

## THE ROLE OF CROSS-BORDER COOPERATION IN RURAL DEVELOPMENT - A NEW EUROPEAN PERSPECTIVE

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### ABSTRACT

The objective of the present paper is to compare the situation, characteristics and problems of rural regions to that of border regions, identifying common features and development opportunities. First the concept of rural regions is discussed with an overview of the economic characteristics, the problems of accessibility and peripherality are outlined. Then the specific features of border regions are assessed with regard to the character of the border and its impacts on the quality of life in the region. The evolution of the European territorial cooperation is overviewed briefly pointing out the future prospects and backgrounds of interregional and transboundary cooperation. Finally the rural development opportunities of border regions are discussed relying on common endowments and complementarities of the neighbouring areas.

### 1. Introduction

In the EU-25 rural areas represent most of the total territory and more than half of the population. Rural development policy seeks to establish a coherent and sustainable framework for the future of Europe's rural areas. In its early days, rural development policy was essentially sectoral (dealing mainly with agricultural structures) with limited territorial aspects. Agenda 2000 established rural development policy as the second pillar of the EU's CAP. Besides agricultural restructuring, it addressed environmental concerns and the wider needs of rural areas, focusing on a stronger agricultural and forestry sector, the improvement of the competitiveness of rural areas, and the maintenance of the environment and preservation of Europe's rural heritage. The aims of the new Rural Development policy for the period 2007-2013 have been simplified and clarified around three clearly defined economic, environmental and territorial objectives: (1) improving the competitiveness of agriculture and forestry; (2) improving the environment and the countryside; (3) improving the quality of life in rural areas and encouraging diversification of economic activity.

Rural areas are generally associated with lower levels of quality of life, lower levels of incomes, less improved infrastructure and usually no access to agglomerational advantages of urban regions. These problems tend to be more aggravated with increasing distances from the central regions of the countries. Many of the rural areas suffer from the double burden of being underdeveloped and peripheral at the same time. The new European Territorial Cooperation objective may provide opportunities for rural border regions to create a development path relying on transboundary cooperation.

### 2. Rurality and peripherality

In characterising rural areas the EU uses the OECD methodology, which is based on population density [7]. First, local units (e.g. municipalities) are identified as rural if their population density is below 150 inhabitants per km<sup>2</sup>. Then, regions (e.g. NUTS 3 or NUTS 2), are classified in one of the 3 categories:

- Predominantly Rural region (PR) : if more than 50% of the population of the region is living in rural communes (with less than 150 inhabitants / km<sup>2</sup>)
- Intermediate Region (IR) : if 15% to 50% of the population of the region is living in rural local units
- Predominantly Urban region (PU) : if less than 15% of the population of the region is living in rural local units.

In the EU-25 rural areas represent 92% of the territory and 56% of the population. Even if economic activity tends to be concentrated in more urban areas, rural areas generate 45% of the Gross Value Added (GVA) in EU-25 and provide 51% of the employment. In most rural areas the low level of concentration of the population is typical: at EU-25 level, population density varies from 38 inhabitants/km<sup>2</sup> in predominantly rural areas to 632 inhabitants/km<sup>2</sup> in predominantly urban areas. The age structure of the population does not vary significantly between different types of areas, although the proportion of old people (above 65 years) is often slightly higher in predominantly rural areas, but differences are more marked across Member states. At EU-25 level, the income per habitant is around 25 % less in rural areas than in urban areas, and in the New MS the general level of income is about half of the EU-25 average. The primary sector still plays an important role in the economy of the rural areas in EU- 25, more in terms of employment (13%) than in terms of value added (5%). The corresponding shares in the New Member States are 22% and 7% respectively. In general, even in rural areas, the majority of the economic activity depends on the service sector. The employment rate is slightly lower in rural areas for EU-25 as a whole (61% against 63% for all areas), and with a few exceptions, the unemployment rate (including long-term unemployment) is, in general, lower in urban areas than in rural areas [2].

### 3. Peripherality and socioeconomic disparities

Territorial imbalances are rather significant in the European Union These imbalances, deriving from the interaction of various

historical and geographical factors concern different fields and are rather relevant in terms of distribution of population, production, infrastructural endowments (transport, telecommunication, energy endowments), R&D activities and innovation capacities.

At regional level, integration of rural areas is not taking place and, at the same time, important socio-economic disparities between various neighbourhoods are still persisting within urban areas. Some specific regions such as border regions are affected by particular problems of integration and accessibility to services of general interest due to geographic handicaps or institutional barriers [1].

The infrastructural situation is often much worse in rural than in urban regions, and this is an important component of their underdeveloped character. Lack of transportation and communications infrastructure prevent these areas from developing diversification capacities, while traditional agricultural activities cannot generate sufficient incomes for the population to reach the income and living standards of more urban regions. One of the main objectives of the spatial development policies is the diminishing of the large development disparities, and to speed up development of the underdeveloped regions. The factors leading to the underdeveloped status include the one-sided economic structure with the dominance of agriculture, the settlement structure with mainly tiny villages, the level of urbanisation being much lower than the average, the unfavourable natural conditions, and the insufficient level of transport infrastructure.

#### 4. Border regions

A large proportion of the multiply disadvantaged regions is situated in the peripheries, by the national, county-level or regional borders. Naturally, it is not possible to generalise, it is not right to declare that the borderline location will lead to underdevelopment. Many borderline regions are known to function as gateway regions, having attained at least the average, or even higher levels of development.

Specific features of border regions are the following [5]:

- The border breaks the continuity of space, and the border regions can develop connections only towards the inlands of the country. Borders between hostile states are impermeable, and the possibilities of conflicts frighten away development projects and potential investors, businesses. Many historical examples can be seen by the the French –German border, West Poland, the South West border of the Czech Republic, or in other continents: Russian – Chinese border, India- Pakistan, Sudan and Ethiopia, Israel and its neighbours. This character enforces peripherality and underdevelopment.
- Border regions are meeting points of different cultures, languages, ethnics, that can help to establish trust between nations, leading to the emergence of gateway regions.
- The factors of underdevelopment are the one-sided economy with agriculture as the main employer, the settlement structure of mainly micro villages, low level of urbanisation, unfavourable natural conditions and resources, lack of developed transport infrastructure.
- A specific feature of border regions is that besides being peripheral in location their development possibilities depend primarily on interstate relations.

Various types of borderline regions may be defined by the geopolitical positions of the neighbouring regions [4]: alienated borderline areas characterised by tensions of the two sides, co-existence of the neighbouring states with temporarily stable relationship of the two countries, mutually cooperating borderline areas with stable and well established relationships across the border, and integrated border areas with strong and permanent stability with functionally merged economies and free flow of people and goods across the border.

Besides the geographical and political characteristics another the mental border may also be either a barrier or a support of integration in cross-border areas. The image of the other side may reflect either an alien world, or the continuation of the own world, reflecting the geographical and political factors in the minds of the people. The changes of the mental border are slow and may take several years, even decades after the physical and political changes of the borders.

The differences of the borders by the above aspects may be considered from the geographical aspect, considering the existence or non-existence of natural and geographical barriers by the political borders, or the typical land use types. The transportation aspects distinguish the borders by the number (density) of border crossing points and their facilities, which may determine the dynamism of cross-border interactions and the gateway opportunities of the border regions. Historical aspects refer to the historical existence or the way of formation of the border, which, in the case of recently created borders, often leads to border disputes nowadays, hindering or preventing cooperation. The ethnic, and sociological aspects refer to the similar or different national identities of the neighbouring nations, and the resulting behaviour, friendliness, acceptance, suspicion, or even hostility of the peoples across the border. Economic aspects describe the level of economic development at the opposite sides of the border, indicating that cooperation is easiest between similarly developed regions. The larger the difference in the levels of development the more chances of tension occur, e.g. by illegal labour migration, black labour markets, the spreading of half-legal and illegal activities based on the exploitation of existing price and wage differences, or the different environmental requirements, norms and expectations. Finally the access to financial support from the EU leads to the distinction of three types of borderline regions. Regions at the borders of the EU have access to the Structural Funds (namely the INTERREG Community Initiative), and the areas of the associated countries participate in the PHARE Cross Border Cooperation (CBC) programme. Border regions between associated countries have access to PHARE-CBC, while there are several border areas in North -Eastern and South Eastern Europe which cannot expect

any EU resources for supporting their development, although these are exactly the most underdeveloped areas most in need of development resources [5].

## 5. EU approach to border regions and territorial cooperation

Border regions are defined as NUTS3 level territorial units with borders that are at the same time borders of the nation state, too. Cross-border cooperation means the fulfillment of two criteria: (i) The relationships are not organised on the level of the nations (states), but are established on a lower level, and (ii) The cooperating actors live/work in spatially connected areas, border regions (the vicinity of the border influences their everyday life).

### Why support international territorial cooperation?

Territorial and interregional cooperation substantially contributes to the European integration, as free movement of goods, services, capital and people go across borders. Territorial cooperation helps to decrease regional disparities, as border regions tend to be less developed, and cooperation creates economic dynamism. Cross-border co-operation is, however, not a national priority, so there is need for support from the EU encouraging this type of cooperation.

Cross-border cooperation was encouraged by the Framework Convention on Cross-Border Cooperation of the Council of Europe, signed in Madrid in 1980. The EC or later the EU had not considered it a priority until the 1990's. The instrument for such cooperation is Community Initiative Interreg – Interreg III (2000-2006) - for the Member states, and the PHARE CBC, TACIS CBC and CARDS programmes by the external borders of the EU. Euroregions and Working Communities are good examples of the cooperation between border regions [6].

In the new 2007-2013 Cohesion Policy an independent objective: „European Territorial Cooperation” is established for cross-border cooperation, transnational cooperation and networking. The main directions of cooperation for the cross-border section are the development of small and medium-size enterprises, tourism, cross-border commerce, culture, joint environmental actions, access to transboundary transport and information networks, transboundary water and waste treatment actions, joint health care, cultural and educational structures. IPA (An integrated Pre-Accession Instrument for candidate and potential candidate countries) [3].

## 6. Conclusion: Common problems and development opportunities of rural and border regions

Underdeveloped rural regions have several unfavourable characteristics, such as low population density, primarily agricultural economies with no alternative employment opportunities, low levels of income and quality of life, low levels of infrastructure, which make them less attractive to businesses and investments, and often environmental endowments which are not utilised to the benefit of the region.

Border regions usually suffer from low levels of infrastructure, strong dependence on interstate relations, fear from border conflicts which lead to underdevelopment and frightens away investors and businesses, ageing population and out-migration, low level of attraction to businesses. The undisturbed environment and rural character are also typical for many border regions, but there are dynamic, prosperous gateway regions as well.

Border regions play multilateral roles as areas of former historical conflicts being very sensitive to the political events with neighbours. They are primary locations for economic relationships with the neighbouring state, the flows of capital and labour force across the border. These areas are the intermediaries of the relationship, transmitting information, culture, innovations, and sociocultural values.

The development of border regions is influenced by the structure of the economy, the regional characteristics of labour, mental

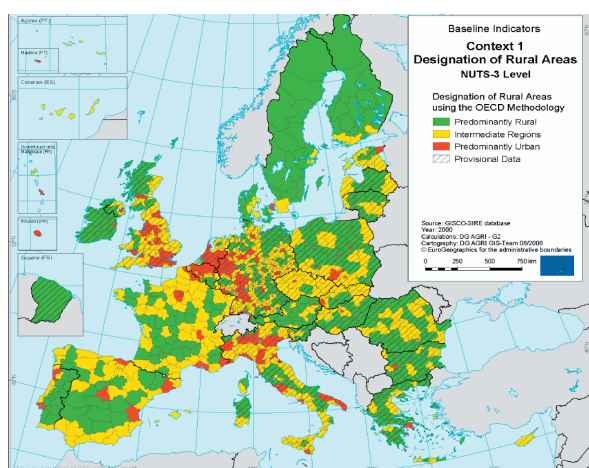


Figure 1: Rural Areas in Europe. Source: [2]

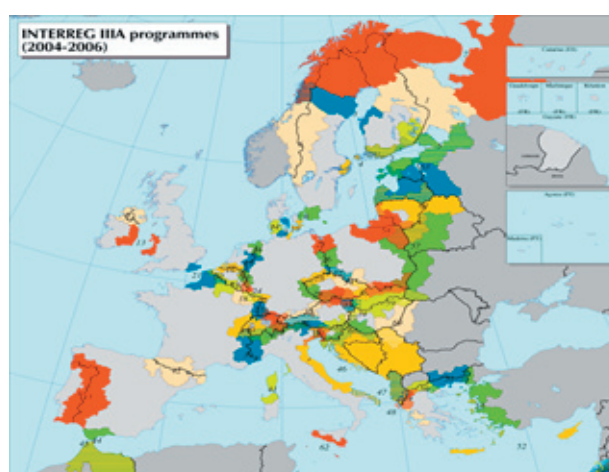


Figure 2: Interreg IIIA programmes. Source: [8]

factors (entrepreneurial mentality, property owner's attitude), and the presence of minorities, multicultural and multiethnic settlements,

Relying on similarities and complementarities across the border, the following areas of cooperation may lead to development in rural regions: joint rural development strategies (road, sewage and wastes, energy, education, etc), infrastructural development and improvement of transport facilities, joint utilisation of environmental resources – e.g. for traditional and ecotourism, - diversification developing economic activities related to transit transport, attracting investments, especially businesses with cross-border activities, trade and production resources, education, cultural and linguistic development.

The key to the utilisation of these opportunities is the demolition of mental borders by cultural, scientific cooperation, exchange of people. An example for such scientific and cultural ties is the operation of the Journal of Central European Agriculture – with its multicultural and multilingual character, leading to joint research and common problem-solving, educational exchange, establishing the basis for future cross-border projects.

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