

CROSS-BORDER REGIONS AS SUPPORTING STRUCTURES FOR RAISING COMPETITIVENESS IN EUROPE

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Abstract: *Regions apart from the national states have developed to new actors in the context of globalisation. This paper deals with the comparison of two chosen cross-border regions in the EU according to their support to increase the competitiveness of the companies and institutions located there. In the context of globalization, regions in Europe are more and more exposed to a competition about qualified work force, company settlements, employment and European funds. They have to focus also on global challenges like an aging population or climate change, they have to ask for regional solutions and collaborations and networking have become vital. Cross-border regions have developed to reduce barrier effects and foster new development potentials across Europe. The aim of the study is to analyse the effects of the implementation of cross-border regions in the EU on the competitiveness of local companies and institutions. It is based on a comparative case study of the European Region Donau-Moldau and the Euregio Meuse-Rhine. The analysis shows that the potential of such cross-border regions relies in the fact to join forces and competencies and that such cooperation addresses relevant topics to foster the competitiveness.*

Key words: *EU, regional development, European regions, Euregio.*

1. INTRODUCTION

The regions have evolved as new actors in the context of globalization. It is significant that international transport and telecommunications networks allow businesses to be relatively independent of their place; leads the growing development to the knowledge economy to make enterprises more anchored locally. Innovation and technological development depend on the availability of qualified staff, educational and research institutions, and a strong network between the economy, science and politics. Regions are increasingly experiencing competition between regions in terms of skilled labor, corporate settlements, employment and European funds. Simultaneously, new challenges for change in still used systems such as climate change, an aging society or rising energy consumption, require not only global but also regional and local solutions. For regions, cooperation considering all these challenges is crucial. Following the realization of the internal market in the European Union, competition among European regions has increased and along the internal and external borders many cross-border regions have developed. These new collaborations aim to tackle border-related problems and exploit new development potentials. Across Europe a great variety of such cross-border regions has developed, so that the Association of European Border Regions (AEBR) counts more than 185 today. The chances and potentials of cross-border cooperation

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for local companies and institutions shall be examined in this study. For this purpose, two different cross-border regions, namely the 'European Region Danube-Moldau', a trilateral cooperation along the German-Austrian-Czech border and the 'Euregio Meuse-Rhine', a trilateral cooperation along the German-Dutch-Belgian border will be analyzed. Both collaborations differ in age, whereas the Euregio Meuse-Rhine was found in 1976, the European Region Danube-Moldau is a young cooperation that had just been found in 2012.

1.1 Objectives

The aim of the following study is to analyze the organizational arrangements, fields of activity, financial means and actions/projects of both cross-border regions and evaluate in which way the cross-border cooperation contributes to an increase in the competitiveness of local institutions and companies. Therefore, the projects and initiatives of both collaborations shall be evaluated against the objectives of the cooperation. Furthermore, it should be evaluated whether the organizational arrangements allow the collaborations to achieve their objectives. A comparison of the two CBRs will be conducted to identify factors that foster or hinder both collaborations and the question is raised whether both regions could learn from each other. Finally, the following research question will be answered:

Regarding their organizational arrangements as well as realized projects/initiatives, in which way do the European Region Danube-Moldau and the Euregio Meuse-Rhine contribute to foster the competitiveness of local companies and institutions?

On the basis of this research purpose the following structure of the work has been developed: At first the term 'European Region' shall be clarified. Therefore central terms a 'region', 'border', 'cross border-cooperation' and 'cross-border region' will be examined. Furthermore, objectives and organizational structures of cross-border regions will be presented to then elaborate an own operational definition of the term 'European Region' as it is understood in this study. Then the framework conditions of cross-border cooperation in Europe will be described. After a short overview of the historical development of CBC in Europe, the initiatives of the Council of Europe to develop a legal basis for CBC will be presented. Then, the contributions of the European Union to foster CBC will be illustrated. First the INTERREG-initiative and its impact on the financial, institutional and thematic framework of CBC will be illustrated and then the new legal tool European Grouping of Territorial Cooperation (EGTC) is described. The following part is dedicated to highlight the term competitiveness and the relevant pillars that can contribute to foster competitiveness of local companies. Subsequently some general challenges and factors of success of CBC shall be highlighted. After a detailed description of the research method, the choice of case studies, criteria for analysis and research data, both European Regions shall be analyzed. The analysis is designed as follows: Each case is studied separately and following the same criteria. First a characterization of the territory where the CBR is located is given and then the historical development of the CBR is described. Subsequently objectives, fields of activity, organizational structures and financial means of the CBR will be examined. Then certain activities and projects of the CBR will be described and analyzed. A short summary at the end of each case study sums up the most relevant conclusions. Finally, the results of both case studies will be compared and the contribution of the CBRs to foster the competitiveness of local companies and institutions will be discussed.

1.2 State of research

In general, not many recent studies have been published on cross-border cooperation in Europe. Most publications date from the early years of 2000, see for example: [7], [14], [20] who take a look on the issue under a political science perspective. One important work on CBR on the German-Czech border has been published by Schramek [21]. Other relevant contributions are Student [25], who compares CBRs from an economic perspective or Perkmann [18], who tried to classify CBRs in Europe and whose works has been relevant to elaborate the definition of the term 'European region' in this work. For more current information see [6], [8], [10], or [12].

1.3 The term 'European Region'

Many different terms like Euroregion, Euregio, Eurodistrict or European Regions are the titles of different cross-border cooperations across Europe, that vary to a large extend in their geographical scope as well as organizational arrangements. To define what is understood as a European Region in the framework of this study, the approach is undertaken to define central terms like 'region', 'border', 'cross-border cooperation' or 'cross-border region', compare [15]. This allows to clarify the characteristics of a 'European Region' like objectives, actors and organizational arrangements [18]. The term region is very broad and frequently used in very different contexts. In this work, a region is understood not just as an 'action place' but also as an 'action unit'. As an action place a region is understood as a locality where social, economic or cultural actions take place, that can't be controlled. As an 'action unit' a region is also understood as an actor that has, on the basis of organizational arrangements, competences to act and to intervene and construct the 'action place'. By consequence, a European Region is characterized by some institutional arrangements that allow this region to intervene in cross-border actions [19], [21]. Furthermore, a European Region is understood as a specific type of a cross-border cooperation. Perkmann [18] defines a CBC as follows: „[...] a more or less institutionalized collaboration between contiguous subnational authorities across national borders.” Consequently, a European Region is a type of collaboration between subnational authorities across borders. The aim of a CBC is to „[...] to offset the structural disadvantages imposed by their location, on the edge of their country and confined by the limits placed on the system (legal, economic, social, or even linguistic, cultural, religious, etc.) as a result of proximity to an international border” [5]. In the European Union borders have developed from physical barriers to so called 'soft borders', due to the realization of the internal market and the Schengen Agreement. As soft borders, barriers occur due to the existence of different economic, political, legal, social, linguistic and cultural systems that exists between national states [20]. Besides the dependence of different national states, contiguous subnational authorities often have common interests, problems or face the same challenges. These commonalities are at the basis of CBC [20]. Common fields of activity in CBC are cross-border economic cooperation and support of innovation and infrastructure; social issues and education, the labour market; environmental, natural, health and catastrophe protection; common history, culture and tourism [20], [16]. Collaborations aim to exploit endogenous development potentials that are understood as all intraregional potentials of a region, like human (work force, capital, infrastructure etc.) and natural factors (landscape, environment etc.). As Schmitt-Egner [19] says, the overall objective of cross-border cooperation is to maintain, control and develop a common living space.

The Association of European Border Regions [1] distinguishes between two different types of CBC, so-called on-off activities and strategic, development-oriented collaborations. A European Region is of the latter type, as it is a long-term collaboration characterized by a certain

organizational structure, objectives and a strategy. By consequence a European Region is understood as a cross-border region, meaning “a bounded territorial unit of the territories of authorities participating in a CBC initiative [...] equipped with a certain degree of strategic capacity on the basis of certain organizational arrangements.” [18] Cross-border regions are not a new administrative level, but networks of different actors. Local and/or regional authorities from both sides of the border are the main drivers of these collaborations, but not the only ones. To build up a cross-border region means to build up vertical, horizontal and lateral networks of actors from public administrations, politics, economy and the civil society. They can be involved in different ways in the organizational structure of the CBR. CBRs have no competencies on their own, but depend on agreements between these different actors. This type of network collaboration and decisional structure is also called Regional Governance [7]. There is a great variety of organizational arrangements of CBRs in Europe. They vary from loose forms to strongly institutionalized structures. Working communities are of the first type as they have no legal personality, are based on cooperation agreements and often do not have own financial resources or staff. Some examples are large-scale cooperation like the Working Community Alp or the International Lake Constance Conference (Internationale Bodenseekonferenz) [2]. A more institutionalized form of a CBR is a Euregio¹, which is a small-scale collaboration between local and regional authorities with an own legal personality based on either private or public law². These collaborations often have own administrative, technical and financial resources, a permanent secretary and own decisional structures. Most Euregios are involved in the preparation and implementation of INTERREG projects or programmes and many of these structures developed due to the launch of the INTERREG programme in 1990. Some typical examples are the EUREGIO Gronau or the Euroregion Neisse-Nisa-Nysa [2], [18]. The most institutionalized form of a CBR is to create a European Grouping of Territorial Cooperation (EGTC). This legal instruments allows public authorities to create a cross-border structure with a legal personality based on public law and has been implemented in 2006 by the EU. EGTCs vary strongly in their scale and objectives, e.g. EGTC Eurodistrict Strasbourg-Ortenau or EGTC PyrénéesMéditerranée [9]. In general, one can observe a trend to larger cooperations based on more functional interdependencies like the metropolitan cross-border regions Great Region Saar-Lor-Lux or Eurométropole Lille-Kortrijk-Tournai [11]. In recent years many CBRs have developed that cannot be necessarily classified as one of these types (Working Community, Euregio, EGTC) [18] and in the scientific literature no typology of CBRs could prevail. Against this background and the preceding theoretical considerations, the following operational definition of a ‘European Region’ has been developed and will be used in this work:

A European Region is a cross-border region, whose action place is the sum of the territories of the actors involved. These actors are two or more contiguous public authorities that are separated by a national border. These actors become an action unit through the existence of an organizational structure. The aim of the collaboration is to maintain, manage and develop a common living space.

1.4 Competitiveness of Firms and Institutions

The competitiveness of regions and its economic subjects becomes more and more important issue. As known from other fields of research, competitiveness is a hard-to-catch expression and needs to be explained theoretically. The famous business economics description of the “ability to sell” [4] offers a first idea of what it is all about. Firms need to be competitive to be able to sell their products on international markets against the products of (foreign) competitors. It has simply to be more than, or at least as productive as comparable firms. According to the

World Economic Forum [22] competitiveness is the “set of institutions, policies and factors that determine the level of productivity of a country”. Therefore, an environment in which the firm can operate without too much obstacles of several kinds is a necessary condition. This is valid for CBRs and their policy space too.

The WEC defined 12 pillars, according to the development stage of the region, influencing the competitiveness of a nation and its firms. Institutions, infrastructure, macroeconomic stability, health and basic education constitute general necessities. In later stages of development, the importance of higher education, of the efficiency of the goods-, labour and financial market, the technological readiness and of the market size come into play. High developed countries are characterized as innovation-driven and are based on factors as innovation itself and business sophistication. All 12 pillars influence directly or indirectly the market position of a firm. But not all of them can be influenced by a region or a CBR. Special emphasis will be given to the following issues: Institutions, public or private are important for the framework where in the single firm operates and determine the level of the so-called transaction cost. Infrastructure is not only about the access to certain product markets and the availability of an adequate energy and communication network, but also about the mobility of the work force. Health of the workforce is decisive for their productivity as well as the quality of education. An efficient labour market constitutes another important factor for local firms because it helps to allocate well the skills of the workers according to the needs of the firms. The possible market size determines the productivity of a firm through the possibility of taking advantage of economies of scale. Furthermore, an innovation-friendly environment and high business sophistication could constitute an advantage for a local high-tech industry [22]. In addition to these pillars, regional networks gain more and more importance for the competitiveness of local firms and institutions. Positive effects result from clustering, meaning the geographic proximity of regional firms along a value chain. In general, networks allow to bundle competences and resources, exchange experiences and knowledge and to achieve common goals more easily [17], [3].

2 METHOD

The present study follows a qualitative and comparative case study approach. A holistic and detailed description of framework conditions, actors, organizational arrangements, strategies and projects/initiatives of each case study should allow to understand promoting and impeding factors for the collaboration. The analysis focuses on the one hand on institutional conditions and on the other hand on particular measures undertaken by the CBR to foster the competitiveness of local companies and institutions. Even though the transferability of results from one CBR to another is difficult as the context of each collaboration differs, a comparative approach has been chosen because it allows to learn from the experiences of other collaborations and to better use own development potentials. The

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conditions that foster competitiveness are transferable from one region to another and so a comparison of undertaken initiatives in this direction by both CBRs makes it possible to evaluate in which way CBRs can contribute to improve the framework conditions under which local institutions and companies operate. The comparison of projects and initiatives allows to evaluate the activities of each collaboration and to show up possible development perspectives. The choice of the two case studies was based on the theoretical sampling approach and the requirements from the registered research project. The requirement was to compare a German-Dutch collaboration with one located at the German-Czech border. Because of the tendency towards larger collaborations and the presence of more active and adequate cases, the analysis focuses on collaborations on the regional instead of the local level. Based on the elaborated definition of a European Region the European Region Danube-Moldau located at the German-Austrian-Czech tri-border region was chosen as first and typical case study. This collaboration just exists since five years and has not yet been subject to scientific works. Based on the expected differences (older collaboration (since 1976), smaller cooperation area, stronger institutionalization) the Euregio Meuse-Rhine located at the German-Dutch-Belgian tri-border region has been chosen as second case study. The analysis is separated in two parts, a single case analysis where cooperation area, organizational structure and projects/initiatives of each CBR are presented in detail and a comparative analysis where the impact of both CBRs on the competitiveness of local companies and institutions is evaluated following the elaborated pillars that foster competitiveness. The analysis of projects and initiatives of both CBRs follows two different approaches, due to the different age and number of realized projects. In the case of the European Region Danube-Moldau the activities of chosen so-called knowledge platforms (thematic working groups) between the foundation of the CBR in 2012 and July 2017 will be analyzed. The choice of the working groups was made on the basis of their relevance for the competitiveness. The following knowledge platforms have been chosen: 'Research and innovation', 'Collaboration of Universities', 'Collaboration of enterprises and the creation of clusters', 'Qualified work force and labour market' and 'Mobility, accessibility and transport'. In the case of the Euregio Meuse-Rhine, out of the great number of realized projects three projects in the fields 'Labour market', 'Collaboration of enterprises' and 'Research and innovation' have been chosen as best-practice examples for the comparison. For the whole analysis of both case studies and initiatives only secondary data has been used. The study is based on the analysis of the websites, publications, project reports, press releases, statutes and activity reports of both CBRs. For the description of the socioeconomic situation in the cooperation area and the financial resources of both CBRs statistical data mainly from Eurostat has been used.

3 ANALYSIS

3.1. European Region Danube-Moldau (ERDV)

The European Region Danube-Moldau is located in the tri-border region between Bavaria (Germany), Austria and Czech Republic and lies in between the metropolises Prague, Vienna, Munich and Nuremberg. The CBR comprises the territories of the following regions: the German districts Upper Palatinate (Oberpfalz) and Lower Bavaria (Niederbay-ern) with Altötting, the Czech districts Pilsen, South Bohemia and Vysocina and the Austrian federal state Upper Austria and the Lower Austrian regions Mostviertel and Waldviertel. The cooperation area is nearly 65.000 km² and counts more than 6 mio. people. A polycentric structure of medium size towns and natural barriers that take the form of mountain ranges and rivers located at the border characterize the cooperation area. The regions share a long common history which has been disrupted by the First and Second World War and through the Iron

Curtain until 1989. The natural and historical barriers led to an incomplete cross-border infrastructure. Nevertheless, the overall socioeconomic situation in the ERDV is relatively strong and above EU average. Especially the production industry, tourism and small and medium size companies are the economic drivers. The ERDV counts numerous universities and research institutes. But a strong disparity of GDP and income is observable between Austrian and Bavarian regions on the one hand and the Czech regions on the other hand and leads to strong commuter flows from Czech Republic to Germany and Austria. The ERDV as an organization has been created in 2012 as international working community between the political representatives of the above-named participating regions. On the basis of long-standing successful collaboration at the local level, the signatory regions aimed to cooperate on a more strategic and binding basis at regional level to deal effectively with more complex topics like labour market, cooperation of universities and cross-border transport. According to the statutes, the aim of the collaboration within the ERDV is to “develop the trilateral cooperation for the good of the people who live in the ERDV, to strengthen the region in the competition between regions and to support the European idea” (Europaregion Danube-Moldau, 2012, Präambel, own translation). The ERDV wants to strengthen its position between the metropolises and therefore develop a common development strategy, projects and positions. The collaboration takes place in the following seven thematic fields: ‘Research and innovation’, ‘Cooperation of universities’, ‘Cooperation of enterprises and the creation of clusters’, ‘Qualified workforce and labour market’, ‘Tourism oriented towards nature, health, cities and culture’, ‘Renewable energy and energy efficiency’ and ‘Mobility, accessibility and transport’. The organisational structure of the ERDV can be characterised as little institutionalised as the collaboration is build on a legally non binding political working community. Decisions remain as yet non-binding and the cooperation is based on loose agreements. The political leaders of all member regions build together the Executive Committee and decide on the strategic objectives and annual programme. Seven trilateral working groups, so-called knowledge platforms with each about 30 experts from all member regions, develop and initiate projects and initiatives in the seven thematic fields to realize the strategic action programme. The ERDV disposes of own financial resources to finance its activities. But during the first 3 to 5 years (from 2012) the ERDV does not appear as own lead partner, but just initiates projects between existing partners. In general, cross-border projects on the territory of the ERDV can be financed through the following three bilateral INTERREG-Programmes: INTERREG V-A Austria-Czech Republic 2014-2020, Goal ETC Bavaria-Czech Republic 2014-2020 and INTERREG V-A Austria-Bavaria 2014-2020. The analysis of the undertaken and realized activities of the knowledge platforms between the foundation of the ERDV in 2012 and July 2017 has shown the following results. The selected knowledge platforms for analysis are: ‘Research and innovation’, ‘Cooperation of universities’, ‘Cooperation of enterprises and the creation of clusters’, ‘Qualified workforce and labour market’ and ‘Mobility, accessibility and transport’. Infrastructure is seen as a prerequisite for the economic development and competitiveness of a region because it allows market access to firms. The cooperation area of the ERDV still has a great deal of action, especially in the area of cross-border road and rail transport. The ERDV addresses this topic in its knowledge platform on transport and mobility and can present a first important working basis with the ‘Masterplan Transport’. Initial successes are already evident in the area of public transport, but larger, extensive traffic projects depend on higher-level decisions, so that substantial improvements can only be expected in the long term. ERDV also focuses on cooperation in the field of secondary and tertiary education. The cooperation area offers a great potential with more than 30 institutions, and there are already some bilateral partnerships between the universities of Pilsen, Ceske Budejovice, Linz and Regensburg. Initial initiatives to increase student mobility and linguistic knowledge have been launched by the ERDV through mobility grants, and the CAST project shows how the ERDV can support universities in the development

of joint courses of study. The topic of the labour market is also a focus of cooperation and commuter flows are evidence of a certain networking of the regions, which, however, is one-sided due to the wage gap. The language barrier within the ERDV represents a major challenge for the networking of the labour market. Therefore, the knowledge platform plans labour market initiatives in this area. However, concrete projects to increase workers' mobility have not yet been initiated. A platform for knowledge is also dedicated to the promotion of business cooperation. The Clusterland map makes it easier for ERDV companies to access information when it comes to finding cooperation partners. It shows that numerous growth poles lie within the ERDV area. The similar branch structures, especially between Pilsen, the Bavarian regions and Upper Austria, offer many potentials for cooperation. The analysis of the Smart Specialisation strategies allowed the regions not only to exchange best practices, but also to identify links for future cross-border cooperation. However, concrete initiatives to promote specific sectors, clusters and SMEs in the region have not yet been implemented, except for network events. Finally, the ERDV also aims to strengthen the region as a research and innovation location. To this end, the knowledge platform stimulates the exchange between scientists and companies through numerous events and supports the positioning of the ERDV through its publications 'location portrait' and 'health location'.

Overall, it can be said that the activities of the knowledge platforms so far are oriented towards the analysis of the existing situation in the cooperation area and the support of existing and / or initiation of new network events. Until now, the various publications (traffic master plan, university lecture, clusterland map, etc.), but less concrete projects for the promotion of companies or research facilities, are the results. This is certainly due to the fact that the ERDV is still a new cooperation and the structures have to be built up. A further reason could also be a lack of financial re-sources, as the financing of trilateral projects through INTERREG demands several projects proposals because only bilateral projects can be financed and because of the uncertain amount of financial resources of the ERDV. Finally it is difficult to know exactly which projects have been initiated by the ERDV, as the cooperation does not appear as project leader.

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3.2 Euregio Meuse-Rhine (EMR)

The Euregio Meuse-Rhine is located in the tri-border region between Germany, Netherlands and Belgium. The collaboration consists of the territories of the Belgian provinces Limburg and Liège, the German-speaking Community in Belgium, the Dutch province Limburg and the German Region Aachen. The area of cooperation is much smaller than the one of the ERDV an

is 10.700 km² large and counts about 4 mio. people. As the ERDV the EMR is characterized by a polycentric structure of medium size towns and a location between several metropolises. No natural barriers or physical borders are located in the trilateral cooperation area, what has led to an active economic, social and cultural exchange between the five member regions since many centuries. Especially the Dutch and Belgian province Limburg share strong cultural and historic ties. The EMR benefits from an excellent infrastructural connection and its close location to international hubs. This leads to a high mobility in the EMR and important commuter flows, especially from Belgian regions, which face higher unemployment, to the adjoining Dutch and German regions. The economic situation in terms of GDP is weaker than in the ERDV and the produced GDP per capita in purchasing power standards slightly below the EU average. Nevertheless, the EMR has positioned itself as a strong Science and Technology Region and disposes of internationally renowned universities and research institutes. The collaboration between the five member regions started in 1976, when the Euregio was found just like the ERDV as an international working community. The EMR is one of the first cross-border collaborations in Europe. In 1991 the collaboration changed its legal status into a Dutch Stichting based on private law, that has its seat in Eupen, with the aim to intensify the collaboration and better administer European INTERREG funds. The aim of the collaboration is to reduce barriers related to the existence of an international border and to increase the quality of life for the local people through information, communication and collaboration between the five member regions. Based on the EMR 2020 strategy the current thematic fields of activity are 'Economy and Innovation', 'Labour market, education, vocational training', 'Culture and tourism', 'Healthcare' and 'Security'. Cross-cutting issues are for example 'Mobility and transport' and 'Sustainable development'. The organizational structure of the EMR can be described as very institutionalized and corresponds to that of a Euregio. The political leaders of the five regions build the executive board of the Euregio, which is the highest decision-making body and bears all responsibility for activities of the Stichting. A particularity represent the Euregio Council and the Social and Economic Council, two bodies that represent the non-governmental level: on the one hand the political parties of the regional parliaments and on the other hand representatives of the civil society, like trade unions, employers' association, Chambers of commerce and industry, universities etc. Although both bodies just have a consultative role, the participation of these 80 representatives allows a high legitimisation of the work of the EMR and formalises the involvement of civil representatives. The thematic work of the EMR takes place in so-called strategic monitoring groups. These are groups of experts which differ in their composition according to the thematic requirements. The EMR has just a small own budget, as a consequence all cross-border projects on the territory are financed through the own INTERREG V-A Euregio Meuse-Rhine programme. The programme area corresponds to the area of the Euregio, so that also trilateral projects can be financed through it. Until 2013 the Stichting Euregio Meuse-Rhine was also Managing and Certifying Authority of the INTERREG programme. Out of the many realised projects of the EMR, three initiatives were chosen and presented as best-practice examples for concrete projects that support the competitiveness of local companies and institutions. The first initiative is the longstanding EURES partnership between the employees' and employers' associations of the five member regions and the establishment of a cross-border information point for local citizens, workers, employers, pensioners and commuters. The second projects, called 'The Locator', is a location information system for entrepreneurs that provides information on commercial property on the territory of the Euregio. And the third project is the initiative TTR-ELAt-region, that aims at positioning the territory of the EMR and adjoining regions as a knowledge- and technology region and therefore developed a cross-border strategy. Under the umbrella of this initiative concrete innovative cross-border projects and SMEs in selected sectors have been supported through INTERREG projects. With regard to the dimensions of competitiveness, the three

project examples show that a cross-border region can improve the framework conditions for companies and stakeholders through concrete initiatives. The cross-border information point, the EURES partnership as well as the projects 'The Locator' improve access to information for businesses and workers by providing services. In this way, the mobility of workers is increased in the case of the cross-border information points and the EURES partnership and the labour market becomes more efficient by means of an improved mediation between job offer and demand. The 'Locator' project helps companies gain market access and can help reduce transaction costs by providing free information on commercial space. The TTR-ELAt initiative is an interesting example of a cross-border strategic approach to promoting research and innovation. The identification of common strengths in three sectors allows the actors (companies, research institutes) of the involved regions to specifically promote and expand these potentials. In this way, the actors can reach a critical mass that enables them to position themselves internationally as a leading technology group and to compete with competitors. However, the TTR-ELAt region also shows that increasingly functional regional definitions become more relevant and that collaborations follow a more strategic approach whose goal goes beyond the elimination of border-related barriers. The Euregio Meuse-Rhine initiated a more strategic orientation by publishing a joint EMR2020 strategy in 2013. Therein, it reaffirms its willingness to expand cooperation with other existing cooperation alliances and to position itself more as a "network of networks" in the future. Also the transformation into a EGTC on the basis of public law is discussed.

4 COMPARATIVE ANALYSIS

Now that both case studies have been comprehensively analyzed, the impact of cooperation in the European Region Danube-Moldau and the Euregio Meuse-Rhine on the competitiveness of local institutions and enterprises will be assessed. First of all, both regions are understood as intermediaries between the regional actors or impulse networks for cross-border cooperation. Networks offer the participants the opportunity to exploit potentials by pooling resources and competencies. They are based on the exchange of experiences and common learning processes, which can have positive effects on competitiveness. Both collaborations, through their work and organizational structures, try to institutionalize the networking of actors and to create new platforms for the exchange of experiences and the development of joint action strategies for common goals and problems. By offering access to the regional stakeholders (universities, business networks, research facilities, public institutions) through regular meetings within the knowledge platforms (European Region Danube-Moldau) or the strategic accompanying groups, they offer these actors new possibilities for cooperation. A comparison table see below.:

| Description Indicators for Chosen Regions | European region Danube-Moldau | Euregio Maas-Rhein |
|---|--|--|
| Cooperation Area | 7 regions, 3 states, 2 languages area: 64.950 km ² inhabitants: 6.006.018 | 5 regions, 3 states, 3 languages area:10.663 km ² Inhabitants: 3.929.184 |
| Established in | 2012 | 1976 |
| Way of Founding | Top-down | Bottom-up |
| Founding Initialized by | Governors of neighbouring regions (Lower Bavaria, South Bohemia, Upper Austria) | Cooperation Activities in Region Aachen with the Dutch Province Limburg, and the German-speaking community |

| | | |
|-------------------|--|---|
| | | in Belgium, and Provinces Limburg und Lüttich |
| Legal Form | Trilateral union which was established on a political level in the form of a working community, and which incorporates seven partner regions | Dutch Stichting |
| Organization Form | International working group: presidency, trilateral coordination committee, ERDV-office, knowledge platforms, regional contact points | Stichting according to Netherlands' law: Board, EMR-office, Euregio-Council, Economic- und Social Council, Strategic Join Groups und temporary Working Groups |
| Main Themes | Research and Innovations, Entrepreneurship Cooperation, Cooperation of HEIs, Labour Market, Tourism, Transportation, Renewable Energy Sources, | Health, Security, Economy and Innovations, Labour Market and Education, Culture and Tourism |
| Financing | Own sources | INTERREG EMR |

Table 1 Description for Chosen Regions (Source: Own processing)

From a thematic point of view, both regions focus on fields of action that can have a positive impact on the competitiveness of companies on the basis of the pillars defined by the World Economic Forum. In the European Region Danube-Moldau as well as the Euregio Meuse-Rhine, activities are being organized to promote research and innovation, enterprise / economy, labour market and education. Both cooperations are also striving to improve the cross-border infrastructure. In the area of promoting research and innovation, the TTR-ELAt initiative in the EMR is a particularly interesting example of how the cross-border networking of business, research institutions and policy can enhance the competitiveness of local businesses and research institutes. By identifying cross-border development potentials on the basis of shared and complementary skills between regions, stakeholders can concentrate their resources and competences and reach a critical mass in targeted sectors that can allow them to compete internationally as a powerful technology region. Without the cross-border cooperation, it would be difficult for individual clusters and research facilities in the regions to compete internationally. The collaboration enables the targeted promotion of promising business cooperation and thus contributes to increasing the competitiveness of local businesses. To improve the cross-border labour market, CBRs can contribute to increase the mobility of workers by promoting the (foreign) linguistic knowledge. As the mobility is furthermore often hampered by the clashing of various tax, social security and legal systems in border regions, CBR can also foster the mobility by the provision of information and employment services. Cooperation in the area of tertiary education offers the regions the opportunity to provide qualified and international staff for the resident companies. Joint courses of study, as planned by the ERDV, enable students to have different working methods and language skills as well as a limited mobility hurdle. In addition, international research collaborations and an international range of courses also increase the reputation of higher education institutions, thereby improving the quality of teaching staff and researchers, which can ultimately have a positive effect on the quality of teaching and research in the region. Furthermore, CBRs can contribute to the amelioration of cross-border transportation infrastructure. Especially in the field of cross-border public transportation CBRs have competences. Decisions on large-scale infrastructure projects are usually taken at a higher, national level, so that the possibilities for

action here are mainly in the area of the common interest representation in decision makers and in the conduct of studies. However, as cross-border regions identify the relevant actors on both sides of the border and bring them together, they can make an important contribution to improving the infrastructure of the region. To sum up, the collaboration in a cross-border region offers various potentials in terms of the competitiveness of local companies and institutions. Firstly, it allows specific cross-border disadvantages to be identified for the development of resident enterprises and institutions and mitigated or reduced through targeted measures. Then, for local companies and institutions, the networking activities of the cross-border regions create opportunities to build up new cooperations. Finally, through the CBC, the competences and resources of the local companies and institutions can be pooled and synergy effects can be generated, which allow the individual actors to gain a stronger position in the international competition.

5 CONCLUSIONS

Faced with the increased international competitive pressure and against the background of growing global challenges, regions are increasingly developing their own strategies to create an attractive living and economic space for the population and companies. Partnerships and cooperation are thereby given a special role in regional development. The collaboration in cross-border regions have become more strategic and should contribute to foster the collaborating regions in the competition between regions and to better exploit regional development potentials. To what extent the cooperation in a cross-border region can promote the competitiveness of local businesses and institutions is shown by a comparison of the European Region Danube-Moldau and the Euregio Meuse-Rhine. Border regions are often characterized by a political deficit, which means that they are not widely respected by national decision makers. Through the creation of cross-border cooperation structures, local authorities attempt to overcome this deficit and create a new political space for action. The main actors of cooperation are mostly public administrations and the political representatives of the participating bodies. As network-like structures, their success and the contribution they can make to the competitiveness of local institutions and enterprises depends decisively on involving regional stakeholders from universities, research institutions, businesses and civil society in cooperation and structures. Only if the companies and institutions see value in the cooperation and develop their own interest, the collaboration can be successful. The networking and establishing of horizontal cooperation on every level involving also local population can bring a certain increase of welfare and therefore also competitiveness of regions, compare [13]. Finally, the contribution that the cross-border regions can make is to reduce or limit the system barriers and partial structural deficits (such as lack of infrastructures) caused by proximity to a border through targeted measures and initiatives. The analysis of the activities shows that the EMR and the ERDV are launching projects and initiatives in fields of action relevant to the competitiveness of local businesses and institutions.

However, the selected method of describing and presenting the activities and selected projects of both CBRs only allows to evaluate to a very limited extend the real influence that these initiatives have had on the competitiveness of companies and institutions. This influence can only be estimated by means of general statements on the beneficial factors of competitiveness. Even in a quantitative, statistical study of company data, the effects of establishing a cross-border region on competitiveness are likely to be difficult to assess. A useful addition to the present work, however, could be the collection of empirical primary data in the form of a survey or the conduct of interviews of local companies and representatives. This would allow to evaluate in a more deeply way the impact that the creation of a CBR can have on the

competitiveness and the added value it presents or not for local institutions and entrepreneurs as in [23], [24]. It would be especially interesting to conduct a survey on the territory of the ERDV, as it is a very recent and young collaboration that follows a new, more large-scale and strategic approach.

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