

# Cross-Border Cooperation in EU Regional Policy: a fair deal?

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## **Abstract:**

The Cross-Border Cooperation (CBC) process has been supported by the EU Cohesion Policy umbrella since 1990, when the first multi-annual Programme (1989-1993) took place, aiming the implementation of a strategic orientation of investments, with a special focus on the less developed EU regions, which included the border areas, following the principles of a more balanced European Territory. By then, borders between Member-States accounted for 6.000 km of land frontier, 15% of UE land area and 10% of its population. Yet, their peripheral situation, together with the overall picture of lower levels of socio-economic development led the European Commission (EC) to launch, in 1990, a special initiative for border regions known as INTERREG, in order to promote transfrontier cooperation which included the CBC stand (INTERREG-A). Since then, two other INTERREG-A generations have been concluded (1994-1999 and 2000-2006), and another is on its way, included in the Territorial Cooperation objective (2007-2013), proving the success of this initiative in promoting the European Territorial Integration, in view of the ESDP strategic guidelines to achieve a more balanced EU territory. Indeed, at the present moment, the EU border areas (NUTS III) account for some 60% of the EU area and 41% of the EU population, while 37% of these areas are included in the convergence objective, making their socio-economic support vital to EU territory development. With this in mind, the question remains: isn't the 1.8% of EU allocation funds for the present Cohesion Programme (2007-2013) a 'bad deal' for the European Border areas?

**Keywords:** Cross-Border Cooperation, Territorial Cohesion, INTERREG-A, European Spatial Policy.

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## **1 - Introduction**

There is a growing awareness of the importance of CBC process as a vital piece to the success of the EU Regional Policy and to the pursuit of the Territorial Cohesion goal to achieve a more balanced and harmonious EU territory. This can be seen in most of the EC official reports concerning the socioeconomic cohesion and EU the spatial strategies.

However, in spite of this recognition, in this article we pretend realize if the INTERREG-A Community Initiative, launched in July 1990 to support the CBC in the EU territory has been getting the correspondent financial support, when compared with other EU regional Cohesion Policy instruments.

As such, we base our analysis mostly on the reading of EU official reports, on our own empirical findings from the study of the Portuguese-Spanish and the Swedish-Norwegian border areas, and also on a substantial use of statistical and cartographic information, to give a more panoramic view if the CBC process and its territorial significance for the EU development strategy.

In our first topic we try to give a general picture of the four INTERREG-A generation's evolution and their role in the EU Cohesion Policy, giving a special emphasis on the present programming period (2007-2013), where the CBC process was contemplated with its own Cohesion Objective: European Territorial Cooperation.

Afterwards, we try to infer the importance given to that process, from the readings of the already released four Reports on Economic and Social Cohesion and the most important EU Spatial Planning Reports.

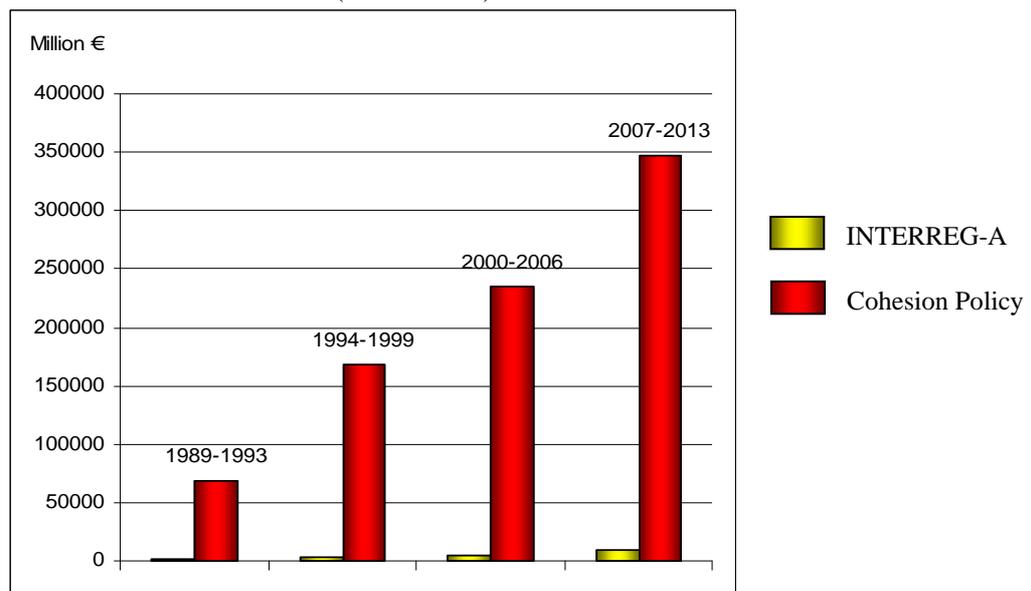
Finally, we try to show how important were the approved INTERREG-A projects in the last 20 years, to all the dimensions of the Territorial Cohesion objective: Social and Economic Cohesion, Polycentric Urban System, Cooperation and Environmental Sustainability.

## 2 - INTERREG-A: The first 20 years within the EU Cohesion Policy

In order to work towards the balanced and sustainable development of the EU Territory the EU Cohesion Policy saw its beginning in 24 June 1988 with a “regulation which put existing EU funds into the context of economic and social cohesion” (EC, 2008). A couple of years later the European Commission decided to launch a specific initiative for the border regions known as INTERREG with the central aim of promoting “transfrontier cooperation in economic development and to prepare the border regions to make the most of the opportunities and challenges of increasing European integration” (EC, 1994).

As anticipated, the INTERREG Community Initiative is about to reach 20 years of existence proving its vitality and important contribution to the socio-economic and territorial development of the EU space, in spite of the relative small financial amounts it received during this time, when compared with the total Cohesion Funds expenditure in the four programming periods (Fig. 1). As a matter-of-fact, in spite of being the most financially rewarded of the Community Initiatives, it only received 16.3 billion € compared with the 819 billion allocated to the Cohesion Policy objectives, which represent only 2% of the amount.

Figure 1 - Cohesion Funds and INTERREG-A allocation funds evolution (1989-2013)



Source: Data - Several EC reports - Author

These figures are a clear evidence of the minor role of the INTERREG-A and the CBC (in terms of allocation Funds) in the Cohesion Policy strategy, towards a more balanced and sustainable development of the European Territory. In fact, if we look beyond these figures, it's easy to see the lack of a positive correlation between the growing importance of the EU border areas and the EU direct financial support to the CBC (table 1).

Table 1 – INTERREG-A NUTS III data - EU

INTERREG-A	1989-1993	1994-1999	2000-2006	2007-2013	EU-27
Area (1000 km <sup>2</sup> )	559	1.283	1.925	2.495	4.234
Area (% EU 27)	13.2	30.3	45.5	58.9	100
GNP - (€per capita) - 2006	24.400	25.038	20.764	20.581	25.900
Population (millions) - 2006	64	95	156	204	493
Population (% EU 27) - 2006	13.0	19.3	31.6	41.4	100
Pop. Density (inhab/km <sup>2</sup> ) - 2003	260	235	230	276	113
Crude Death Rate (‰) - 2003	10.8	10.4	10.4	10.5	9.6
Crude Birth Rate (‰) - 2003	10.1	9.6	9.2	9.3	10.3
Allocation funds (million €)	1034	2617	3998	8723	
Allocation funds (% EU Structural Funds)	0.7	1.3	1.8	1.8	
Programmes	31	59	64	52	

Source: Data - EC reports + Eurostat - Author compilation

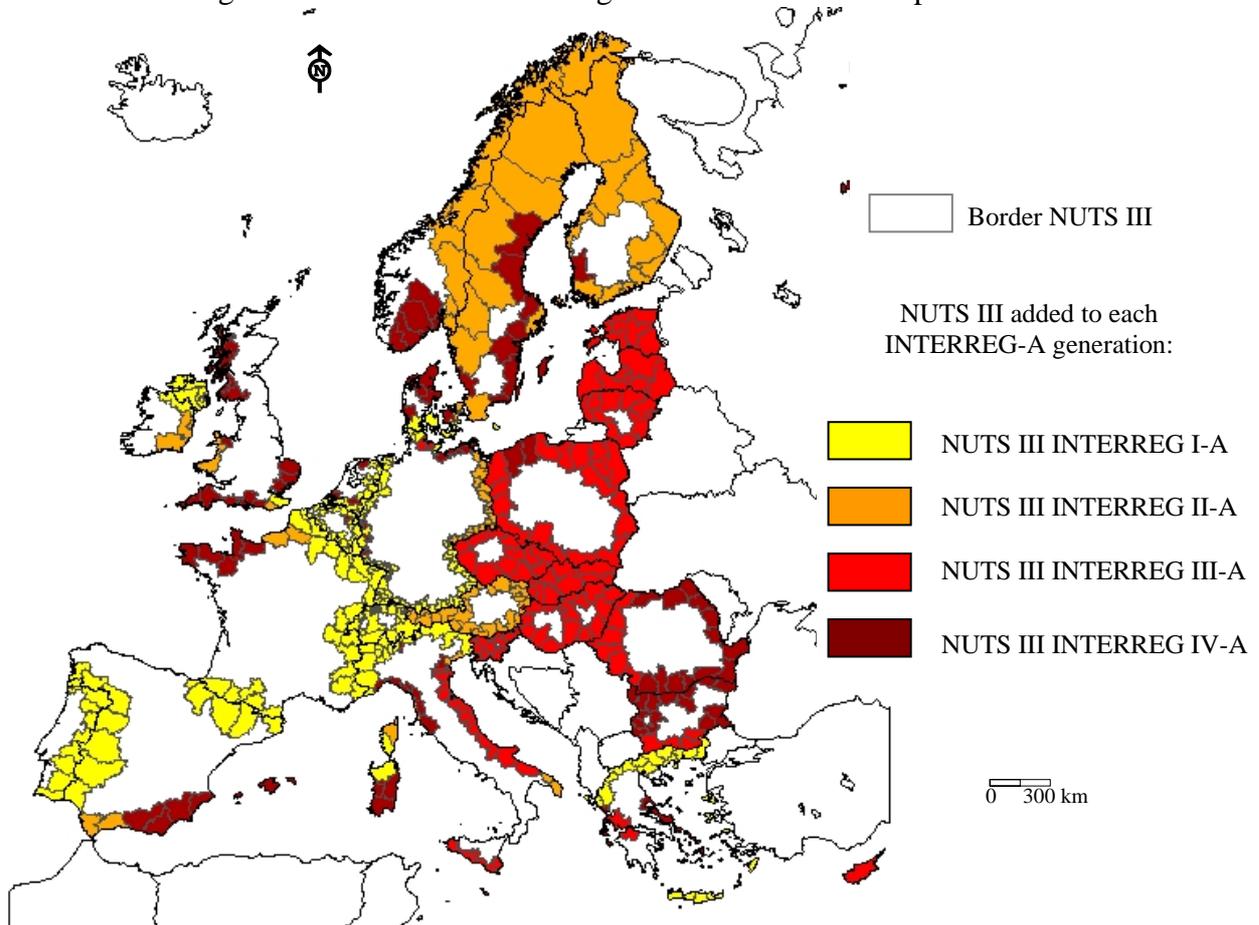
In view of these results, it doesn't seem a fair deal that the CBC receives such a small contribution in relation the all Cohesion Policy package, since at the present moment 41% of the EU population lives in border areas (NUTS III) and, in average, they have a much lower income per head, even if many are prosperous regions. In addition the area covered by the EU border NUTS III reaches almost 60% of the EU (27) territory as a result of several EU enlargements.

This ongoing enlargement process is obviously extended to the INTERREG-A programmes expansion over the EU territory (Fig. 2), in a West to East direction. At the same time, large parts of the older Member-States borders have also been added to this initiative in order to benefit from the financial boost the has helped many EU border areas to shift from a 'back-to-back' into a 'face-to-face' type of CBC.

It also needs to be said, that this shift has different paces and depends on several premises, since some EU border areas still show a high level of barrier effect, due to

historical, economic, cultural and other reasons, that have reinforced different administrative and economic paths on each side of the frontier.

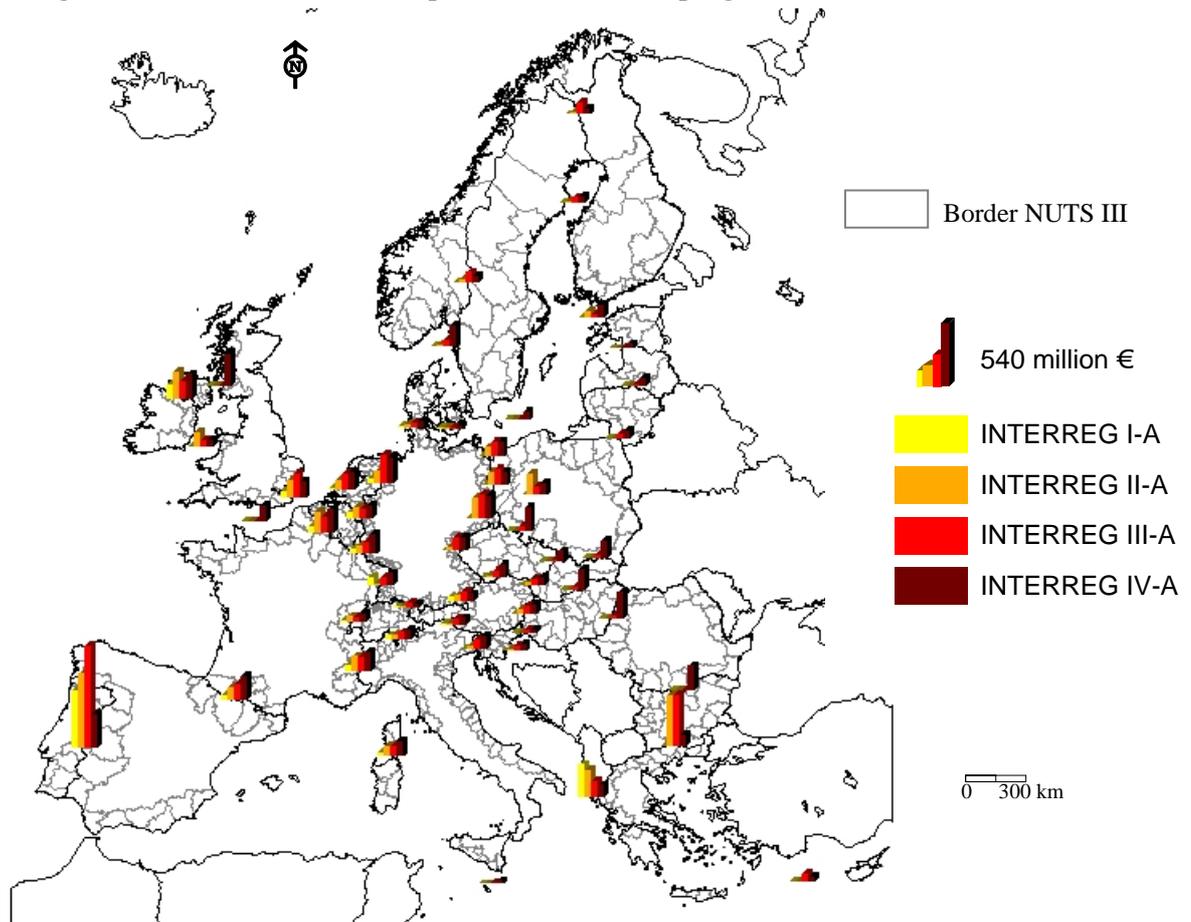
Figure 2 - Four INTERREG-A generations in ESPON Space



Source: Data - Several EC reports - Author

The recognition of these socio-economic differences justifies the differences in the INTERREG-A Programmes allocation funds in all their four generations, which are based on several factors, like the location on a geographical unfavoured position (isolation from the main centre of economic activity and decision making), lack of infrastructures and resources, low economic activity and productivity, etc. However, in the present generation (territorial cooperation - cross-border cooperation) strange as it seems to be, this criteria changed substantially, since it was essentially based on demographic density values, which partly justifies the significant decrease of the allocation funds in some EU still lagged behind border areas, like, for instance, in the Portuguese-Spanish border area (Fig. 3).

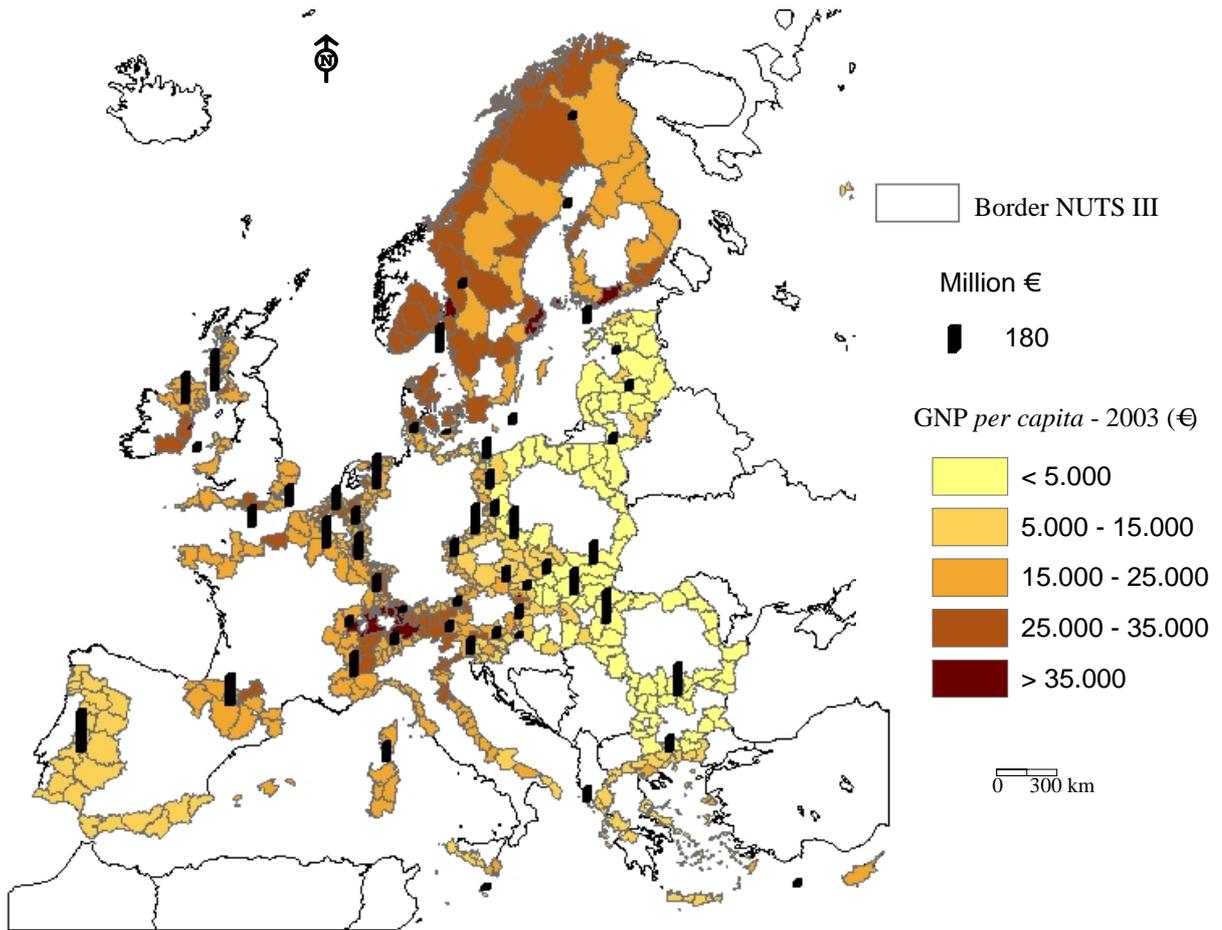
Figure 3 - Financial allocation per INTERREG-A programme - (million €)



Source: Data - Several EC reports - Author

In fact, if we only look at the present INTERREG-A programmes financial distribution and the respective NUTS III GNP per head, it doesn't seem to be any logical correlation between both values (Fig. 4). Nevertheless there are some justifiable explanations for this panorama: (i) in spite of higher regional socio-economic development, some older EU Member-States border areas already reached high institutional, economic and cultural cross-border maturity which involves a genuine cooperation dynamism, resulting in the materialization of important regional development cross-border projects which, in turn, require significant investments. On the counterpart, the high amounts of funding received in some eastern European programmes, are mainly focused on improving cross-border infrastructures (communications, roads, etc), since they are still in an initial phase of 'getting to know procedure', and the socio-economic impact measures are still far from the desirable ones.

Figure 4 - Financial allocation per INTERREG-A VI programmes vs GNP



Source: Several EC reports + ESPON database - Author

Seen from this standpoint, one can always ask if there should be a direct and simple correlation between the GNP per head of the border areas and the INTERREG-A financial allocation, for each one of the INTERREG-A programmes? The answer is not a simple one, since there is a multitude of factors involved in this decision. However, in view of the ESDP objectives, it makes sense that the less developed areas receive higher amounts of money to help them closing the existing socio-economic development gap.

### 3 - CBC in the EU official reports

#### 3.1 - Economic and Social Cohesion Reports

As we could see in the previous point, the CBC issues in EU don't seem to get the necessary 'attention' from the EU regional policy when it comes to financial allocations, especially if we look closer to the percentage of EU area and population living in the EU border NUTS III. In this light, we think it would be interesting to fully examine the presence of the CBC issues in the official released Economic and Social Cohesion Reports, which are published every three years, with the main findings on the economic and social cohesion progression in the EU (table 2).

Table 2 – CBC in Economic and Social Cohesion Reports

Cohesion Reports	1 - 1996	2 - 2001	3 - 2004	4 - 2007
Remarks on CBC in executive summary	1	1	2	1
Remarks on CBC (INTERREG-A)	1	3	4	8
Evaluation of CBC	Positive	Positive	Positive	Positive
Maps	0	1	0	0
Graphics	0	1	0	0
Whole Chapter	0	0	0	0
Specific Topic	1	1	1	1

Source: EC reports - Author compilation

As it turns out in its first Cohesion Report (EC, 1996), the EC didn't focus much attention on the CBC issues. Yet, in the executive summary it highlights the fact that "through specific Community Initiatives, although with varying degrees of success, the Union has helped to target European problems, to identify new opportunities and to improve interregional and cross-border relations in order to tackle common problems". Further on, in the Community Initiatives topic, it stresses out that, "with regard to cross-border cooperation, INTERREG I (1989–93) achieved considerable success measured in terms of interest aroused, with some 31 programmes funded. Their unique contribution has been to promote the development of coherent regional strategies across national frontiers".

In fact, the main concerns in this report are centred in the role and achievements of the Member-States and the EU policies in reducing the existing socioeconomic disparities in the EU territory. Furthermore, the regional dimension is always present

as it refers that “over the past decade, regional income disparities widened in all Member States (except Netherlands)”.

In line with this first cohesion report, the second one (EC, 2001), continues this analysis of the regional income disparities in EU territory, by enhancing the territorial dimension of the cohesion, referring “the need to promote a harmonious development of the Union as a whole”. Then again, the CBC issue is mentioned in the executive summary, with the following main idea: “with the creation of the single market, backed by cross-border cooperation programmes supported by European funds, for the most part existing internal border regions no longer show significant differences in income per head and unemployment compared to the Union as a whole”.

Further on, in the Territorial Cohesion chapter, the reinforcement of the CBC is regarded as an important aspect to achieve a coherent and sustainable spatial development. Apart from the topic related to the Community Initiatives and some other insignificant remarks in the rest of the document, it’s only in the conclusions, that the CBC is viewed as a priority of the Union, in order “to promote integration and reduce the economic and social fragmentation created by the borders”.

Nevertheless it’s possible to see a deeper analysis of the INTERREG-A evaluation, compared with the one made in the first Cohesion Report, since it not only mentions the positive aspects of the CBC, but also reveals the main problems involved in the INTERREG-A projects implementation: “border regions, particularly in southern Europe often lack experience of cooperation. Centralised administrative bodies, inadequate acquaintance with each other and a lack of mutual trust make the creation of lasting cross border institutions difficult, as in the case of efforts at cooperation generally. As a result, the involvement of local and regional entities and of the social partners remains limited, and in some cases projects have not been genuinely cross-border”.

In the following Cohesion Report (EC, 2004), the executive summary draws a wider attention to the CBC issues in a minor topic: ‘promoting cooperation and networking’. This topic stresses out that significant improvements were made, in

particular, to border crossings in Objective 1 regions, in Germany and Finland. “The main benefits, however, have come from increased contact and better understanding between public authorities and private and semi-public organisations on either side of the border”. In another small topic, however (Justice and home affairs) an increased CBC is also mentioned as a tool to improve conditions for development.

In the conclusions of this report, the INTERREG-A is finally recognized to be a decisive tool to the achievement of a balanced and harmonious integration of the territory of the Union “by supporting cooperation between its different components on issues of Community importance at cross-border, trans-national and interregional level”. Hence, the commission will propose the creation of a new objective dedicated to this matter, and also a “new legal instrument in the form of a European cooperation structure, in order to allow Member States, regions and local, authorities to address — both inside and outside Community programmes — the traditional legal and administrative problems encountered in the management of cross-border programmes and projects”.

In the remaining pages, the CBC issue is mentioned in the ‘impact of community policies’ main topic, for instance, when it comes to the accessibilities planning: “community added value from support of transport could potentially be higher if priorities were better coordinated and more funding were given to INTERREG-type programmes, which apply the principle of planning across border areas, so avoiding a break in trans-European networks when they reach a national frontier”.

Afterwards, and not surprisingly, there is also a topic concerned only with the Community Initiatives where almost three pages are devoted to the main achievements and added-value of the CBC: “part of the added value of INTERREG IIA programmes is their contribution to establishing and strengthening a culture of cross-border cooperation both inside the EU and between the EU and neighbouring countries. The main benefits have come through increased daily contact and the building of mutual trust and understanding between various entities, including public authorities and private and semi-public organisations”. Another important conclusion was that “under strand A, the most successful programmes were those jointly developed around a limited number of objectives and priorities with a long-

term strategic focus. They also tended to involve extensive and close cross-border partnership, both formal, as expressed in the institutional arrangements for programming and management, and informal.”

Without a doubt, the reading of the Third Cohesion Report shows a tendency to deepen the CBC subject and the positive impact of the INTERREG-A strand on the EU Territory. Yet, if we take the report as a whole, in our point of view, the territorial cooperation and the CBC in particular, is still not regarded as a crucial dimension of the cohesion policy, which complements the economic, social and territorial one. Therefore, we think that there should be a complete chapter dedicated to it, with a more panoramic view across the EU territory and a deeper analysis of the CBC process and the territorial impacts across the EU borders.

Unfortunately, in the fourth and last released Cohesion Report (EC, 2007), this reality was not yet materialised. Instead, as it can be seen in its executive summary, the CBC issue was summarised as followed: “many years of cross-border programmes have improved co-operation between border regions within the EU-15, especially between the Benelux countries, Germany and France. The new internal borders are not as permeable yet and traffic flows are much lower. Increasing the permeability of these borders, both physically and administratively, will facilitate the flow of people and goods between these regions and lead to the levels of economic exchange matching the economic potential of these regions. This type of cooperation activity is even more important for the border regions located along the external border”.

In the remaining parts of this document, the CBC issue is discussed along several topics (transports, commerce, accessibility, energy, migrations, employment, and impacts of regional policy) and, of course, the usual topic addressing the Community Initiatives, where the INTERREG is regarded as a success story: “despite the limited scale of support on average (EUR 74 million per programme), the programmes tended to have a significant leverage effect (EUR 165 for every EUR 100 invested, EUR 5 of which came from private funds). This covered investment which would most certainly not have materialized without INTERREG”. This is in fact a fair and highly regarded evaluation of is EU Initiative, which by

itself justifies more than the two pages dedicated to this subject in this topic, taken on consideration that “the mid-term evaluations also pointed to a sustained exchange of experience, knowledge and know-how across borders and countries, broadening the perspectives of the participants concerned”.

In sum, the reading of the four Cohesion Reports confirms that the CBC issues are not regarded as a fundamental topic which justifies a deeper analysis, in spite of the positive remarks made on the INTERREG-A territorial impacts in strengthening the cross-border links. Should it be different in the next Cohesion Report? We think so, since the status of CBC was raised to the level of a separate objective of the UE Cohesion Policy: European Territorial Cooperation (EC, 2007c).

### 3.2 - EU Spatial Planning Reports

To complement the previous analysis, we also decided to read some of the most important released EU Spatial Planning Reports, in order to realize the importance of the CBC issues on them (table 3).

Table 3 – CBC in EU Spatial Planning Reports

Spatial Planning Reports	Europe 2000	ESDP	T. Agenda	ESPON SR
Remarks on CBC in executive summary	1	0	0	2
Remarks on CBC (INTERREG-A)	3	15	7	8
Evaluation of CBC	Positive	Positive	0	0
Maps	1	0	0	1
Graphics	0	1	0	0
Whole Chapter	0	0	0	0
Specific Topic	1	1	0	1

ESDP - European Spatial Development Perspective; T. Agenda - Territorial Agenda; ESPON SR - Synthesis Report III -

Source: Spatial planning reports - Author compilation

In 1991 is released the Europe 2000 report (EC, 1991), which highlighted the necessity to define a EU joint action to get the most out of the Common Market benefits, and simultaneously pretended to reinforce the participation of the less developed regions in this process (E. Costa, 2005). Yet, “Europe 2000 was in no sense a spatial plan for the EU as a whole, and in fact did not move as far in the direction of policy prescription as some people hoped”. Indeed, “it was clearly

intended to represent the start of a continuing process of developing greater coherence in EU spatial policy” (R. Williams, 1996).

Nevertheless, it was the “first effort to provide planners with some of the information they need in a reference framework which is Community-wide rather than national or regional” (EC, 1991), and it included a broad analysis of the EU border regions and the CBC process (INTERREG-A). In fact, in the executive summary, almost a complete page of remarks is used to debate the EU border regions thematic, with the following general idea: “border areas are among the zones most affected by increasing integration of the Community, both in terms of the reduced significance of internal frontiers and in terms of peripherality of areas on the frontiers with third countries”. It also identifies some of the most persistent barriers (different legal and administrative systems, poor transfrontier infrastructure links).

Further, there is a specific topic included in section D (specific types of area in the Community) which includes a nine page topic entitled ‘the new role of border cities and regions’ with quite a deep analysis of the EU border areas, divided in several minor topics concerned their geography and legacy, organizational issues and economic integration infrastructure. It also gives some attention to the INTERREG-A Community Initiative and the intention to set up a CBC observatory - LACE. In the end, it’s provided an overall outlook of the CBC in the European territory with the following main idea: “the measures now in train should greatly ease the problems of the internal border areas of the Community by the year 2000”. For that matter special attention should be given to infrastructure, industrial development improvements, environmental protection, physical, economic and working fluxes joint planning, public services and facilities sharing and removal of legal and administrative obstacles.

In 1994, a second and upgraded version of this report was released with the EUROPE 2000+ title (EC, 1994c) and the CBC issues continued to be discussed both in the main findings section: “external and cross-border cooperation represents an essential means of integration and harmonising the European territory”, and in a specific topic entitled ‘border areas: from division to integration’. In this topic great relevance is given to the INTERREG-A Community Initiative since it “has greatly

stimulated the transborder cooperation in Europe, particularly by allowing the Union's peripheral regions to launch joint actions, to establish the necessary institutional structures and mechanisms of cooperation and to take the first steps towards a coordinated transborder approach to regional planning”.

The European Spatial Development Perspective (ESDP) (EC, 1999), released in 1999, marks a turning point in the EU territorial vision, by pointing out a strategy towards a more balanced and sustainable development of the territory of the EU, based on (i) a balanced and polycentric urban system and a new urban-rural relationship; (ii) by securing parity of access to infrastructure and knowledge; (iii) and by supporting a sustainable development, prudent management and protection of nature and cultural heritage.

The idea of a polycentric urban system requires the establishment of a strong network of cities and the promotion of relational fluxes amongst them, which can be stimulated by promoting functional complementarity and also by increasing the CBC in close-by border cities: “co-operative cross-border city networks can provide a means of overcoming development disadvantages in border areas”. The same document also highlights the importance of a CBC strategy to improve the water resource management, the establishment of partnerships and co-operation between urban regions to reduce unemployment and stimulate the economic growth.

At a glance, it's clearly expressed in this cornerstone document, that the CBC is an important piece for the application of the ESDP, and therefore for a successful spatial development policy. For instance, “projects for the balanced and sustainable development of border regions and investment projects can be strengthened and supported by achieving mutual consensus on both sides of borders, political agreements, inter-governmental evaluation of spatial effects and the adaptation of national legislation”. Additionally it is recommended that: (i) comparable data and indicators are produced to make a deeper analysis and research on cross-border, transnational and Europe-wide trends which influence spatial development; (ii) legal obstacles in the Member-States which hamper cross-border and transnational co-ordination for spatially significant plans and measures, are removed; (iii) the use of the projects for the preparation of investment measures and for the further

development of instruments of spatial development, in particular cross-border territorial impact assessments.

Afterwards, this document dedicates an entire topic to cross-border and interregional cooperation, by stressing out that Regional and local authorities are key players in European spatial development policy, and that “a great number of development tasks can only be solved with satisfaction through cross-border cooperation with local governments. Co-operation beyond national borders, therefore, plays a key role in applying the ESDP”. It also suggests some useful projects like: (i) the promotion of cross-border co-operation between neighbouring border areas, aimed at developing compact economic cores (city clusters); (ii) the improvement of relationships between regional public transport and main transport networks; (iii) a landscape development and environmental protection policy for ecologically sensitive areas to create a cross-border composite system of biotopes. At the regional level this document proposes a stronger CBC in the following fields: accessibility, transport systems, rural areas, landscapes and ecosystems, renewable energy, water resources, cultural heritage. Finally, at local level it suggests measures to: (i) diversify the economy structure; (ii) develop city networks; (iii) promote multi-modal transport; (iv) promote urban and rural partnerships; (v) protect urban heritage and architecture.

According to the ESDP, efforts should also be made by the “Member-States and regional and local authorities to implement further cross-border programmes and projects, particularly: (i) preparing cross-border spatial visions and strategies and taking them into consideration in national spatial development plans and sectoral planning; (ii) regular cross-border fine-tuning of all spatially-related planning and measures; and (iii) the setting up of common cross-border regional plans and, where appropriate, land use plans as the most far-reaching form of cross-border spatial development policy”. We absolutely agree with this futuristic and necessary vision of a non-border spatial strategy, yet we think it also requires the European decision level in that mix.

Although the purpose of this document is not to make the evaluation of CBC process in EU Territory, it gives some examples of successful initiatives such as Saar-Lor-

Lux (Saarbrücken, Metz, Luxembourg) and Tornio-Haparanda on the Finnish-Swedish border), which deepens its approach on this issue, since it considers the INTERREG-A as a Spatial Impact Programme, along with some others.

Recently disclosed, the Territorial Agenda of the European Union (EC, 2007b) continues the task of reinforcing the Territorial dimension into the UE political arena, enhancing the variety of regions and cities of the EU space. In this recent document, the CBC issues are brought to discussion for the first time in the New Challenges topic: “accelerating integration of our regions, including cross-order areas, in global economic competition”. Afterwards, the same document highlights the idea of including the cross-border areas in the process of creating new forms of partnership and territorial governance between rural and urban areas, and also to enlarge growth zones by combining strengths “through the creation of suitable and innovative clusters where the business community, the scientific community and administrations work together”. At the same time an important suggestion is made to remove barriers to cross-border rail and road transport in order to improve the Trans-European Networks, and also to improve the efficiency of risk management through an integrated trans-European and cross-border strategy.

Yet, a general view of the Territorial Agenda doesn't provide us with a specific topic concerned only with the CBC issues. Nevertheless, this subject is brought about in a small topic (Implementing the Territorial Agenda - Actions for Close Cooperation Between the European Commission and EU Member States), which states that European Territorial Cooperation offers “opportunities for strengthening European networks of cities and regions as well as supporting new innovation-oriented European development corridors”. It also defends that the CBC is an effective instrument for promoting territorial cohesion.

During the 2000-2006 period, the ESPON produced an immense quantity of quality reports, providing an up-to-date picture of the European Territory in many specific issues, including one dedicated entirely to CBC (ESPON, 2007). Yet, by the end of 2006 it produced an Synthesis Report (ESPON, 2006), where some of the main conclusions from most of the ESPON project reports were brought together, to give

a panoramic view of the recent tendencies of the European Territory in more than 100 pages illustrated with maps.

As it turns out, the CBC issue is mentioned several times in this document, proving, once gain, its key role to implement the Territorial Cohesion objective in EU, since it regards areas with special governance challenges. As a matter-of-fact, right in its summary, there is a small paragraph highlighting the importance of the cross-border integration to strengthen functional regions since “in large parts of Europe, open borders allow for the establishment of cross-border functional regions, in many situations with a polycentric network of cities”.

Afterwards, in the introduction, the idea that cross-border areas need a modern paradigm for an efficient regional policy to respond to the new challenges involving the development potentials of the European regions is defended. In Chapter five (cities as drivers for development) it's stressed out the role of small and medium-sized towns to improve the territorial cohesion by strengthening the CBC process, since many of them “cut across a national border and can be considered as potential cross-border functional urban areas”. Later in this chapter some examples of CBC initiatives are revealed as good practices in implementing a common cross-border regional growth strategy.

Finally, in Chapter 7, there is a topic dedicated entirely to the border regions and the CBC thematic, which begins to state that the spin-off effects from internal borders are increasingly a thing of the past, but huge potentials for cross-border urban agglomerations still remain unexploited, since 23% of European cities have potential commuting areas that cross a national border. It's also revealed that enlargement makes borders more important and also that the borders still have a significant impact, especially in the new member-states and candidate countries of central and eastern Europe.

#### 4 - CBC an added-value to the Territorial Cohesion

The Territorial Cohesion concept is both a recent and ambiguous one. Yet, if we read carefully the three last EU official Cohesion Reports and also the recent Green Paper on Territorial Cohesion they all focus on the main idea of making the EU Territory a more harmonious and balanced one.

For example, this idea is present in the Second Report on Economic and Social Cohesion (EC, 2001), which stands for the main ESDP objectives of a more polycentric and balanced European Territory, since “recent studies of the effect of integration on regional balance in the EU have emphasized the need for accompanying policies to prevent a possible widening of disparities between the stronger and weaker areas” (EC, 2001).

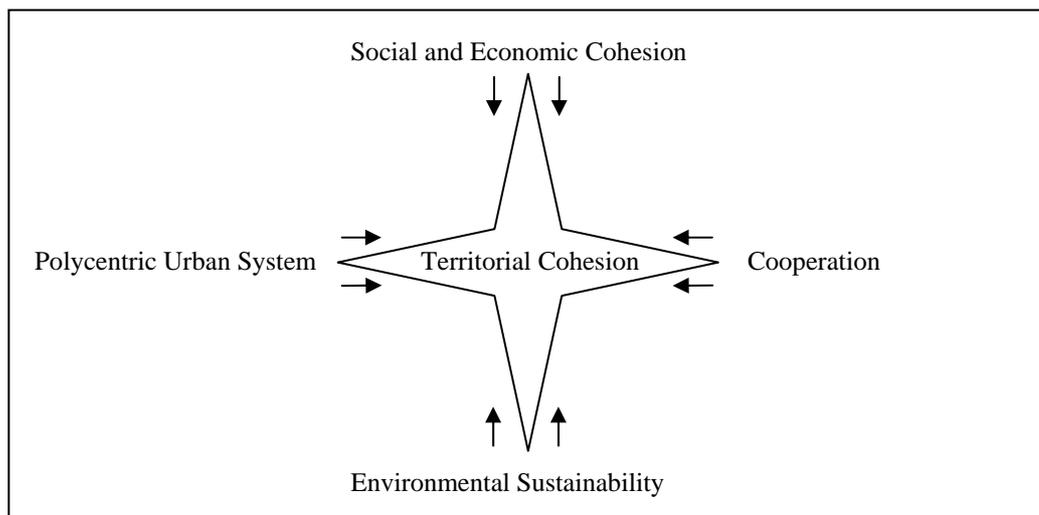
The third report on Economic and Social Cohesion takes a step further, by enhancing the importance of the territorial cooperation as a vital piece to achieve the territorial cohesion: “the concept of territorial cohesion extends beyond the notion of economic and social cohesion by both adding to this and reinforcing it. In policy terms, the objective is to help achieve a more balanced development by reducing existing disparities, avoiding territorial imbalances and by making both sectoral policies which have a spatial impact and regional policy more coherent. The concern is also to improve territorial integration and encourage **cooperation** between regions” (EC, 2004).

Released two years ago, the fourth report on Economic and Social Cohesion continues to increase the discussion around the Territorial Cohesion issues, and also highlights the importance of the cooperation to achieve this objective: “towns are important in strengthening territorial cohesion either by supporting polycentric development or by offering key services to surrounding rural areas. There are a number of examples of towns in reasonable reach of each other **cooperating** by sharing the functions they perform and between them providing a range of services and amenities. Such **cooperation** contributes to less spatial concentration and to more a balanced pattern of regional development” (EC, 2004).

Finally, the recent released Green Paper on Territorial Cohesion continues the discussion around this concept, and doesn't forget to highlight the importance of the cooperation to materialize the Territorial Cohesion in the EU territory, by revealing that the “problems of connectivity and concentration can only be effectively addressed with strong **cooperation** at various levels” and that “economic growth in a globalised world economy is increasingly driven by multiple **cooperation** structures involving different types of public and private actor” (EC, 2008b).

In fact, we completely agree with the inclusion of the cooperation dimension as an important piece of the Territorial Cohesion concept, together with distribution dimension (social and economic cohesion), the morphologic dimension (polycentric urban system), and the environmental dimension (environmental sustainability) (Fig. 5).

Figure 5 - The star of the Territorial Cohesion



Source: (E. Medeiros, 2005)

Indeed, if we look exclusively at the CBC (INTERREG-A) extremely positive territorial impacts in improving the cross-border networks (institutional, economic, social, cultural, environmental), on the EU territory, in the last 20 years, helping to reduce the barrier effect on the border areas, especially in the ‘older’ Member-States, it's not difficult to assess the crucial role of the CBC to the Territorial Cohesion process.

The same idea is expressed in the foreword of the Cross-Border Cooperation - Cross-Thematic Study of INTERREG and ESPON activities (ESPO, 2007): “Cross-border cooperation has been an important instrument for achieving the goals of the European Spatial Development Perspective (ESDP), as well as implementing the aims of the Lisbon and Rotterdam processes to attain sustainable growth and territorial cohesion in Europe. Particularly the goal of cross-border cooperation within the INTERREG IIIA programme has been instrumental to ensure that national borders do not form barriers to balanced development and integration of the European territory”.

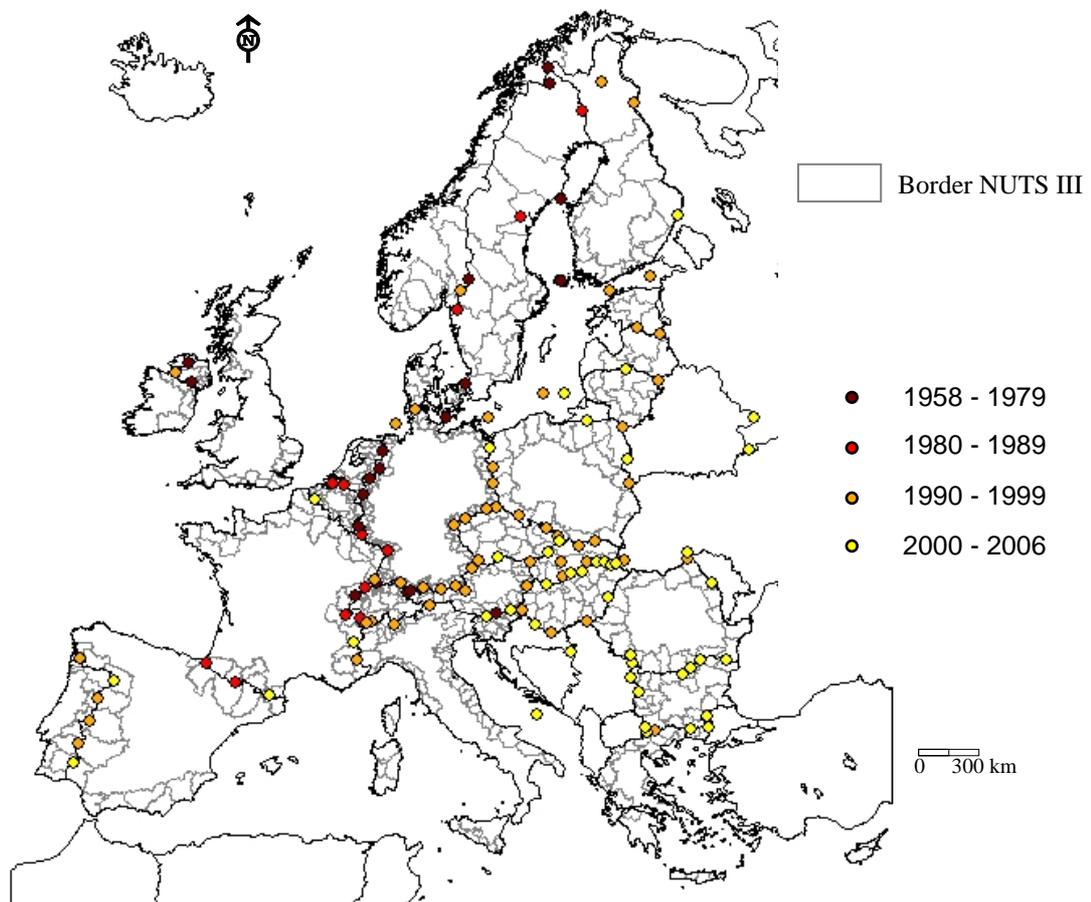
Such a vision can be empirically confirmed by thousands of approved INTERREG-A projects, all over the EU border areas, which have been an essential piece to establish territorial networks by implementing the principles of subsidiarity, partnership and additionality. In addition, this exponential growth of CBC contacts and acquaintances bring positive consequences in exchanging experiences, know-how and knowledge between territorial authorities and bodies as well as social partners. Simply put, “such cooperation results in learning, learning about one’s partners, their views and concerns and, by seeing oneself in the mirror of their minds, about oneself” (A. Faludi, 2008).

It should also be noted that, the CBC added-value to the territorial cohesion process extends to the remaining dimensions of this concept. For instance, the socio-economic cohesion has been improved by supporting the labor markets unification at European level, and also the job creation in the fields of tourism, training, research and co-operation between small and medium-sized enterprises (EC, 2000c). In this regard, the INTERREG-III projects objective priorities “show that the most popular themes were growth, employment and competitiveness (20%), knowledge sharing/Innovation/Research (19%), culture and cross-border social interaction (18%) and environment/quality of life (17%)” (ESPO, 2007). These numbers support the evident contribution of the CBC to the environmental dimension, even though there is still a lot to be done in establishing cross-border protocols between natural protect cross-border areas (E. Medeiros 2009b).

Last, but not least, in our point of view, despite the limited scale of financial support, the ongoing CBC process (INTERREG-A) has been playing a significant role to promote a better articulated European Territory, by reinforcing the relational (networks, complementarity) and the morphologic (connectivity, hierarchy) dimensions of the polycentrism concept (ESPON, 2003).

One such evidence can be seen in the creation of CBC managing structures in the EU Territory (Fig. 6) which account for more than 130 according to AEBR (2008). Of course such structures already existed before the INTERREG-A Community Initiative, yet they were in small number (33) and were concentrated mostly in the old EU Member-States (BENELUX, France, Germany) and in the Nordic Countries, since the regional cooperation between the later have a long tradition: “In 1948, Denmark, Iceland, Norway and Sweden established the joint Nordic Committee for Economic Cooperation” and in “1951 this was followed by the formation of the Nordic Council” (Nordregio, 2007).

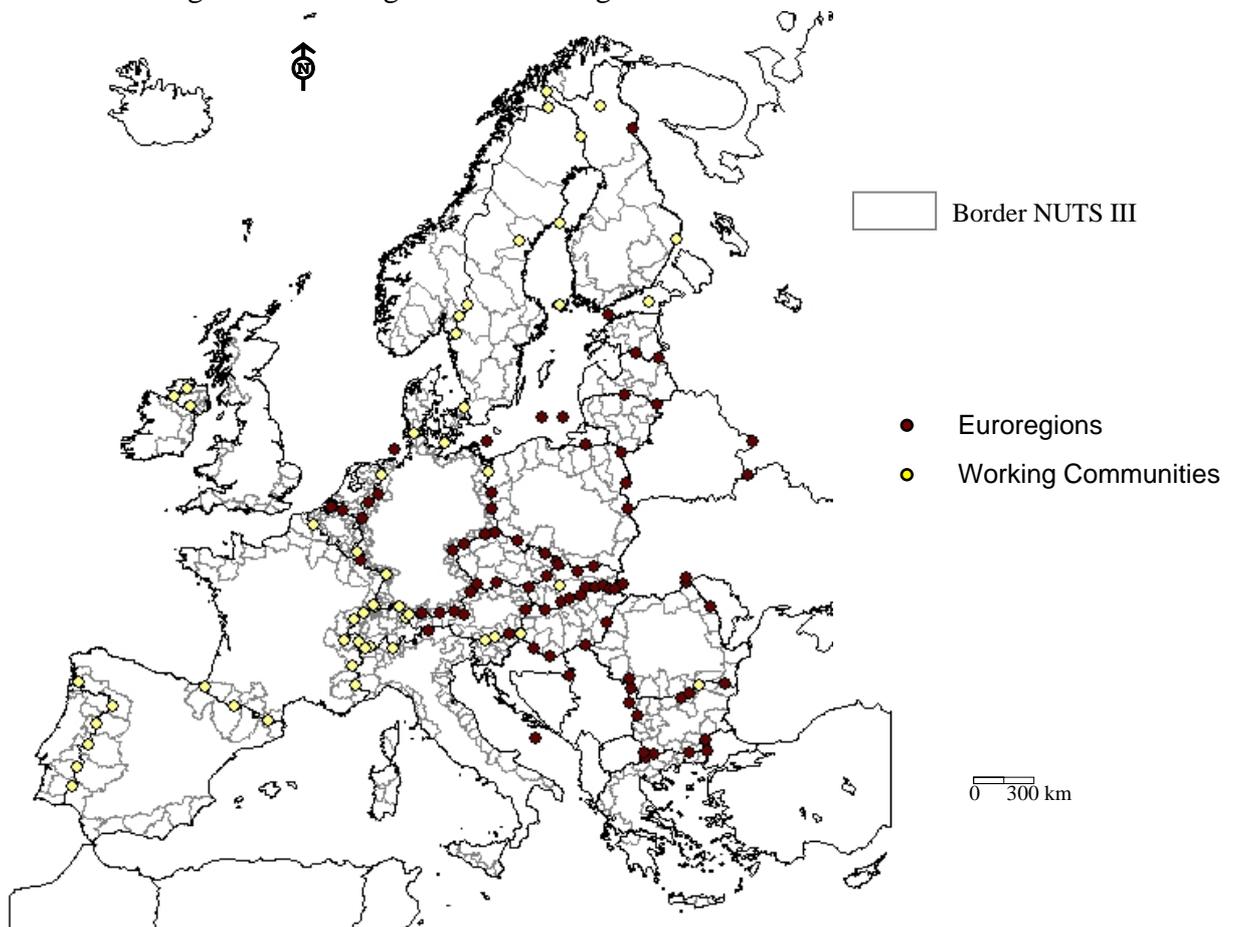
Figure 6 - CBC managing structures in EU



Source: Data - (AEBR, 2008) - Author

By looking at the previous figure, one can witness the furious INTERREG-A impact in spreading these CBC structures to the remaining EU borders which, in general, “are working very well and there is no lack of cross-border ideas” (AEBR, 2008). These structures sometimes are called Working Communities and others Euroregions. The latter is suppose to embrace a stronger administrative autonomy and competency, yet the fact that it has been adopted by many Eastern European borders (Fig. 7), where most of the times the barrier-effect is still strong and the CBC process is still young, proves that these type of administrative structure are mostly signs of the intention to engage this process, and that some ‘so called’ Working Communities have a stronger CBC dynamic. For this reason, we propose a different approach to the Euroregion concept, viewed from a geographic standpoint, and as the one of the four possible types of CBC regions, in the European territory, where the barrier effect no longer hampers the CBC fluxes and the socio-economic integration of the border area (E. Medeiros, 2009c).

Figure 7 - Euroregions vs Working Communities in EU



Source: Data - (AEBR, 2008) - Author

It is also noteworthy that similar CBC structures have been implemented at local level, in many EU border areas, involving many local and regional (private and public) partners from several society activities (universities and investigation centre's, enterprises, cities, municipalities, syndicates, etc). For instance, since 1990, there were implemented more than 80 of these CBC structures all over the Portuguese-Spanish border (E. Medeiros, 2009), as a result of the growing Iberian INTERREG-A joint contacts.

Accordingly, we think it's irrefutable that this ever growing approximation between both sides of the EU borders, are a result of the INTERREG-A programmes implementation, thus reinforcing the relational dimension of polycentrism concept and consequently contributing to a more balanced and harmonious EU territory. Indeed, the establishment of relational networks has been the main added-value to the ESDP objective. Yet, be that as it may, the CBC process in the last 20 years has also support, to a large extent, the territorial articulation viewed from the morphologic dimension perspective (transport infrastructures), which are a crucial aspect to link the border territories.

The CBC (INTERREG-A) support to the physical connections of the EU border areas was especially evident in “the case of programmes in the more isolated Objective 1 regions (...) particularly in Greece, Germany and Finland” where “road connections were improved significantly, while there were more limited effects in areas along the Spanish-Portuguese border and in Austria” (EC, 2004). Also according o the most recent Report Economic and Social Cohesion (EC, 2007), the Transport Infrastructure domain leaded the INTERREG-A III expenditures with 20% of the total allocation funds, proving there is still a lot to be done in the morphologic articulation of the border areas, especially in the newer EU Member-State members.

In fact, empirical evidence also suggests that the INTERREG-A support to the cross-border physical connections vary quite significantly in approved programmes, and their generations. For instance, 42% of all INTERREG-A spending in the first three generations was used in improving the cross-border road accessibilities in the Portuguese-Spanish programme, while at the same time in the Swedish-Norwegian

one, this percentage only reached the 10%. Of course, in the first case, the allocation funds were 9 times greater than the ones received by the latter, but, fact of the matter is that the Portuguese-Spanish border road connections really needed a boosted improvement in order to sustain the immaterial cross-border relations along this old and long unchanged European border.

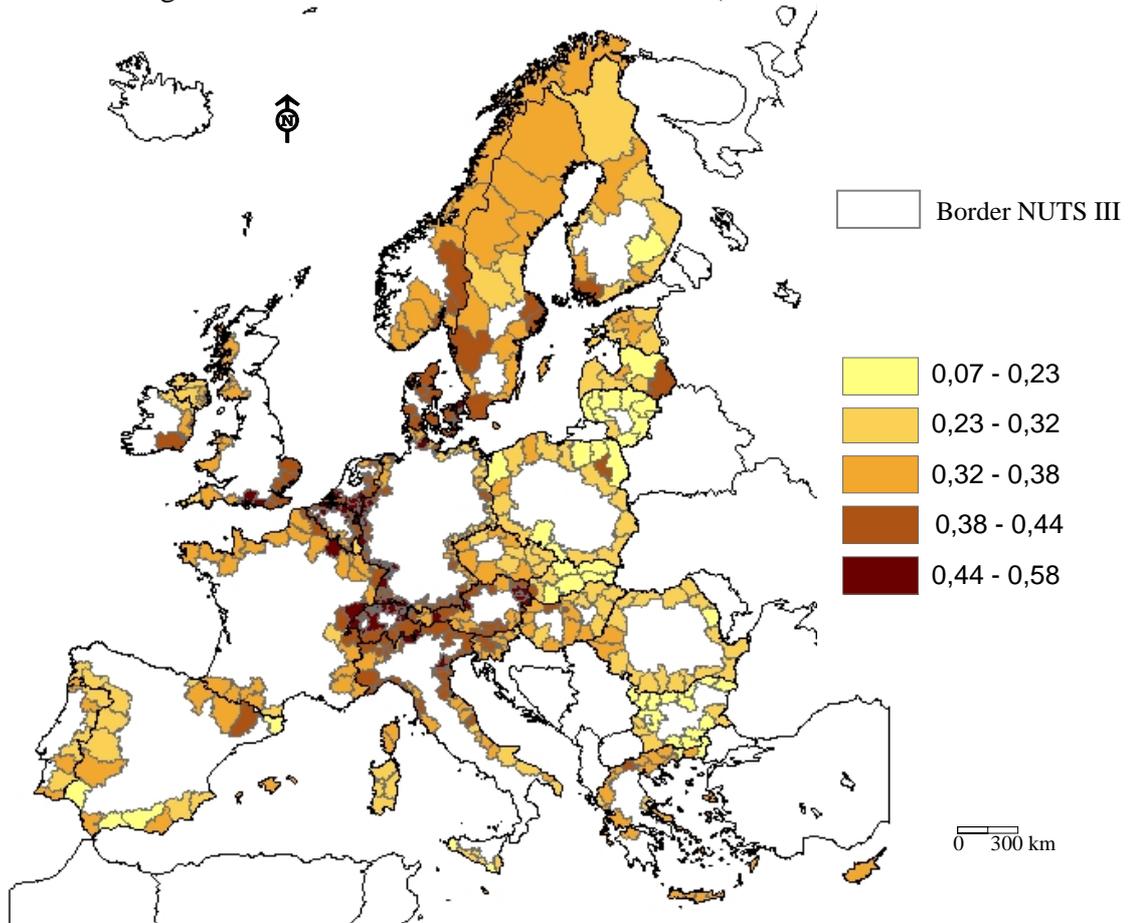
As demonstrated above, the creation of this dynamic environment for the CBC process (INTERREG-A) in the EU territory, carried out in the last 20 years, had positive implications, directly or indirectly to the Territorial Cohesion process, in all its dimensions. Yet, was it enough to counterbalance the concentration of the economic activity in the major EU urban agglomerations? In other words, is there a higher degree of territorial cohesion in EU border regions (NUTS III) in 2009 than 20 years ago? The answer to this question would require the construction of an aggregated index, built with several indicators covering the various dimensions of the concept of territorial cohesion.

Truth of the matter is that, despite the difficulty of this endeavor, we were able to build such an indicator to analyze the Portuguese border area Territorial Cohesion evolution from 1990 to 2006, and reached to the conclusion that, in general, it continued to lag behind the Portuguese Continental average, proving that the positive INTERREG-A territorial impacts were not enough to invert the continuous territorial imbalances of this territory (E. Medeiros, 2005).

With this in mind, we checked the possibility to build a similar type of Territorial index to the remaining European border areas. Unfortunately, lack of comparable data in many crucial indicators, together with many gaps (especially in the early 1990's), slowed down our initial enthusiasm for this task. Even so, we decided to use some available data from the ESPON database to build a Partial Territorial Cohesion Index, for the present moment. We call it partial because it uses two indicators related to the socioeconomic dimension (GNP per head in 2003 and Unemployment rate - 2001), and two other indicators related to the Polycentric Urban System (Population Density in 2003 and Potential Intermodal Accessibility in 2001).

The result of this aggregation can be seen in Fig. 8, and reveals a strong correlation between older/strong intensity of CBC (European Core) and the higher Territorial Cohesion index obtained values. Isn't this another indication that the Cohesion Policy allocation funds to the less developed border areas should increase substantially? We sincerely think so.

Figure 8 - Partial Territorial Cohesion Index (2001-2003)

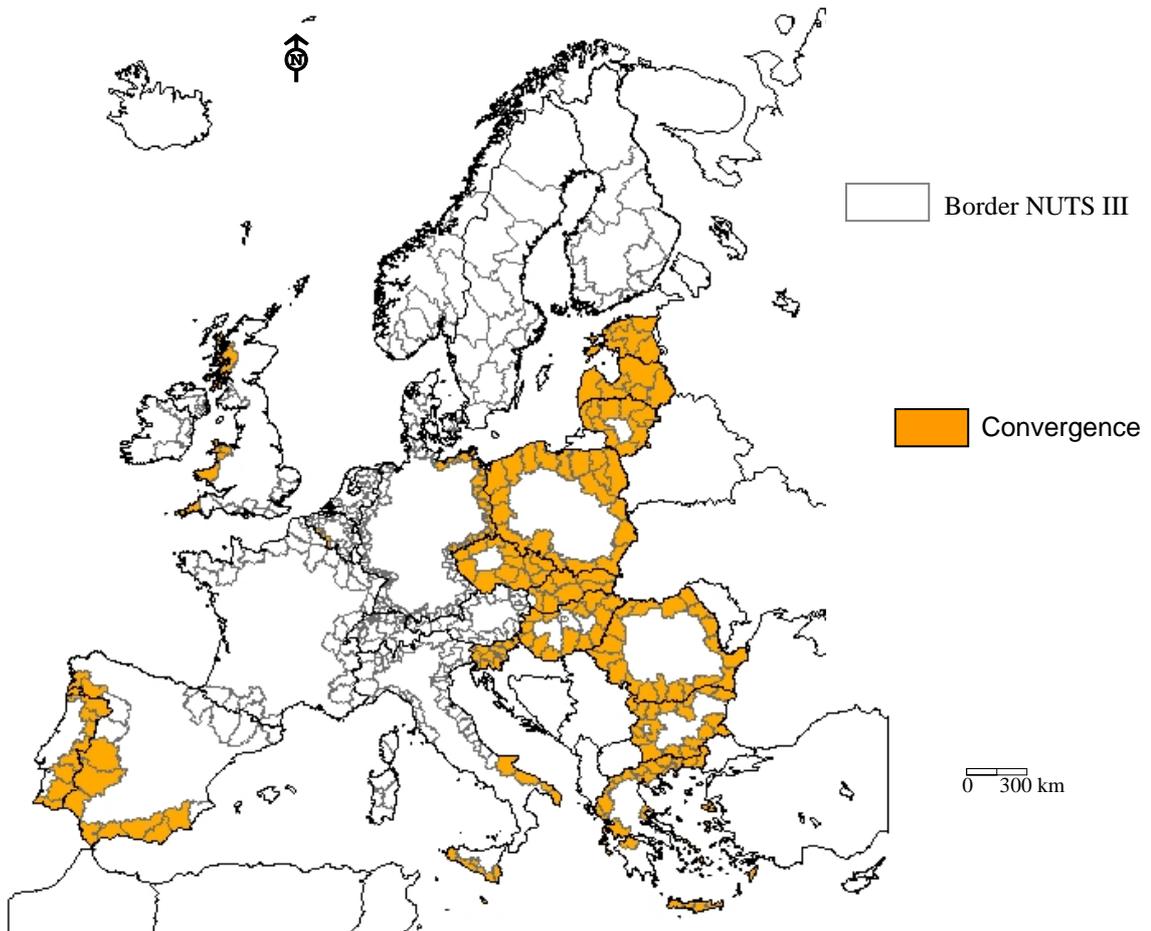


Source: Data - (ESPON Database) - Author

## 5 - Strong financial support to CBC to correct the EU regional Imbalances?

The idea of having an European balanced territory isn't new. In fact, the origins of Community policies addressing regional imbalances can be traced back to the Treaty of Rome. Since then, a large part of the EU budget expenditure was used in trying to achieve this goal, and as and EPON synthesis report (ESPON, 2006) reveals, "currently a number of trends point towards an increasing territorial balance in Europe. This is however being challenged by some overarching trends. The European core-periphery pattern is weakening by some overarching trends". Even so, a large amount of border NUTS III (37% of the area, 39% of the population and half of the income per head of the total border EU NUTS III) still belong to the convergence objective, hence requiring and additional financial aid from the Regional Policy Funds, most of them concentrated in the UE territory periphery (Fig. 9).

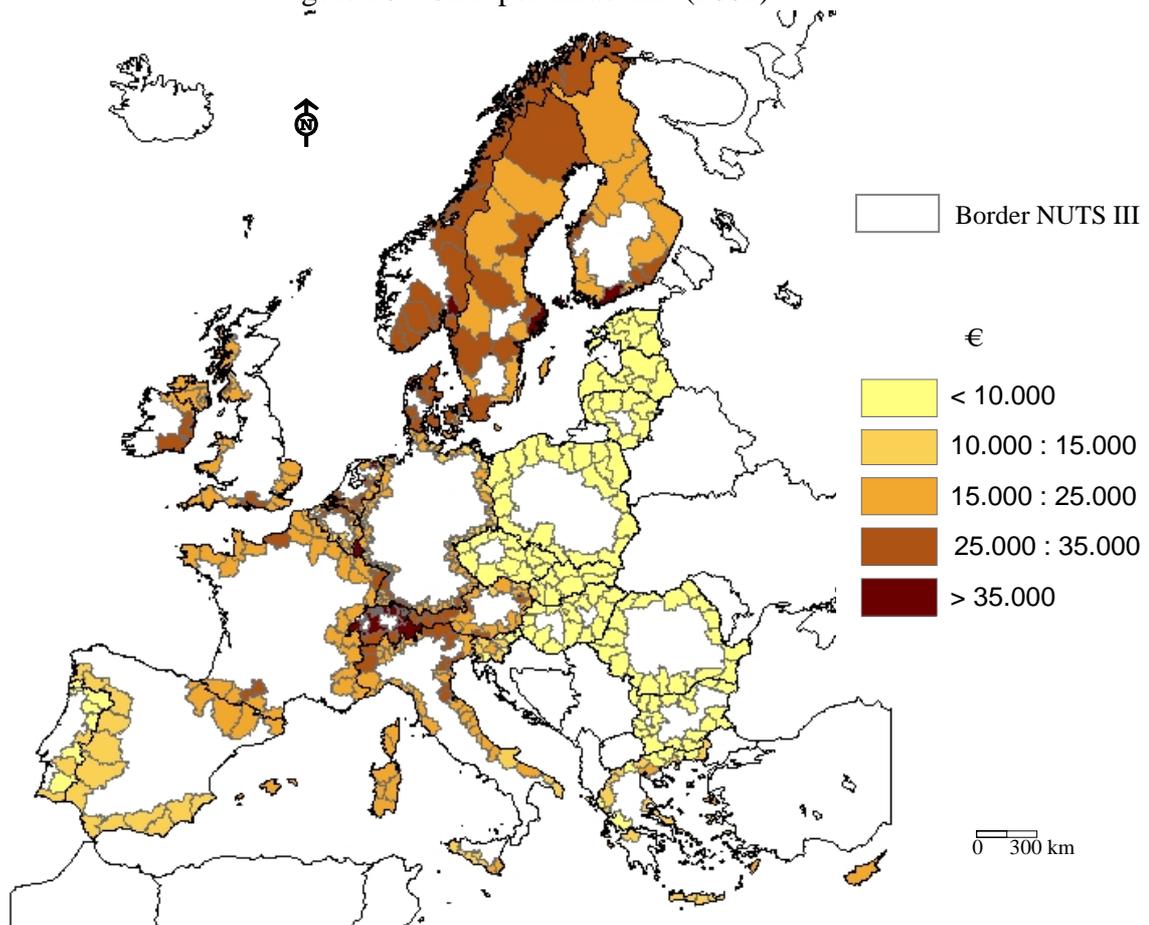
Figure 9 - EU border NUTS III in convergence cohesion objective (2007-2013)



Source: Data (EC, 2007c) - Author

It also goes without saying that this picture is based essentially on the GDP per head regional (NUTS III) income levels (Fig. 10), which reveal unequivocally that borders matters. This is especially true after the latest EU enlargements which “not only made borders more important, it also altered their distribution across the territory of the EU. More than 50% of European land borders are now in the states that joined the Union in 2004” (ESPON, 2006).

Figure 10 - GDP per inhabitant (2002)

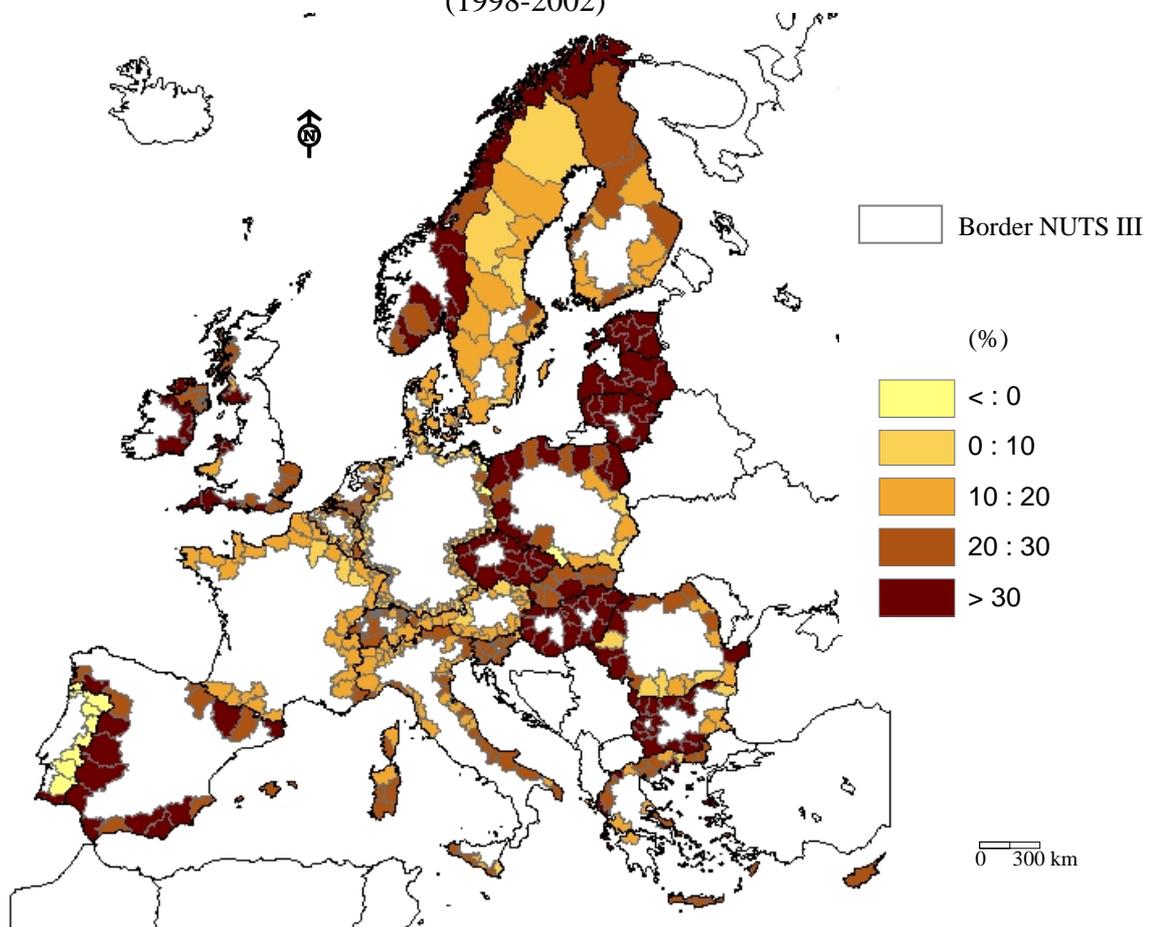


Source: Data - (ESPON Database) - Author

Further analysis, using the development of the GNP per head in a certain period of time in the EU Border NUTS III, provides some clear evidence of border presence, separating country areas and not smaller regions (figure 11). This is strong evidence that the INTERREG-A funds are just a small drop in the ocean, in the regional development process of the EU border regions. Should this be changed? Should the European Territorial Cooperation Objective, in general, and the CBC, in particular,

have a much higher importance in the context of the EU Cohesion Policy? We think so.

Figure 11 - Development of GDP in Purchasing Power Parities per inhabitant (1998-2002)



Source: Data - (ESPON Database) - Author

In essence, we strongly believe that, to meet the challenges of the Territorial Cohesion Objective, the European Regional Policy should concentrate a much higher volume of financial support to the CBC in the next programming period of structural funds (2014-2020), in order to better explore the “huge potentials for cross-border urban agglomerations” (ESPON, 2006), and also to implement better articulated cross-border regional planning to face the future challenges that European border regions will face in the coming years (demographic change globalization, climate change, energy, etc), which according to a recent EC report (EC, 2008c), are especially threatening for the already less developed EU border areas (South and East).

## **6 - Conclusions:**

From 1990 to 2006, three INTERREG-A Community Initiative generations were implemented to strengthen socioeconomic and the territorial cohesion by promoting the CBC process in EU territory. The overall success of these interventions, which involved a vast number of local and regional authorities in a coordinated effort to mitigate the barrier effect - which is especially strong in the administrative and juridical differences on both sides of the EU Member-States - justified the decision to include in a separate Cohesion Policy objective (European Territorial Cooperation) the support to this process.

Yet, according to our analysis, the 1.8% of the Cohesion allocation funds destined to the CBC process are far from being considered a fair deal to the EU border regions, if we take on consideration the vital contribution of the so far approved INTERREG-A projects to implement the ESDP and the Territorial Agenda strategy, which aims to strengthen the territorial cohesion, in view of a more balanced and harmonious EU territory. The recognition of this contribution is also very clear in the several EU official reports analysed in this article, in spite of their superficial remarks on the CBC issues.

Then again, empirical evidence from our recent studies on the Portuguese-Spanish and Swedish-Norwegian border areas shows that the INTERREG-A has been crucial to the concretization of the Territorial Cohesion objective, since it covers all its dimensions. For instance, by implementing stronger relational and morphological networks and synergies between both sides of the border, it contributes to a more polycentric territory. It has also been an important socioeconomic development factor, by supporting the economic activity on the EU borders, in areas such as tourism, culture, training and skills. In addition, it also has addressed a strong focus to the environmental and the quality of life issues concerned the EU border areas, including information campaigns, water quality, nature conservation and ecologic tourism.

As such, and based on the fact that the EU border NUTS III reach almost 60% of the EU territory, and more that 40% of the EU population dwell in these areas, in our point of view, in the next Cohesion Policy programming period the European Territorial Cooperation objective should be given a higher financial support, and also a stronger role in the EU official Cohesion Reports,

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