



EUROPEAN POLICY BRIEF

**EU BORDER
REGIONS**

EU EXTERNAL BORDERS AND THE IMMEDIATE NEIGHBOURS.
ANALYSING REGIONAL DEVELOPMENT OPTIONS
THROUGH POLICIES & PRACTICES OF
CROSS-BORDER CO-OPERATION

TITLE

Cohesion and Cross-Border Cooperation – the Challenge at the External Borders of the EU

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INTRODUCTION

EUBORDERREGIONS is a four-year project that explores relationships between borders, cooperation and development at the European Union's external boundaries. One question that looms large is whether cross-border co-operation can emerge as a regional development resource as well as promote greater social interaction between the EU and its neighbours. Regions at the EU's outer borders will be directly affected – both positively and negatively – by increasing interaction with neighbouring states. As a result, the future development perspectives of and development options open to these regions will be crucial to addressing core-periphery contradictions, economic and demographic imbalances as well as general sustainability issues within the EU as a whole. In the context of assessing major obstacles and problems associated with the development of cross-border cooperation programmes some of the most pertinent policy-relevant conclusions generated by EUBORDERREGIONS are proposed below.

EVIDENCE AND ANALYSIS

Based on fieldwork and interaction with stakeholders our research raises a number of issues of particular policy relevance. One present restriction – which could be converted into an advantage – is the fact that CBC at the external borders is caught within the territorial and programming rigidities of Cohesion and Neighbourhood Policy and does not enjoy a truly functioning action space: spatially defined indicators, goals, remits as well as fragmented responsibilities create their own barriers to interaction. At the same time, national implementation of Cohesion policies often remains guided by a fixation with physical investment and development and not on the development of cooperative networks across borders.

This idea of greater local involvement in the development of Community policies is in greater measure a response to a perceived lack of success in improving the economic efficiency and competitiveness of “lagging regions”. One of the suggestions that arose during this first period of the project was that new support structures developed in the next EU funding period (2014-2020) could promote collaborative forms of policy formulation and delivery based on partnerships involving the state, the private sector, foundations as well as civil society at large. This would seem particularly important in more peripheral regions with limited prospects for short-term ‘returns’ on social investment and where multiple support mechanisms are needed in order to nurture entrepreneurial activity. This is all the more important in the case of regions along the EU’s external borders, where cross-border co-operation has been marginalized within the overall EU regional policy logic.

The European Neighbourhood Policy Instrument’s CBC facility offers some limited if cumbersome support. However, in order for genuine project-based cooperation to come to fruition, change in focus within ENPI (and ENP in general) is needed; civil society networks and local-regional co-operation should be prioritized and eligible for more generous and specifically targeted support. In addition, co-operation partnerships, rather than mere projects, should be a target of multiannual support. One possible strategy would be to develop international networks between public, private and nonprofit sector actors that provide assistance to emerging and future private and social entrepreneurs through a variety of means, including: support in project development, securing grants (including the provision of guarantees), assistance in acquisition and provision of loans and investment capital, as well as training, advisory, logistical and informational support. At the same time, such support would not only reduce one-sided grant dependency but establish greater rapport between CSOs and local governments.

Given these considerations, EUBORDERREGIONS policy communications have stressed the following as a basis for crafting more efficient modes of EU-level, but also national CBC support:

1. Understanding the border as a resource. It is clear that national contexts and the gaps between them still very much influence policy-oriented behaviours at the national and subnational levels. Despite three decades of support, cross-border co-operation is by no means a self-evident resource for territorial development – it is also not a process that can be understood as inherently ‘rational’, based on commonsense economic, social and/or cultural logics. The informal economy appears to understand the border quite well, but formal governance structures oftentimes do not, particularly in Central and Eastern Europe and in neighbouring countries. One reason for this are the lack of incentives and (still) high transaction costs that are associated with CBC. As a result of this situation we have observed in EUBORDERREGIONS that stakeholders generally affirm the desirability of CBC but that actual implementation remains patchy.
2. Critically shifting focus of CBC as filling gaps in Cohesion and Neighbourhood Policies to a more central aspect of and bridge between these policies. Our research reflects tensions between realist regional policy concerns related to national development and more idealistic policy imperatives that seek to create alternative, border-transcending territorial contexts for regional policy. Cohesion policies and ENP are nationally oriented and highly territorial. Furthermore, funding and policy marginality affects CBC at the external borders - where we also find the poorest border regions - to a much greater degree; here, cooperation networks are highly localised and not well developed. Generally speaking, some parts of ‘core Europe’ do much better in this respect. The sustainability and a high degree of self-referentiality has been achieved, for example, in the Dutch-German case even if funding is low.
3. Highlighting the dilemma of ‘hard’ versus ‘soft’ development factors. The one-sided focus on ‘hard’ factors and physical investment is problematic. Regional policy tends to be positivistic, based on an ‘objective’ and containerised picture of territorial conditions, assets and structural

relationships. CBC, on the other hand, is highly networked, often ‘de-territorialised’ in the sense that interaction between different actors is the main driving force.

4. Emphasising the role of civil society actors. Civil society needs to be a more important part of the ENP-Cohesion-CBC nexus. This is a rather long-term concern and reflects the problem that, despite rhetorical assurances to the contrary, actors that represent societal and community issues have very limited access to opportunity structures of CBC promotion.

5. The gaps between local level needs and interests and the level of high (geo)politics that governs the management of borders. Rarely do border communities have the political and economic influence to negotiate special border regime conditions with central government agencies. However a degree of local control can be achieved through local networks that create bridges across hard borders. Furthermore, and in the long-term, local level and people-to-people cooperation can play an important role in supporting the high politics of interstate dialogue.

6. Drawing attention to the need for new forms of data collection. New forms of data collection for policy purposes. Much of the basis for developing regional policies is provided by quantitative and top-down criteria-based methodological approaches. The assumption underlying these traditional approaches is that regions are ‘given’ and objectively existing spatial categories. While necessary for general policy purposes these are broad-brush methods that ignore the social, immaterial, non-quantifiable and networked nature of territorial relations. Finally, there are methodological issues at issue. Many socio-spatial phenomena can only be described, explained, or traced; they cannot be meaningfully measured, counted or ‘correlated’ in a positivistic manner. Studies with a ‘soft’ approach focusing on perceptions and representations also have the benefit that they critically challenge the researcher’s own preconceptions. Our research indicates that bordering processes serve as important sources of insight for policy-relevant research on spatial planning and regional development. This is clearly most relevant in relating the significance of cross-border cooperation and other flexible territorial arrangements to European Cohesion Policy.

Given the above evidence which has emerged in the course of stakeholder seminars and fieldwork we can suggest a number of policy considerations that address different levels and aspects of CBC at the external borders.

Thesis 1: regarding a particular importance of ‘soft’ projects

Certainly, there is a tendency to shift the focus of CBC programmes from “soft” (social, communication etc) projects towards infrastructural or more economically promising projects. The stakeholders themselves were partly tired of all the soft, network-based, and in many ways conceptually repetitive projects with tangible results being questionable. This is why they highly value the opportunity to get measurable material results of cross-border cooperation that appeared with large-scale infrastructure projects. At the same time, all the stakeholders stress that the programs should not lose their social, soft dimension; by no means should they nullify the “soft”, socially oriented projects aimed at solving specific problems of certain groups, but rather give them even more support.

In the current political situation, the importance of ‘soft’ projects aimed at social communication and people-to-people contacts becomes even greater, since it helps overcome mental borders, reduce social tension and fight prejudices and fears, which may have emerged for the last year. It would have been sad to lose the good atmosphere of partnership, among with other effects of ‘open borders’ and CBC, which have emerged in the Russian-Finnish cross-border area for the last decades.

Thesis 2: regarding the particular importance of NGO support within CBC programmes

Non-commercial non-governmental organizations remain the most vulnerable group of actors in almost any context and state. This is particularly true in the post-Soviet space, where Russia is an outstanding example of the state with an active ambiguous and aggressive policy towards NGO sector.

Taking this into account, a brief recommendation is to give a special attention (to the NGO sector. The problems of NGOs (and Russian NGOs in particular) are connected to the lack of institutional and financial support. Moreover, the NGO field is very diverse – NGOs organized by the state or business organizations are more resourceful and sustainable than NGOs in its ‘pure form’ (as a grass root initiative) is the most vulnerable group; NGOs in big cities are more resourceful than in small towns and etc. In connection to this, the recommendations can be:

- 1) to elaborate a special approach and special instruments for NGOs within programmes
- 2) to stimulate the creation of NGOs networks uniting stronger and weaker actors and prioritize projects initiated by networks/groups of NGOs/ or involving NGOs and other actors of different ‘weight’
- 3) to reduce the share of co-financing expected from NGOs participating in the programmes
- 4) to think about overheads for NGOs in the programmes and/or other possible financial or structural instruments to support the NGO sphere in the border regions and make this sphere more sustainable – since most NGOs, especially grass roots, experience difficulties with finding finances for running costs, maintenance and daily life of the organization.

Thesis 3: Addressing a Lack of Development-oriented Policies

One of the undesirable phenomena that can be observed not only in cross-border cooperation but also in Cohesion Policy programmes, at least in the ‘convergence’ regions (i.e. less developed regions within or outside the EU), is the prevalent tendency to rely on the industrial era paradigm instead of the post-industrial one, even in its version expounded in the Europe 2020 Strategy (cf. Kozak 2014). This has a negative effect on the structure of projects and initiatives preferred by the border communities, which are as a rule related to infrastructure and above all aim to improve the standards of living (construction or modernisation of sewage networks and water supply systems, municipal infrastructure, bicycle paths, pavements and roads, etc.). Very few projects are development-oriented (with development understood as creating jobs and sources of income); even less so in the cross-border dimension. What we see instead are attempts to satisfy the social needs voiced by the local communities and enhance the quality of life rather than undertake pro-development activities.

In this context, it should be emphasised, however, that so-called small and soft projects, implemented also by the Euroregions, could provide a very effective tool for building good neighbourly relations and disseminating a new, more development-oriented approach to cross-border cooperation. Even if such projects do not produce direct benefits in the form of jobs and incomes, they can lay the foundations for closer cooperation which may be an important precondition of building mutual trust and willingness to cooperate. Such cross-border institutions as the Euroregions should be used more extensively. To make it possible, coordination between the different, currently often competing policies must be improved and the financial asymmetry relating to the ENPI and Cohesion policy in the cross-border dimension needs to be reduced.

The key recommendations in this area include:

To increase the share of development-oriented (jobs and sources of income) investment projects, which means that more stringent procedures in this regard should be put in place for project selection.

To step up the transfer of knowledge and know-how to partners on the external side of the border, and also from the core to the border regions. To develop transport infrastructure only where it is absolutely necessary (bottlenecks, low capacity or absence of border crossings). To increase the role of 'soft' initiatives, undertaken with a greater involvement of the Euroregions and self-governments.

Not very many examples of good practices could be identified on the basis of the examined case studies. One such example derives from the Finnish border region and involves establishing local development agencies with the involvement of representatives of business circles, whose tasks also include developing cross-border cooperation. In the case of the Polish border region, initiatives aimed to improve innovation by providing support to the aviation cluster and selected innovative companies situated in the peripheral regions can be quoted (Appendix 4/No. 39), which however does not translate directly into the growth of cross-border interactions or cooperation. Another example could be found at the Italian-Tunisian border and involved use of the agricultural potential for wine growing and wine production by an Italian enterprise which set up a successful holding (Mediterranean Domains) based on a joint venture with the TN partner. This could serve as an example of the creation of value chains across the border in a win-win perspective.

Thesis 4: regarding the particular importance of programmes for Russia – EU relationships

CBC programmes, namely the ongoing ENPI and the planning ENI, and other instruments such as the Partnership in the Baltic Sea Region, are currently one of the few remaining and positively functioning bridges between Russia and the European Union. The programmes have a good reputation locally since they are focused on local development issues, and can in principle be successfully realized apart from the big politics and its turbulence; the years of programmes' activities have resulted in the formation of a certain social infrastructure – partnerships, schemes of cooperation, personal networks. Thanks to the programmes, border regions of Russia and Estonia and Russia and Finland have received new impulses for development. If the effects of the programmes are not that visible for the Russian-Finnish borderlands, well interconnected and actively developing beyond the programmes' frameworks, or St. Petersburg, which has a lot of other resources, for smaller regional actors, such as Narva and Ivangorod on the Estonian-Russian border, the programmes really make a difference.

As we know from experts in Russia, on the Russian side, there is interest and good political will to maintain the programmes despite the current political tensions. Therefore, we want to emphasize a new role and new political weight that the programmes have gained in the current political context.

Thesis 5: Hard infrastructure (A) vs. Soft measures (B)

As previously mentioned in earlier policy communications, one policy dilemma involves the need to choose between the multitude of supported aspects and concentration on only one of them. It is about choosing between a focus on building technical ('hard') infrastructure and soft measures. Clearly, this denotes choosing between the prevalent development paradigm, which can be industrial to or post-industrial paradigm. This choice is also underpinned by a strong political and media pressure; both these actors seem to have a distinct preference for outputs which are seen as tantamount to effects.

We can say therefore that the advantages of approach A (hard infrastructure) are associated with visible results (outputs, to be more exact) and territorial integration (roads, bridges, crossings, paths, etc.). The disadvantages of this approach are as easy to spot: high investment costs and lengthy project implementation (including time-consuming preparatory procedures), with no guarantee that these efforts will produce tangible benefits not only in terms of the quality of life but also for development. Admittedly, this is a risk accompanying every single development policy and the choices it makes.

The advantages of approach B (soft measures) include low cost and enhanced networking, which – as we pointed out – may prove vital for any cooperation in situations marked by border stereotypes, cultural dissimilarities and historical differences. The disadvantages include primarily hardly detectable results and a mostly short life-cycle, which in consequence potentially carries the risk of underestimating or misjudging CBC activities.

Assessment of the dilemmas of EU scenarios/strategies

Taking the above into consideration, it is easier to evaluate the dilemmas posed by the EU strategies. For the purpose of this analysis, and following deliberations of the research team, we adopted two general types of scenarios: progressive and regressive, as we believe these two are of cardinal significance for selecting the intervention structure and in view of their effects.

Progressive - Efficiency of cross-border cooperation

Scenario/strategy A, progressively oriented towards effectiveness and efficiency, seems to help produce benefits in the form of opportunities for development of permanent cooperation as well as networking and – ultimately - building trust in the communities on both sides of the border.

Nevertheless, acting upon such a scenario is not risk free. One possible threat would be for example the danger of altering or modifying the national policy at local level (and in consequence, non-development). Another type of risk associated with the progressive approach is the problem of restructuring and covering the costs for some economic sectors due to increased competition.

Regressive - Security of the border

The possible regressive approach, focused on building security in the border area, tends to forgo stimulating development based on increased cross-border cooperation, for the sake of peace and a sense of security, values which are appreciated by many. This directly shows the major benefits associated with the approach in question: a sense of security due to decreased social pathologies and crime and, somewhat interconnected, reduced illegal migration.

There are also considerable disadvantages in the medium and long term (this aspect does play a role in evaluating every dilemma or scenario). Above all, they include distortion of ‘others’ perceptions and fears and imposed barriers to interactions, with all the negative consequences lying in store, that is a propensity to perpetuate stereotyped views about the residents of the areas on the other side of the border and limited willingness for cooperation, which in effect creates room for potential conflicts.

To sum up, in the majority of cases, border regions are poorly developed, peripheral and in need of specific measures to boost development, which should be tailored to the local conditions, be reconcilable with the globalisation processes and rely on modern development factors. This might be the origin of what is perhaps the key problem related to cross-border cooperation scenarios, and the dilemmas analysed here (going global vs. towards neighbours, not to mention more detailed

issues) only serve to show what a daunting task it is to choose an optimum strategy at the local/regional level.

Every decision on the choice of an alternative produces specific positive and negative results. On top of that, these results can be short- or long-lived. For this very reason, finding an optimum scenario for cross-border cooperation which will be best suited to the local conditions is a complicated process, often coming under the pressure of political, social and economic interests represented at the local, regional and national/European levels. There is no single ready-made solution which would be suitable for all the border areas. In this case, definitely 'one size does not fit all'.

It seems beyond doubt that an extreme version of the scenario, wholly embracing one of the alternatives proposed by any dilemma, is out of the question. The question is rather how to weigh the proportions between the alternatives which will best suit the goals of the cross-border policy (particularly CBC programmes) and the development conditions of the border areas, viewed in the context of globalisation and the relevant paradigm involved. For this reason, any decisions on the scenario (strategy) cannot be reduced to a straightforward analysis of the needs perceived by the local communities, as this carries the risk that the hidden, although potentially no longer valid, paradigm will be unconsciously adopted.

Regardless of what choice is made at the local/regional level, attention should be given to the potential impact of the European Union on the effective implementation of the selected strategy. Undoubtedly, the choice of the progressive option, which in this case seeks to strengthen the EU's involvement in issues related to the development of the border areas on both sides, will enhance the effectiveness of the local strategies irrespective of the adopted scenario, on the condition however that such strategies are properly formulated. On the other hand, maintaining involvement at the existing level may, in the long term, lead to no visible integration in the cross-border dimension or may even clearly obstruct it, due to the adoption of the regressive scenario. In this context, the overarching goals of the Neighbourhood Policy should be highlighted; in its implementation, the role of the cross-border areas should be preserved if not strengthened, as they are crucial for the demonstration effects and for showing the full extent of the intentions of the European Community. One can hardly imagine an increasing global role of the EU without significant improvement in achieving goals of transborder (particularly cross-border) cooperation.

More Qualitative Research for Benchmarking

Finally, we draw attention to the need for new forms of data collection for policy purposes. Much of the basis for developing regional policies is provided by quantitative and criteriologist methodological approaches. The assumption underlying these traditional approaches is that regions are 'given' and objectively existing spatial categories. While necessary for general policy purposes these are broad-brush methods that ignore the social, immaterial, non-quantifiable and networked nature of territorial relations. Many socio-spatial phenomena can only be described, explained, or traced; they cannot be meaningfully measured, counted or 'correlated' in a positivistic manner. Representations of 'us' and 'them' may have a lasting impact on cross-border practices: different 'unfamiliarities' and 'familiarities' can either encourage or obstruct international mobility and the development of cross-border cohesion.

The (de)construction of mental barriers for mobility can be studied well through soft indicators. Sustainable cross-border networks are those that develop internal working procedures, tacit rules, robust platforms for communication. Studies with a 'soft' approach focusing on perceptions and representations also have the benefit that they critically challenge the researcher's own preconceptions. Our research indicates that bordering processes serve as important sources of insight for policy-relevant research on spatial planning and regional development. This is clearly

most relevant in relating the significance of cross-border cooperation and other flexible territorial arrangements to European Cohesion Policy.

Concluding Thoughts

As has been suggested above, CBC is more than just filling the gaps between national development strategies; it is a cultural context for Cohesion beyond traditional nation-centric modes. Furthermore, cross-border integration need not be all-encompassing but centred on specific networks that create trust and sustainable working relationships. If the role of CBC as an element of European Territorial Cohesion is to be taken seriously, the policy aim should be less focused on strict criteria (by fulfilling ‘objective’ quantifiable targets) and more on the capacities of cross-border cooperation to develop according to its own dynamics. This includes more support to civil society actors and their networks; these groups, together with other local-level actors can in effect create regional geographies above and beyond traditional state-centred and administrative territoriality.

Finally, what might be the future of CBC as a project of de-bordering? At the level of EU Cohesion Policy, the direct coupling of CBC with regional development goals appears to be shifting towards more territorially flexible arrangements and a focus on place-based strategies and ‘integrated territorial investments’ which can be potentially implemented in cross-border and transnational contexts. Nevertheless, the overall resources available for genuinely border- transcending regional development are but a small fraction of the overall EU structural funds budget which is – targeted largely at newer and “poorer” member states. As has been suggested above, CBC needs to be understood as more than just filling the gaps between national development strategies; it is a cultural context for Cohesion beyond traditional nation-centric modes. Furthermore, cross-border integration need not be all-encompassing but centred on specific networks that create trust and sustainable working relationships. If the role of CBC as an element of European Territorial Cohesion is to be taken seriously, the policy aim should reduce somewhat its focus on a priori defined criteria (fulfilling ‘objective’ quantifiable targets) and more on the capacities of cross-border cooperation to develop according to its own dynamics. This includes more support to civil society actors and their networks; these groups, together with other local-level actors can in effect create regional geographies above and beyond traditional state-centred and administrative territoriality.

RESEARCH PARAMETERS

A main policy objective of EUBORDERREGIONS is to analyse perceptions of local and regional actors in cross-border contexts regarding the significance and effectiveness of cross-border cooperation, both as an EU-funded initiative as well as a locally driven activity. The main methods used are surveys, interviews and stakeholder seminars--

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