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Summary of the master thesis

**The impact of cross-border co-operation on the competitiveness of
Euroregions. A comparative case study of the Euroregion Elbe/ Labe and
Euroregion Neisse-Nisa-Nysa.**

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1. Introduction

For a long time, Europe's borders primarily served as boundaries and thus supported the development of fears of contact, prejudices and even mistrust. In the course of European integration, the border regions became areas of cross-border contact and action. This process has led to an increasing importance of regional and local co-operation in the European Union. Since Germany has nine common borders with neighbouring countries, it is particularly interested in good collaboration in the border regions. Today, these regions are perceived as living and economic areas with specific resources. Regional cross-border co-operations try to combine their qualities and conditions in order to gain an advantage in the increased competition of the regions. In particular, it is a matter of maintaining and creating new jobs through company settlements. This competitive situation is also a consequence of increasing globalisation and urbanisation. In order to survive and remain attractive in this competition, the actors must strengthen their regional profile by developing joint cross-border action concepts and strategies.

The aim of the present work is to examine the influence of cross-border co-operation on the competitiveness of Euroregions. Two Euroregions on the eastern border of Germany are used as the subject of the study. The Euroregion Elbe/Labe is a German-Czech collaboration, while the Euroregion Neisse-Nisa-Nysa is a trinational one between Poland, the Czech Republic and Germany. The analysis and evaluation of their organisational structure, objectives and fields of action, financing and activities will help to determine to what extent cross-border co-operation influences the competitiveness of Euroregions. For this reason, the focus is on their activities and their effects on the region. The comparison of the two selected case

examples is supposed to indicate favouring and hindering factors and future development perspectives.

Cross-border co-operation and Euroregions are subjects of numerous scientific disciplines. Many contributions of political science examine the importance of Euroregions in the European integration process or from the aspect of governance. The social and cultural studies focus on identity, language skills and general views on cross-border co-operation (Schöne 2006: 28). Law studies examine the development of the legal framework, while the administrative and communication sciences focus on the organisational structures. Other economic contributions deal with economic development, structures and processes in the regions. Generally, there are more scientific contributions to the Western Euroregions of Europe as they were pioneers in this field. The Euroregion Elbe/Labe (EEL) and Euroregion Neisse-Nisa-Nysa have mainly been the subject of geographical and political science contributions.

2. The Euroregion

The theoretical concept of Euroregions is crucial for the present work. It goes back to the first initiative on cross-border co-operation (CBC) at the German-Dutch border. The EUREGIO in Gronau was founded in 1958. It is the oldest European region and has carried out pioneering work in this field. For many Euroregions that were later established, EUREGIO set an example. The terms Euregios, Interregio or Working Communities etc. are often used as a synonym for the term Euroregion. These initiatives consist of more or less stable co-operative arrangements between neighbouring local or regional authorities across a European nation-state border [...]” (Perkmann 2002: 113). Up to now, no uniform definition of the term has been

established in science. For this reason, there will be a short explanation of the term region. The concept of the term region depends on the respective research discipline. One common approach is to see the region as a unit of action that can act as a subject. The region is equipped with formal competencies that enable to control interactions within the area of action. (Schmidt-Egner 1998: 54f.). In this sense, the concept of the region is understood within this work. The Euroregion is a special European form of CBC and can be also seen as a cross-border region. Deppisch (2006: 49) defines a cross-border region as follows:

“A cross-border regions consists of local and regional actors from neighbouring border regions which work together and construct a framework conditions for their co-operation in order to control their tasks and to stabilise their work through common institutions.”

The main objective of the Euroregions is to make better use of their endogenous development potential. Depending on local conditions, the objectives, forms and legal bases of a Euroregion may vary.

3. The concept of cross-border co-operation

The concept of cross-border co-operation has existed since the 1950s with the aim of "removing natural barriers, restrictions and other factors that have led to the division of communities in border regions" (Brinkhoff et al. 1997: 2). The Council of Europe (1996: 9) defines a border region as “a potential region, inherent in geography, history, ethnic groups, economic possibilities and so on, but disrupted by the sovereignty of the governments ruling on each side of the frontier.” There are three different types of co-operation: transnational, interregional and cross-border. In a transnational co-operation, primarily national states work together on a specific topic. Interregional co-operation is a subject-oriented, transnational co-operation between regional and local authorities in individual sectors and with selected actors (Association of European Border Regions 2000: 14; Brinkhoff et al. 1997: 2).

Cross-border co-operation takes place between territorial authorities or private actors of two or more countries, which have a spatial proximity relationship (e.g. through a connecting water) or a direct common border. The collaboration takes place under clearly defined conditions within the scope of competences of regional and local authorities as defined in national law. It can extend to all areas in which local authorities or actors can act legally. The collaboration can be non-binding, contractual or institutionalized and with the aim of defining and solving common problems, establishing, deepening and developing relationships, and addressing the disadvantages of border position (Landwehr 2013: 39).

In order to facilitate a successful collaboration, the AEBR has formulated a few principles. These are generally recognized and are also the basic prerequisite for European funding programs. These include proximity to citizens, partnership, subsidiarity, the existence of a common cross-border development concept or program and common structures at a national, regional or local level and own sources of financing (AEBR 2000: 13). This understanding includes the need for co-operation at all levels and the introduction of coordinated processes between them. Otherwise, conflicts over competencies are inevitable (AEBR 2000: 12).

After the concept of co-operation has been defined, a brief look at the challenges and potentials should follow. Andreas Kiefner (2014: 15), Secretary General of the Congress of Local and Regional Authorities of the Council of Europe identifies the following challenges:

- a lack of inclusion of the necessary actors and stakeholders (public, private, civil society);
- insufficient support by national politicians and administrations and shortcomings of national legislation;
- legal constraints for cross-border activities on local and regional authorities;
- incompatible responsibilities and administrative structures of different levels along the borders;
- a lack of coordination between different EU instruments for support of cross-border co-operation along external borders; and, finally,
- language barriers.

At the same time, he sees potential in the following factors:

- practical experiences in cross-border co-operation;

- mutual trust and co-operation developed through partnerships and subsidiarity;
- geographical proximity;
- existing common structures for project implementation at local and regional level;
- a growing number of common cross-border development strategies or programmes; finally,
- improved access to financial resources.

4. European framework conditions for cross-border co-operation

In the past, the Council of Europe has made considerable efforts to support and intensify cross-border co-operation. Hereafter, only the two most important successes are listed. An important initiative was the preparation and adoption of an European Outline Convention on cross-border co-operation between territorial communities or authorities.

The Framework Convention itself does not create any new competences for regional and local authorities, nor any legal basis for cross-border co-operation. It merely provides a legal and organisational reference framework that can be filled in by each Member State (Breuer 2001: 66).

At this time, there are three additional protocols to the Convention. The European Charter of Local Self-Government is another important step in cross-border inter-municipal co-operation in Europe. It confirms that municipalities and other municipal bodies are entitled to cross-border co-operation, but only within the framework of national legal norms (Niehaus 2013: 73).

The European Union integrates the field of cross-border co-operation in the European Territorial Cooperation programme, better known as INTERREG. The current INTERREG program V covers the period from 2014 to 2020 and is part of the Europe 2020 strategy, which aims for smart, sustainable and inclusive growth (European Commission 2015: 33). Since 2006, the European Grouping of Territorial Cooperation has been a new and at the same time an important legal instrument of the European Union. It enables the creation of groupings with own legal personality among local authorities of different member states (Niehaus 2013: 73).

Another important institution in this context is the Association of European Border Regions (AEBR). It was founded in 1971 and sees itself as the voice of the European border and cross-border regions.

Furthermore, there are cross-national agreements between various nations, which corroborate cross-border co-operation.

5. Competitiveness

In the context of Globalisation and the European Integration process regions, cities and municipalities are competing for jobs, business locations and subsidies. In addition, various social changes, such as demographic change, are leading to an increase in competitive pressure. In order to remain attractive and competitive cities and regions are forced to position themselves jointly as a region and to strengthen their regional profile (Birnstiel et al. 2013: 1). For the present work, the 12 pillars of competitiveness of the World Economic Forum's Global Competitiveness Index (GCI) have been transferred to the regional level. Of course, the region as an actor does not have the same competences and instruments etc. that contribute to influencing factors such as macroeconomic stability or financial market development. However, within the framework of a regional development strategy or similar approaches, they can try to strengthen their endogenous potential and thus also their competitiveness with other regions.

- 1) *Infrastructure*: A well-developed infrastructure is crucial for an effective economy. On the one hand, it enables entrepreneurs to bring their goods and services onto the market. On the other hand, it is needed to promote workers to their jobs. In addition to the transport infrastructure, uninterrupted power

supply and a solid and extensive telecommunications network are indispensable for a fast and unimpeded flow of information.

- 2) *Health*: Healthy workers are more productive and cost less to health, social services and businesses than sick workers. Therefore, the provision of health services has a positive added value for both sides.
- 3) *Education*: Primary, secondary and tertiary education should be given high priority in today's knowledge-based economies. Well-trained employees are the key to mastering complex tasks and adapting to the ever-changing environment. The prerequisite lies in high-quality educational offers and institutions that provide very good training and further education for both the growing and already qualified workforce.
- 4) *Labour market*: An efficient and flexible labour market is crucial to ensure the distribution of workers and to create clear incentives for employees to become as involved in their jobs as possible.
- 5) *Business co-operations and networks*: The grouping together of inter-company co-operations and networks creates the basis for processes of knowledge transfer. This networking can take place within a specific sector or along a value chain (cluster). By bundling the common interests of the companies involved, a competitive advantage is created, for example through greater efficiency or more room for innovative processes and products.
- 6) *Innovation*: The development of new processes and products is particularly necessary for already highly developed economies in order to further develop their value chains and secure a competitive advantage. This requires an innovation-promoting environment consisting of the public and private sectors. These actors strengthen the framework conditions through

investment in research and development and intensive co-operation between universities and industry (Schwab 2015: 35f.).

7) *Networks*: Co-operation networks are becoming increasingly important, especially in the context of the CBC. Networks are loosely coupled links between different actors that are connected by a common interest, goal or problem. They can adapt more flexibly to changing conditions and are usually highly innovative. This creates, and bundles resources and reduces uncertainty by promoting co-operative behaviour. In summary, networks are another important step towards creating regional competitiveness (Klein-Hitpaß 2006: 17f.).

6. Methodology

For the present work, the approach of a comparative case study was chosen. The case examples used were selected on the basis of the Theoretical Sampling. In general, a restriction to two examples was made from the beginning in order to ensure a detailed presentation and a comparison. Of course, it would have been desirable to include further cross-border regions, but this could not be reconciled with the desired scope of this master's thesis. Empirical secondary data formed the basis for the study. The seven factors of regional competitiveness identified were used as criteria for the analysis. The analysis will be carried out in two steps: a case study and a subsequent comparative analysis. The results obtained in this context are not considered representative and are merely an attempt to assess in a partial way the impact of cross-border co-operation on the competitiveness of Euroregions.

7. Results (selection)

Due to the scope of this summary, only a part of the results will be presented. The results of the comparison of the framework conditions of the Euroregions are explained hereinafter.

Both selected Euroregions were founded in 1991 or 1992 after the political upheavals and initially faced similar complex challenges. The objectives of the two Euroregions are very similar. They want to establish and develop a cross-border network in their co-operation area, which includes local and regional actors and covers all areas of life. The first differences can be seen in the area of co-operation. The EEL is a bi-national interest group, while the ERN consists of members from three countries. In addition to the national languages, the minority language Sorbian is spoken in the ERN. In terms of area, the Euroregion Neisse-Nisa-Nysa is much larger but has a comparatively small population. Both Euroregions have a very similar structure. They consist of either a bilateral or trilateral voluntary cross-border interest groupings and have similar bodies. In addition, there are major thematic overlaps in their current fields of action. The EEL is also committed to social affairs, youth and sport as well as to joint spatial development, while the ERN establishes general support for the GZA as a field of action. Both regions also have similar financial resources. Only the ERN benefits from the Interreg VA between Saxony and Poland in addition to the listed funding programmes.

Table 1 – Comparison of the framework conditions of the Euroregion Elbe/Labe and Neisse-Nisa-Nysa

	Euroregion Elbe-Labe	Euroregion Neisse-Nisa-Nysa
<i>Founding year</i>	1992	1991
<i>Area of co-operation</i>	2 countries, 2 languages Area: 4.796 km ² Population: 1,28 million	3 countries, 4 languages Area: 12.956km ² Population: 1,56 million
<i>Organisational structure</i>	Voluntary interest group consisting of two associations with legal capacity: Council, Presidium, Secretariat, specialist groups	Voluntary interest group consisting of three associations with legal capacity: Council, Presidium, Secretariat, expert groups and forums
<i>Fields of action</i>	<ul style="list-style-type: none"> • Traffic • Economy • Tourism & Recreation • Environmental and nature protection • Culture • Education & Science • Civil protection and rescue services • Social, Youth, Sports • Spatial development 	<ul style="list-style-type: none"> • Traffic • Economy • Tourism • Environment, Climate Protection & Energy • Culture • Education & Knowledge • Risk Management • Support for cross-border cooperation
<i>Financing</i>	<ul style="list-style-type: none"> • Capital • Support programme "Regionenarbeit" • Interreg VA SN-CZ 2014-2020 	<ul style="list-style-type: none"> • Capital • Support programme "Regionenarbeit" • Interreg VA SN-CZ 2014-2020 • Interreg VA SN-PL 2014-2020

Source: own illustration

8. Method discussion

The temporal and formal framework had a decisive influence on the present work. As a qualitative research approach, a comparative case study was made on two examples. The selection of the case examples was made according to defined criteria so that the selection can be considered relevant. Secondary data was used for the presentation and analysis of the case studies. When working with secondary data, their quality and validity should always be carefully checked. This requirement was met, and the respective context of the publications was also taken into consideration. Further qualitative and quantitative approaches would have been desirable and would have offered positive added value in order to cover the entire

spectrum of regional competitiveness. Intersubjective traceability is one of the main criteria for a qualitative research design. It should, therefore, be ensured that this requirement has been met. The documentation of the research process is the central technology in which an external audience is given the opportunity to follow the investigation step by step and to evaluate the research process and the results (Steinke 2008: 324). The survey method, the selection of case examples, the analysis criteria and the evaluation method should be documented. This requirement was met in Chapter 6 "Methodology".

9. Conclusion

In summary, this work has shown that cross-border co-operation can have a positive impact on the competitiveness of Euroregions. Further qualitative and quantitative studies on this topic would have been helpful in order to make more precise statements.

The central objective of this form of cross-border co-operation is to reduce the obstacles and imbalances caused by the border situation and to bundle synergies in order to create a common cross-border living space. The contribution of the Euroregions in this process is also determined by their framework conditions. Both consist of bilateral or trilateral voluntary cross-border interest groups, which bridge the lack of conformity of the respective national legal systems. In the course of time, the legal bases and financial support have been considerably facilitated by Poland's and the Czech Republic's accession to the EU. However, there are still several obstacles in this area. A possible facilitation could be the EGTC, which allows the establishment of co-operation networks with their own legal personality among local authorities of different member states (Niehaus 2013: 73). In addition to the

organisational structure, the competences and financial resources of the Euroregions are also crucial. Since the establishment of the two Euroregions, numerous barriers have already been removed through specific measures and with the involvement of local and regional actors, which have strengthened the Euroregional competitiveness. The analysis of the activities and the subsequent comparison revealed in detail the deficits and potentials of the respective Euroregions. With regard to the pillar model for regional competitiveness, different network structures were initially established in both regions. In most cases, they formed the basis for subsequent cross-border collaboration. In the infrastructure and education pillars, numerous successes have been achieved in both Euroregions through various measures and initiatives. Nevertheless, these areas have the potential for expansion. For infrastructure, this concerns road and rail transport and local public transport. In the field of education, for example, the lack of neighbouring language skills should be addressed by expanding or strengthening bilingual educational offerings. In both regions, especially in rural areas, there is a need for action in the health sector, as needs have changed, and capacities have not been adapted to these changes. Despite some initiatives in the regional labour market, the challenges of securing and recruiting skilled workers remain. In this context, it would be desirable if a cross-border labour market can be developed through collaboration between the relevant trade associations and employment offices. On the closely linked issues of business co-operation, networks and innovation, some incentives have been created to bring the various actors together. It remains to be seen to what extent the current projects will achieve their desired effects and to how they will have a long-term impact on regional development. However, it is clear that regions and the local actors are becoming an increasingly important new central platform for generating knowledge, learning and innovation (Jeřábek 2014: 18).

Further commitment would, therefore, be desirable in order to strengthen regional competitiveness in the future as well.

Overall, both Euroregions have already been able to initiate or implement various projects and initiatives that have helped to remove some barriers and increase regional competitiveness. At the same time, new challenges have been added, which should nevertheless be seen as an opportunity to intensify existing cross-border co-operation.

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