread its positive influence and to respond to changes in the external environment that lead to such cooperation.

Partnership in this aspect should be seen as providing assistance, implementing marketing strategies, developing socially useful projects, and engaging young people in practical activities [3]:

- involvement of businesses and NGOs in cooperation helps local authorities to overcome the budget crisis by receiving investments in the form of external financial resources for development projects;
- combining the experience of each partner to find solutions to certain problems;
- enterprises and the public sector are more flexible than government agencies, thus providing an additional opportunity to take advantage of all opportunities more quickly, which has a positive impact on the readiness to respond to the needs of citizens;
- higher degree of transparency in decision-making by public administration bodies;
- possibilities of strengthening innovation processes and acquiring skills outside the organisational base of individual institutions.

The experience of intersectoral partnership in EU member states takes the form of public-private partnerships, which means that relations involving a certain combination of the private,
public and state sectors are called "partnerships". In that context public-private partnerships are considered as arrangements under which private entities participate or provide support in the provision of infrastructure, and the essence of the project is to contract with a private organisation to provide services to serve community facilities.

If we look at the specifics of intersectoral partnerships in the context of individual European countries, in Bulgaria, the most successful was the concession project for water supply and sewage in the capital city. As for Croatia, the government's policy in this area is favourable for the development of transport infrastructure, energy and water supply. In the Czech Republic, the form of partnership used in practice is joint ventures operating in the energy sector, telecommunications, water supply and wastewater treatment.

France has a long tradition of public-private cooperation, especially in sectors such as water supply and high-speed cross-border highways, using concession agreements, while public-private partnerships are not allowed in social infrastructure. Ireland has implemented projects for the construction of roads, railways, toll bridges, and public institutions based on official programmes and a clear legal framework. Portugal is also implementing a variety of road and infrastructure projects (motorways, railways, airports, water, parking, underground railway, local transport, and museums). Spain has a programme to develop railway lines, healthcare, and waste management.

If we look at the global experience of intersectoral cooperation at the sectoral level, we can find certain features. While partnerships at the transport policy level involve the development of a set of rules for investing in transport infrastructure projects such as urban transport, railways, highways and inland waterways, project-level partnerships focus on specific projects or situations.

Technology partnerships usually take two forms. The first involves government funding for industrial R&D carried out by private institutions, such as the Small Business Innovation Research (SBIR) programme and the Advanced Technology Programme (ATP), to commercialise new scientific discoveries and inventions. The second type of technology partnership involves direct cooperation between the government and scientists in a particular industry sector. Examples include Cooperative Research and Development Agreements (CRADAs), which include formal agreements between national laboratories and private firms, the Partnership for the Next Generation of Vehicles (PNGV) to develop an environmentally friendly car, etc. In the area of social security, various programmes are being implemented with the involvement of private sector entities, such as the electronic transfer of food stamps, maternal and child health services and other state aid. In other words, private contractors are involved in the development and implementation of electronic systems, thus entering the social security market. There are cases of successful urban renewal partnerships where private sector developers and local authorities have been involved in joint ventures at the project level to build public institutions, housing and sports facilities. Examples include Battery Park City, Times Square redevelopment, Boston Housing Partnership, Cleveland Tomorrow, Rebuild LA, Dev Co New Jersey.

Intersectoral partnerships can take many different forms, the most common of which are BOT, BOO, joint ventures, leasing, contracting, management contracts, and various forms of public-private cooperation. These examples are among the most common types of partnerships. In addition, in terms of the available acronyms, there are also BLT (build, lease, transfer), BLTM (build, lease, transfer, maintain), BTO (build, transfer, operate), BOOR (build, own, operate, remove), BOOT (build, own, operate, transfer), LROT (lease, refurbish, operate, transfer), DBFO (design, build, finance, operate), DCMF (design, build, manage, finance) and DBFOM (design, build, finance, operate, manage) [10].

Thus, there are many different types of public-private partnerships in global practice, and the models used vary from country to country. In practice, the concept of intersectoral partnerships is developing in each country by identifying its own characteristics. Some countries have a central body that deals with such cooperation (e.g., the Netherlands), some create it for specific cases (e.g., the United Kingdom), while others leave these functions to individual states or municipalities (Australia, the United States).

Despite the variety of partnership types, the following common characteristics can be identified:

– A defined circle of participants. A partnership involves two or more parties and is at least a public body, while each is an equal partner and is able to negotiate and enter into contracts on its own behalf, and such activities involve the fulfilment of organisational obligations.
Established relationships. Partnerships should be built on a long-term, continuous basis.

Resource provision. Each of the participants must make its own contribution to the partnership (money, property, authority, reputation), and it involves the best available skills, knowledge and resources, regardless of whether the participants belong to the public or private sector.

Mutual responsibility, interest, obligations and risk sharing. Partnerships involve sharing responsibilities and risks in order to achieve the results (financial, economic, environmental or social) of the cooperation.

Normativity. The partnership is based on a framework contract that establishes rules and regulations and provides certainty. Its existence enables partners to make decisions based on already agreed and fixed standards, which are considered as the basic architecture of the agreement.

Functionality. There are significant differences between the functions performed by different types of partnerships, which are mostly economic in nature, as opposed to those that deal with social, educational and other policies.

Calculating the cost of projects over the entire life cycle. The types of costs include both design and construction costs and ongoing costs of providing services, operation, maintenance and repair.

Innovation. Partnerships provide participants with the opportunity to develop innovative solutions to achieve their goals.

Practice shows that intersectoral cooperation can generate innovative solutions to existing problems, cause a catalytic or multiplier effect that leads to deep and sustainable social transformations. It can also build multi-sectoral social capital and the potential for joint action between government, business and civil society. Historically, attempts to overcome poverty have largely failed to deliver far-reaching or sustainable results. Governments, markets and civil society have been found to be unable to effectively address key development challenges related to health, nutrition, housing and education on their own, prompting actors from these sectors to undertake joint actions with partners from other sectors. Many of these cross-sectoral initiatives have been led or driven by leading business people, influential government officials or civil society leaders who have recognised the failures of previous mono-sectoral efforts. These facts are entirely true and impartial, as certain development challenges may be too complex and unwieldy for any one sector to successfully address. They can cover political, economic and social dimensions that will require a variety of resources, such as information and technical expertise, legislative authority, and access to funding.

Intersectoral cooperation is a special type of inter-organisational relationship, the dynamics of which are determined not only by the number of actors interacting with each other, but also by differences in the sectoral affiliation of the actors.

**Conclusions.** Intersectoral cooperation can be seen as an appropriate strategy to address many important development challenges, as the intertwining of economic, social and political aspects require resources and innovation to develop and implement effective solutions. Today, there is a clear need for new institutional mechanisms to support development. The risks of a reduction in foreign aid further highlight the need for solutions that can generate their own resources and meet the needs of local stakeholders. An important aspect of intersectoral cooperation is that local actors are the main decision-makers, implementers and beneficiaries of social and economic transformations and development.

International experience also shows that intersectoral cooperation is most appropriate when previous mono-sectoral problem-solving has failed; successful problem-solving requires information and resources that are available in more than one sector. Starting intersectoral cooperation requires building trust between the participants, a clear problem statement that emphasises mutual benefit, reconciliation of differences and initial investments.

Managing intersectoral cooperation requires organisational measures to develop joint plans that define roles, responsibilities and resources; ensure mutual influence on decision-making; manage conflicts; and seek mutual benefits. Risks of intersectoral cooperation include: co-optation, which can reduce the opportunities to take advantage of the diversity of participants; unfair distribution of costs and benefits; and the use of previous experience, which can slow down problem solving.

Positive outcomes of intersectoral cooperation include innovative approaches to solving unsolved problems, catalyst or multiplier effects for achieving broad and sustainable social change, the formation of multi-sectoral social capital and new capacity for joint action at the local level.
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