

XLV^c Colloque ASRDLF
Rimouski, Université du Québec (UQAR) — 25-26-27 août 2008

Territorial Co-operation Perspectives in an Enlarged Europe: Towards a New Euroregion in the Adria-Alpe-Pannonia (AAP) area

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Thematic Workshop coordinated by Prof. Remigio Ratti

Cross-border and inter-regional co-operation among European regions have spread over the entire EU(27) (Alfieri, 2004) since that far-off 1958 when 'Euregio' – the first European cross-border region (CBR) – was settled up (Perkmann, 2007). This process seems to foster the idea of a 'Europe of regions' that promotes vertical and horizontal subsidiarity, encourages diversity, uses networks to increase flexibility and speed up integration processes, thereby preserving the extraordinary variety of cultural micro-diversities, an element of enormous and enduring richness (Euregio, 2006).

In policy terms, European Union is debating a stronger territorial focus for its policies. The Commission, since February 2004, stated that *territorial cohesion* is a major objective of the Union and authoritatively re-launched it in the draft Constitution of the Union: «*The Union (...) shall promote economic, social and territorial cohesion.*» (article I-3).

In order to go in depth into the rationale of inter-regional co-operation we have to (re)start from the 'new concept' of territorial cohesion which remains a little bit vague and requires further clarification (Camagni, 2005).

Section 1 is devoted to this task and ends up raising two main questions answered later in the paper. Section 2 deals with the co-operation perspective, firstly applied to the AAP area, endowed with several prerequisites for a fruitful cross-border collaboration, and then theoretically reconsidered (§ 2.1). Section 3 is devoted to a detailed discussion of the three basic functional levels within a CBR with particular attention to the 'core functions' (§ 3.1) and to the 'institutional setting' (§ 3.3). A short conclusive section (§ 4) closes the paper and opens to further research.

1. Territorial cohesion

Following the most recent results within the ESPON project (*European and Spatial Planning Observation Network* – www.espon.eu) we can converge on the idea of territorial cohesion as the *territorial dimension of sustainability*, an idea

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which is intrinsically double sided: it has a positive and a normative connotation at the same time (i.e., it defines a condition as well as a policy goal).

Going further into the concept of territorial cohesion, it is useful to distinguish three main components (Camagni, 2005; 2006) which seem to be complementary and intertwined with each other (see Figure 1).

- The first is the idea of *territorial efficiency* related to resource-efficiency with respect to energy, land and natural resources; competitiveness of the economic system and attractiveness of the local territory; internal and external accessibility;
- the second component is the idea of *territorial quality*; the quality of living and working environment; comparable living standards across territories; similar access to services of general interest and to knowledge;
- the third one is the idea of *territorial identity*: presence of ‘social capital’; ability to develop shared visions of the future; local know-how and specificities, productive ‘vocations’ and competitive advantage of each territory (Bonam, Berg, 2007).

These three dimensions together reinforce each other and make the territorial dimension of sustainability of growth and development possible (see Figure 1).

The long term ambition of any European policy devoted to territorial cohesion is to see a European territory with many prospering regions and areas, playing an important role for Europe and providing a good quality of life for their citizens.

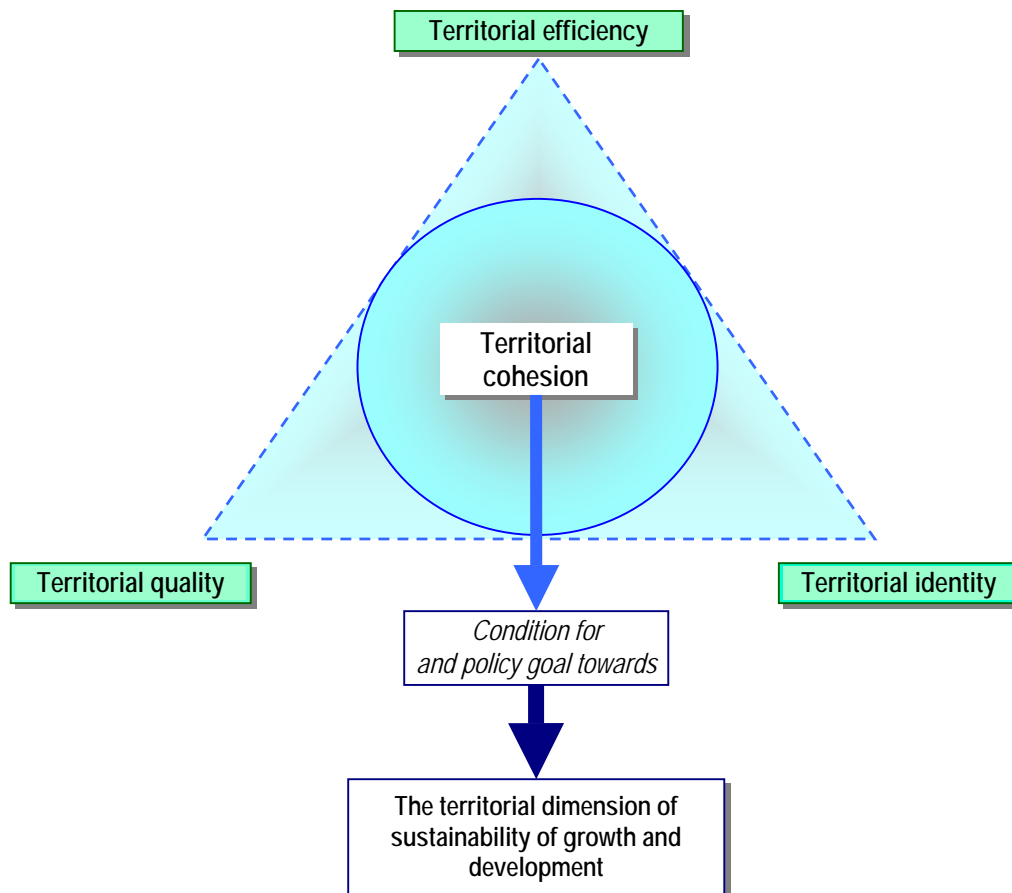


Figure 1 – Territorial cohesion and sustainability

Moreover, current findings are converging to stress the need for strategies for the development of regions and for co-operation within larger territories and, among these, Euroregions¹ seems to be a very prominent candidate (Perkmann, 2002).

So, two main questions arise which will be addressed in the present paper:

- is cross-border, inter-regional co-operation a viable way to strengthen territorial cohesion?, and
- what are the workable conditions (and the threshold value, if any) to assure a strong and shared partnership among different regions belonging to distinct member States (and even non member ones)?

2. Cross-border co-operation

The recent European research project PlaNet CenSE (*Planners Network in Central and South East Europe* – www.planet-cense.net) has acknowledged ‘Euroregions’ as the main type of bottom-up cross-border regional co-operation dating back to the early ‘60s and firstly experienced on the German–Dutch border. Now there are some seventy ‘Euroregions’ – regardless whether associations, corporations or interest groups – in the CenSE area. Even if they are rather political in significance (signalling the intention to cooperate), they can boast, in principle, tangible results (Yoder, 2003).

Coming back to the three components of territorial sustainability (see again Figure 1) we can easily detect that ‘identity’ is strongly pertinent to the single region (let us refer to the NUTS 2 level), and sometimes even to a finer grane, as differences among idioms, traditions, toponyms, as well as cooking practices can tell us. ‘Quality’ is frequently related to cross-border neighbouring regions, as in the case of labour markets, services accessibility, knowledge transfer, as well as living standards. ‘Efficiency’ is mostly a problem of a right-sized territory, of a truly bounded functional economic area, that very frequently exceeds the boundaries of the administrative region. The consequence is that territorial cohesion, as a precondition for territorial sustainability, is almost always a matter of territorial co-operation.

It is worthwhile to stress at least four different kinds of positive effects of co-operation among regions linked by some idea of proximity² (Bramanti, 1993):

- overcoming the costs of non-co-operation (sometimes very impressive); we can consider here typically the cross-border co-operation (Bramanti, Ratti, 1993);
- reaching the minimum threshold effect, particularly meaningful in areas without large metropolitan driving agglomerations (polycentric regions);
- emerging of a ‘visibility effect’ at the continental scale;

¹There is no agreement on the definition of ‘Euroregion’. The Council of Europe, for instance, states that cross-border regions are ‘characterised by homogenous features and functional interdependencies because otherwise there is no need for cross-border co-operation’. (Perkmann, 2002: 5).

²Proximity is a broad concept non necessarily referring to physical distance. We can speak about proximity in term of accessibility, culture, history and social behaviours, productive system, institutional and political features.

- exchanging ‘best practices’ and managing experiences in many fields of social and economic life.

The cross-border and particularly trans-national co-operation among the AAP regions (see Figure 2) can boost the attainment of ‘territorial efficiency’ – provided that ‘territorial identity’ is strengthened at the regional level and ‘territorial quality’ is improved with bilateral cross-border co-operation, already well developed (see Figure 3).



Figure 2 – The AAP regions: 4 European Countries plus Croatia (HR)

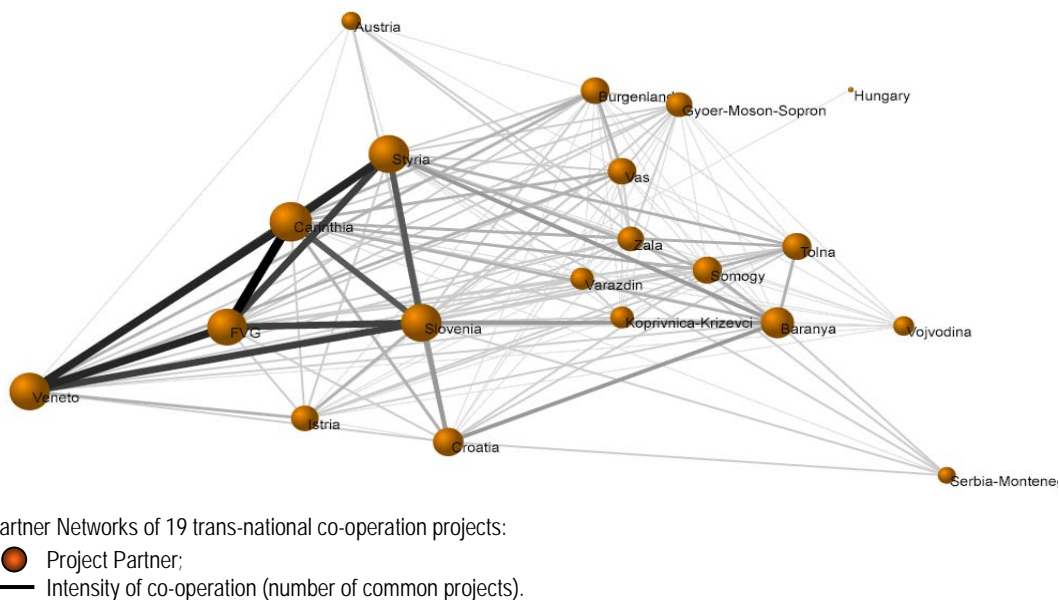


Figure 3 – Partnerships in the 19 Interreg cooperation projects considered in AAP

As far as the economic structure of the AAP area is concerned we should recognise (Aumayr *et al.*, 2006) that important preconditions for fruitful collaboration are met:

- AAP is an industrial region (the secondary sector dominates in both urban and non-urban types of regions);
- not only does convergence take place in the AAP region, but in general the NUTS 3 AAP regions are the drivers of economic convergence among the regions of the four national states: without the regions of the AAP area, convergence among the regions of the National States would have been significantly slower³;
- in addition to convergence, we can detect a slightly smaller dispersion in GDP within the AAP regions (compared with the whole sample of regions which consists of 199 NUTS 3 belonging to the five AAP States).

Other opportunities in the AAP area are based on the following assets (Euregio, 2006; Matriosca White Paper, 2007):

- an important population mass potential and an almost even distribution of the population which is a positive precondition for a balanced polycentric development;
- a balanced morphological structure and an even distribution of urban areas;
- structural linkages and historic, social and economic ties between west and east regions in the area;
- unique natural assets including the Danube system, the Alps and the Adriatic Sea.

The eastwards enlargement has dramatically increased the importance of border regions and the permeability of these borders (Yoder, 2003). The role of reinforced and strategy driven co-operation, possibly in a stable and sustainable institutionalised form, may be positive in closing gaps and allowing a progressive homogenization of the eastern regions of the accession Countries.

The perspective of trans-national interregional co-operation within the AAP area is likely to have a positive building capacity in planning practice and transfer of know-how on a decision-making level. Through joint implementation of successful projects different partners would be able to create intensive inter-institutional co-operation and inter-institutional communication (see Figure 3).

The driving principles of the recalled co-operation are rooted in a vision which assumes that pursuit of future development and competitiveness of the AAP territory and communities in the global arena requires permanent strengthened co-operation reflecting Lisbon/Gothenburg European principles.

The vision is therefore to improve the transnational and cross border co-operation on the basis of territorial potentials of the AAP area according to a clear strategy making the area itself recognizable in the wider regional context.

On this basis, the overall objectives of the reinforced co-operation can be defined along a threefold declination (Bramanti, 2007):

- to promote prosperity in the AAP area (characterised by strong regional and cultural diversity), taking advantage of the challenges and opportunities of recent and future enlargement;

³This is mainly due to the high growth of (some) of the Hungarian and Slovenian AAP regions.

- to gain mutual advantage through collaboration, avoidance of duplication and overlap, intensifying post-enlargement collaboration, achieving critical mass in many domains, and becoming more competitive in the enlarged Europe;
- to improve integrated and coordinated development in the territory of the co-operation area through a transnational organisational structure that can provide stable interrelations among policymakers throughout the territory.

2.1 Extension and intensity of cross-border co-operation

The just mentioned vision for AAP area, the conducive conditions and the perspectives that derive from such a vision in terms of framework for a common co-operation area, and the background justification motivating the process of strengthening such a co-operation according to a explicit strategic perspective, foresee further steps towards identifying the practical and immediate utility levels of the co-operation and the viable operational modalities for exploiting the potential benefits of co-operation.

Let us say that the co-operation scenario in the AAP context may vary to a large extent depending on the form of common organisation acceptable and the degree of coordination achievable at institutional as well as at technical level: the ‘intensity’ and the ‘extension’ of co-operation among the AAP partners vary in results⁴.

The concept of *intensity* refers to the level of permanence of the co-operation and to the degree of institutional commitment to cooperate with the partners, e.g. either on a project-to-project basis or sharing a strong common development strategy.

The concept of *extension* regards the actual possibility and willingness to reach the involvement of all the AAP territories or only a part of them in priority operations, perhaps according to a variable geometry (see Table 1).

A variable setting of themes and operations where some involve only a part of the partners and some all the partners at once, is in principle considerable. It is clear however, that the more strategic operations involve all or most of the partners, the better the extension.

Intensity	<i>high</i>	<p>‘Bilateral co-operation’ Transborder functional projects (coordination within labour market, local transport system, vocational training, ect.)</p>	<p>‘Euroregions’ Here cross-border bodies have gained autonomy <i>vis-à-vis</i> the single participating authorities</p>
	<i>low</i>	<p>‘Ill-fated co-operation’ Free-riding behaviours and emergence of ‘grant coalitions’, or ‘infant co-operation’</p>	<p>‘Working Communities’ Multi-lateral cross-border co-operation such as in the Alps (Arge Alp, Alpe Adria, Cotrao)</p>
		<i>low</i>	<i>high</i>
		Extension	

Table 1 – The co-operation scenario dynamics

⁴This taxonomy looklikes that one proposed by Perkmann (2002) when, speaking of co-operation arrangements between contiguous territorial authorities, he distinguished three dimensions: geographical scope, here labelled ‘extension’; co-operation intensity; and type of actors (local/regional).

However, the emphasis shall be given more to the process that is going to be undertaken, considering how promising it is, and the progresses that can actually be achieved during the time, than focusing too much on the comparison of different fixed and abstract scenarios that do not reflect the real dynamics.

On this respect the most successful Euroregions show that, beyond the institutional partnership, the involvement of social economic actors is a crucial asset to achieve collective goals.

Assuming such a general remark and according to the understanding of AAP context there are three basic functional levels at which a strengthened co-operation could be considered.

3. Three basic functional levels within CBRs

The main functional levels – looking at a broad set of different CBRs – deals with: *i*) core functions, which are in turn articulated into three levels (§ 3.1); *ii*) priorities and meta-projects (§ 3.2); and *iii*) institutional setting referring to variable alternatives (§ 3.3), for example EGTC (the most structured form of co-operation); voluntary association (e.g., under the framework of a common expression of intent or co-operation protocol to be signed by the partners); very loose partnerships (no formalised framework agreement but agreements defined on the basis of the specific projects or operations). Turning to the AAP regions these functions are connected to the mission that will be considered the most important at political level.

The co-operation scenarios (see again Table 1) shall then derive from the variable combination of the options defined for the three levels. In other terms, the co-operation dynamics basically derive from the emphasis given to each of the factors considered and from the different combination of the three levels.

3.1 Core functions in the AAP area

Three possible core functions for the AAP co-operation can be defined at this level.

1. Undertaking political consultation, including (Bramanti, 2007):
 - decision-making by Presidents/Governors on the strategic priorities, allocation of resources, solving of conflicts;
 - networking at the level of partners' executive board representatives;
 - external representation of the AAP area, including lobbying towards the EU and other international institutions, exerting higher pressure on key co-operation issues.
2. Coordinating and networking at technical/administrative level – e.g., regional strategies, development programmes, EU Structural Funds, Objective 3 territorial co-operation programmes, and bilateral/multilateral projects – to optimise conception and execution.
3. Implementing strategic projects: identify, design, fund, and execute a limited, optimal set of strategic actions and multilateral/transnational projects in the selected macro-themes and of real large-scale, long-term benefit to the AAP area.

Let us go into some details for each points from the threefold list. The first declination of point 1. is strictly political and concerns the coordination, the *political*

consultation and the lobbying of the Presidents/Governors of each participant Region; the *second*, i.e. *networking at technical/administrative level*, is of a more managerial nature, and concerns coordination of the numerous contexts of common planning that already express the richness and interaction of these territories (a sort of ‘control booth’); the *third* instead relates more to planning, and responds to a *vision* of the AAP territory as a whole (its strategic development plan) with identification of one or more fields of multiregional collaboration, under the umbrella of the new entity which is to be constituted, it results and the end in the *implementation of strategic projects*.

The Presidents’ table is the highest level of coordination that the Regions freely choose and that has a new role of political interlocution, allowing participation of the Regions themselves in some Community *policy making* processes. The decision-making processes of Brussels have in fact a strong influence on the competitiveness of the individual territories, and participation in these processes is becoming a priority for the regional governments.

It may therefore consider with greater interest forms of voluntary coordination among Regions when these achieve shared solutions and a form of institutionalisation that allows Europe to move to direct interlocution.

The AAP area and reinforced co-operation considered here – possibly conceived in the near future as a new entity with its own legal personality – will therefore be able to perform due lobbying as regards, for example, the principal infrastructural axes of the pan-European corridors, and specifically the ‘Corridor 5’⁵ (ISDEE, CERPEM, 2005).

The *second* function is that of a *control booth* for the many projects and programmes which on the bi-regional, or more rarely multiregional, plane are already active in the area and which will develop further in the future (see again Figure 3). The concept is rooted in a rich field that takes many forms. These range from Interreg programmes of Community interest among countries (Italy–Slovenia; Italy–Austria; etc.); to Interreg programmes involving neighbours (Slovenia–Hungary–Croatia); and collaboration agreements between Regions, *inter alia*, all in turn involving a multitude of operative actions. A form of coordination is to be set up, then, which though loose-knit will allow exchange of knowledge, comparison of *best practices*, assessment of completed actions, offer valuable *feed-back* for successive planning, and in some cases succeed in eliminating some ‘duplication costs’.

These forms of coordination might or should already be present in the individual Regions but in reality often turn out to be partly absent or ineffective. The control

⁵Corridor 5 represents a major route for Italy’s exchange with Central-East Europe and the former Soviet Union. To understand the importance of this Corridor (ISDEE–CERPEM, 2005), we’ve to consider Italy’s exchange with the seven Balkan countries, which in 2003 reached almost 15 million tonnes. In the same year, exchanges of our country with another seven countries in East Europe, potentially benefited by Corridor 5 (Slovenia, Hungary, Ukraine, Russia, Belarus, Slovakia and the Czech Republic) amounted to 44.4 million tonnes. And these figures will certainly rise exponentially when the infrastructural axes are in place and economic integration strengthened.

To transform a simple corridor of fast traffic in transit into an axis carrying a second-level network linking and stimulating the wide Euroregion area (greatly improving accessibility from outside and internal mobility of AAP aggregation of Regions) is no small undertaking. It requires tight internal coordination and strong pressures on the Community and its Nation States. No Region or Country in the area, acting alone, could contemplate discussing, accelerating or redirecting any significant infrastructural investment to its own advantage or to that of its bordering Regions.

booth at strategic level could partly make up for this lack of coordination. The advantage seems clear, since economy of scales in project monitoring can be achieved, while ‘missing links’ of the network come to light and are then chosen for priority investment.

The *third* level is that in which the ‘Euroregion’ becomes protagonist of its own development, activating a true process of wide area strategic planning and thus identifying a few shared goals to be implemented through joint projects that are strictly multiregional (Euregio, 2007).

The choice of these projects is necessarily rigorous and selective, and some clear and shared ‘rules of the game’ must be set out in advance.

Without going into the specific, it is vital to indicate the *rationale* behind selection of these areas, which must be:

- oriented towards ‘sustainability’, that is, the long-term competitiveness of the territory;
- have broad geographical cover, which then leads to limiting projects to those that are strictly multiregional and not just cross-border;
- show evidence of surplus value generated by the network;
- be preferentially oriented towards intangible *assets* – this essentially being justified by reasons of budget, since the institutionalised territorial co-operation ‘vehicle’ does not have financial resources of its own;
- apply a *cluster* approach, that is, directed at the entire value chain and not simply an individual phase (Ketels, Solvell, 2005).

The rationale of this fivefold list is easily explicable. The experience of the EC Interreg initiative programme has clearly shown that time is a crucial variable to deal with. We need time to share a vision, to plan, to bring into action, to implement, to manage and to evaluate. If we have to put together public institutions, private actors, and different regional partners, we probably need a multi-years span. We have of course to match the ‘time-to-market’ demand raising from private actors but it is mandatory to take the right time to develop a good project (and we have learnt from previous experiences that the constraint of the European tenders’ deadline are not always a good context for good mature projects).

The second point – broad geographical coverage – is distinctive of the ‘Euroregion planning’. Let us say that we should operate in an area in which we have a number of bi-lateral and multi-regional projects already in progress. It is therefore meaningful that the strategy oriented territorial co-operation can identify projects covering the broader area and connecting multi-regional strategies and partners.

Finally, we are looking for projects with a clear network ‘plus’, where critical mass effects are implicated, and/or the reach of minimum thresholds, and/or the complementarities of different regional partners is evident. In Table 2 these three mandatory orientation are coupled with the three levels of territorial cohesion, making easier the ‘classification’ of objects (see Table 2).

Territorial dimensions	Long-term orientation	Broad geographical span	Clear network ‘plus’
Efficiency	Polycentric urban system Resource efficiency: consumption of energy, land, water		
Quality	Conservation and creative management of natural resources Reduction of emissions		

	Multiethnic solidarity and integration
Identity	Super-local dimension of identity (if any) Conservation and creative management of cultural heritage

Table 2 – A matrix to classify project proposals

3.2 Priorities and meta-projects

A limited number of priority themes have been identified as a basis for implementing the AAP vision and common strategy for co-operation. This common strategy will be rooted in selected concepts that reflect the SWOT analysis – carried out within the Matriosca Project (2007) – and political agreements among AAP regional partners which are consistent with development strategies and priorities:

- the initial common activities should meet the general criteria of long-term perspective and benefits, large geographical scale, clear benefit for the AAP area, evidence of the network value-added;
- the four priority macro-themes have been selected that match these criteria and have been identified through comparison of the development strategy of each partner, as summarised in the AAP SWOT analysis.

In the following points we report the main suggestions of common projectuality articulated along the four priority macro-themes which are: territorial development; infrastructure; knowledge networking; and small business.

Territorial development and polycentric system

- To create a polycentric multifunctional network to simulate a competitive metropolitan region, connect urban centres with rural areas, and connect this regional network to the rest of Europe, with the aim of enhancing the AAP region's visibility.
- To develop a common understanding of the logic, content and elements of balanced spatial development planning of polycentric spatial structures, and to promote innovative instruments.
- To maintain cultural and natural heritage in regional development, and integrate it into physical-planning strategies.
- To increase the cohesion of planning instruments, procedures and attitudes (including introduction of Strategic Environmental Assessment); and to improve the compatibility of existing planning databases and information instruments.

Tangible and intangible infrastructure with prominent large-scale impact

- To improve transport linkage (especially public transport) within the AAP region, and create gateways to international markets (airports, logistic hubs).
- To fill gaps in infrastructure through joint planning and lobbying, e.g. in transport, energy supply.
- To improve linkage to trans-European Corridors and bring Corridors into the AAP regions.
- To enhance social infrastructure through large-scale networking (health care and social services – old, young, specific needs).

Excellence of knowledge networking

- To improve joint management of natural resources (including renewable energy), fostering networks of excellence of know-how.
- To improve and coordinate information dissemination and management (define common standards, facilitate communication throughout the AAP region).

- To establish a permanent network of centres of excellence in science and technology.
- To foster the exchange of skills at various levels (professors, researchers, students), allowing the sharing of experience and knowledge.
- To improve common governance at regional and local level (including civil-servant exchange schemes and sharing of good practice).

Innovative small-business clustering

- To foster co-operation of clusters and networks, and technology platforms, to create critical mass, gain international visibility, and establish supply chains.
- To set up mechanisms to allow sharing and dissemination of key technologies (achieving critical mass is vital for small businesses).
- To promote ‘second level’ clustering, i.e. networking of existing SME-support institutions at AAP level.
- The requirements and processes preparatory to mutual recognition of VET curricula will be considered a precondition to a common labour market; this is expected to give further flexibility in the exchange of practices and experience among innovative SME.

3.3 The institutional dimension

The co-operation area has an heterogeneous institutional structure: the administrative levels range from Nation states to counties at NUTS III level and have different competencies or resources. On the positive side it’s worth to be mentioned the positive antecedent represented by the fact that most of the AAP partners have for many years been members of the Alps Adriatic Working Community (AA WC) and thus a very rich and long tradition of co-operation. AA WC is however currently based on an agreement, with limited capacity and without the possibility to manage either territorial programme. Therefore the updating and strenghtening of the existing structure is one of the options on the table for a new CBR in the AAP area.

Moreover, several cross-border co-operation initiatives and structures exist or are in the making involving some of the partner regions (e.g. Gorizian euroregio). A variety of legal agreements have been concluded (e.g. ‘Villa Manin’ agreement), with a view to generally facilitating co-operation activities or enabling the setting up of joint structures. There are also CBR projects on-going, from which new experiences would be found. In addition to that in the vicinity of the co-operation area new Euroregions have recently been established or in the making (e.g. CENTROPE, Adriatic Euroregion).

The implications of the various ‘logics’ underpinning co-operation were considered (see Figure 4) in order to understand to what extent these could be alternative or complementary: political logic; project logic; regulation logic; networking logic.

The challenge is to be oriented to keep all the various logics of intervention open for the mission of the possible common institution.

From an organizational development perspective, trans-national co-operation is perceived as co-operation system(s) of organizations and their representatives. The list of core territorial functions these co-operation systems need to fulfil in the APP area has been identified in order to get trans-national co-operation more effective. Those core territorial functions are linked to the ‘roles’ of the new CBR in the AAP

area and are supporting the ‘four big needs’ identified while defining the strategic perspective:

- to safeguard political commitment to coordinated action in AAP area;
- to develop a strategic framework for future actions;
- to develop and implement joint projects of strategic transnational importance; and
- to foster a lively community of potential project partners and support project generation by providing ‘meeting places’ and technical support.

Transnational territorial co-operation is obviously more than just implementing the programmes, the project and attracting funds. Indeed it’s shaping new landscapes and relations among regions and their authorities.

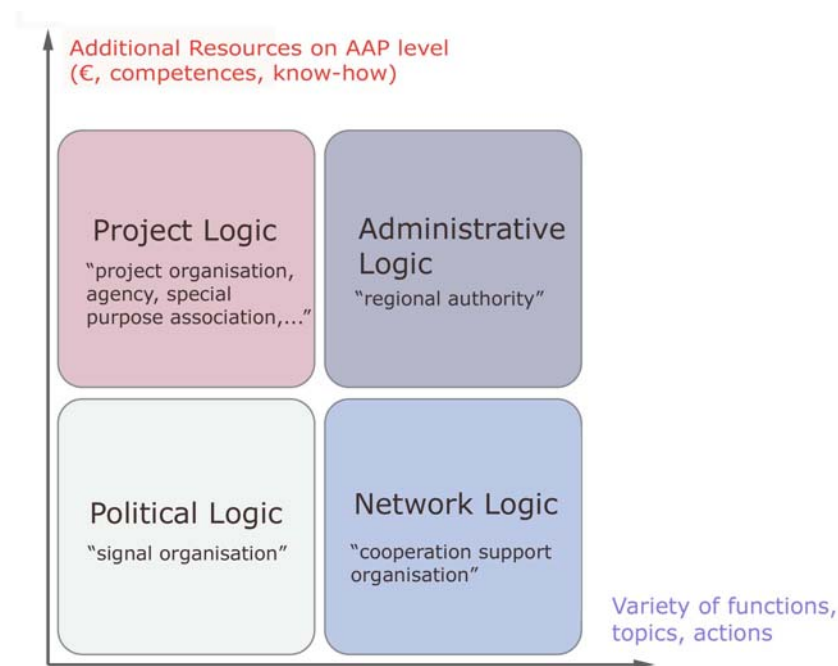


Figure 4 – Different logics in CBR institutional building

The institutional setting under a strategic perspective

The strategic ambition shall be to keep eventually all the above aspects under consideration and to identify a possible and viable solution for institutionalised co-operation on the basis of such complex multilevel analysis.

The most viable and promising legal instrument has been identified in the European Grouping of Territorial co-operation (EGTC), introduced by the EC Regulation 1082/2006 (Fodella, 2005). First of all, since EGTC falls into the field of Community relations, regions are directly charged with the task of applying it. Furthermore, Community regulations allow the participation of States in addition to regions and local authorities. Finally, one further positive aspect is the possibility to involve Third Countries (and their relevant local authorities), thus allowing to involve also other territories in the co-operation institution until their accession to the EU.

Therefore the new ‘EGTC’ regulation is a milestone effort on the part of the EU to improve settings for territorial co-operation: it is a brand new instrument, a

binding regulation and constitutes a major step for strengthening of territorial co-operation respecting the competences under the respective national law⁶.

Different possibilities were taken into consideration, knowing that any improved structure should:

- provide a ‘neutral’ ground for further territorial co-operation among all levels;
- improve the coordination of existing Structural Fund Programmes (acting as a permanent forum);
- constitute a meeting point between programme officers and entities for external relations;
- facilitate the networking of administrations and the implementation of joint projects.

Various territorial levels of co-operation were considered as main focus for the future development of a new CBR in the AAP area. Three options and the specific implications have been considered.

- Option A: Expand and transform Alps-Adriatic Working Community and provide it with a legal entity (EGTC); i.e. to consider the wider scale of intervention as the predominant focus (Maggioni, Bramanti, 2001).
- Option B: Several smaller entities, each with a legal entity (EGTC); that means not to establish one common basis for co-operation encompassing all AAP space but instead a coordination of more sub-areas, the main focus being at this smaller scale.
- Option C: Combination of Options A and B, i.e. a framework structure (e.g. AA WC) acting as ‘umbrella’ organisation for the AAP area and co-operation among entities of smaller territories. The mixture should ensure long term strategic perspective in undertaking short-medium term oriented operations.

4. Concluding remarks

Cross-border and inter-regional co-operation has been certainly revitalised by the process of European construction. The ‘Europe of regions’ or the ‘Europe without frontiers’ entails a cross-border policy significantly supported by specific funding, and the aim of this support is to lead to multiple integration, stronger economic networking and regional focussed policies (Altomonte, Nava, 2004).

As we have discussed CRBs are almost always a ‘political construction’ and it is quite clear that cross-border institutional building should anticipate private networking. But, in order to produce sustainable growth it is always needed a threshold value of mutual understanding and awareness of shared problems (and, possibly, of shared solutions).

In addition to the involvement of institutions, the role of citizens and business community is equally decisive for the successful performance of CBRs. The denser

⁶In general, the national provisions to ensure effective application of the Regulation (EC) No 1082/2006 are not in place yet, with only one exception: in Hungary, the Parliament approved the Act on EGTC in July, 2007. In other partner's areas the process is under negotiation between the national and regional/local level. For setting up an EGTC the regulation has to be implemented in all participating Member States. Since an EGTC shall be made up of members within the limits of their competences under national law, the least common denominator regarding these competences has to be recognised.

the local network (chambers of commerce, universities, business innovation centres, etc.) and the more established the decision-making structure (clearly determined decision-making process, transparent rules, equal access to the agenda for all participants), the higher the mobilisation of local resources (Bramanti, Maggioni, 2001).

The necessary coexistence of top-down and bottom-up dynamics is totally evident. Euroregions created according to the external incentives model (grant coalitions) may be too much dependent on external funds of burdened with internal conflicts (Perkmann, 2007).

The natural conclusion of the developed conceptual frame is that effective and sustainable transnational co-operation requires greater political commitment but common willingness and shared vision are a prerequisite for any action. So, coordination and networking at technical/administrative level is mandatory to raise the partners capacity to operate jointly, at the various levels – political, managerial and operational – in a renewed and streamlined way.

The main open questions – to be addressed in future research – are related to *i*) the emergence of ‘microeconomic incentives’ to collaboration among partners, as they usually need a story of successful achievements (in addition to public financing); and *ii*) the possibility to shift from ‘grant coalition’ to ‘growth coalition’, that is the fulfillment of the expected mission of pooling and mobilizing local resources in order to enhance local development.

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