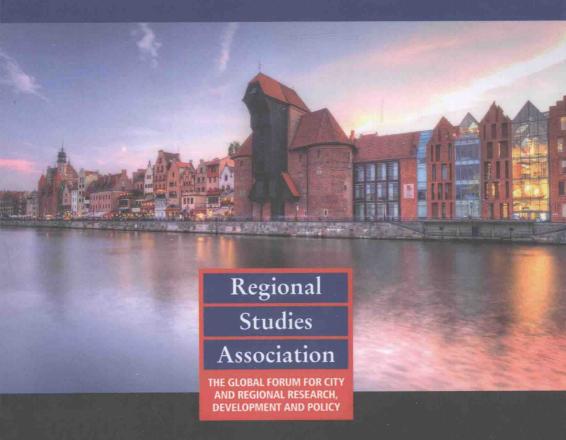


## EUROPE'S CHANGING GEOGRAPHY

THE IMPACT OF INTER-REGIONAL NETWORKS



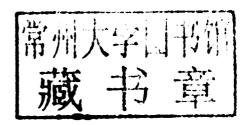
REGIONS AND CITIES

EDITED BY NICOLA BELLINI
AND ULRICH HILPERT

## **Europe's Changing Geography**

The impact of inter-regional networks

**Edited by Nicola Bellini and Ulrich Hilpert** 





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#### **Preface**

Europe is on the move and national borders are not as important as they used to be. Regions have an increasing and irreversible role in European development. There is no doubt that part of this transformation is due to the greater importance of interregional, cross-border cooperation and to its progressive spread into more wide ranging arrangements, even when these do not lead to more formalized macroregional institutions. It is the task of this book to attempt a fresh reappraisal of the phenomenon and to suggest an interpretative framework for what has happened, as well as for what is likely to happen in the near future. The upgrading of the political profile of this cooperation very much depends on the ability to fully grasp the real opportunities linked to inter-regional cooperation.

In the meanwhile Europe's geography has changed. The way we perceive the geographical spaces where problems are defined and solutions are to be found, is not what it used to be. The issue now is really how to make political sense of this change and to draw its implications not only in principle, but also in the daily practice of regional development. In doing so, we will need to look also at the virtual proximity between regions (based on analogies, intangible networks, air transportation and ICT infrastructures etc.) that can complement the opportunities provided by physical proximity. No doubt, Europe's geography will then become even more complex in the future.

The contributions to this book are all based on empirical work and updated analysis of cooperation cases. The editors are very grateful to the contributors for their patience in discussions and their willingness to make such different cases as comparable as possible, while creating a picture that confirms the unavoidable heterogeneity of this phenomenon.

This book would have not been possible without the generous support of the Regional Studies Association, whose grant allowed us to set up and manage a research network on this theme. Four workshops (held in Pisa, Jena, Brussels and Florence between 2008 and 2010) have helped to consolidate the 'knowledge base' and shape a common language. In organizing the workshops, the editors would also like to gratefully acknowledge the financial and organizational support received by Scuola Superiore Sant'Anna (Pisa), Friedrich Schiller Universität of Jena, the Regional Institute for Economic Planning of Tuscany (IRPET) and the Brussels Office of the Emilia Romagna Region.

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Only a limited number of the contributions presented during those workshops have finally become chapters here. Yet ideas and comments by so many colleagues have been an invaluable addition to our shared thinking.

As usual, the final responsibility lies with the editors. As scholars, our ambition is that we could contribute to a better critical understanding of what European integration really is. This volume may be a very small step, but hopefully it is a step forward.

Nicola Bellini and Ulrich Hilpert Pisa, Italy, and Jena, Germany.

#### **Abbreviations**

AE The Adriatic Euroregion

AEBR Association of European Border Regions

AER Assembly of European Regions

AHRFI Associazione Hotel Riviera Franco-Italiana

BASTUN Baltic Sea Trade Union Network

BCCA Baltic Sea Chambers of Commerce Association

BDF Baltic Development Forum

BSPC Baltic Sea Parliamentary Conference

BSR The Baltic Sea region

BSSSC Baltic Sea States Subregional Cooperation CAFI Conférence des Alpes Franco-Italiennes

CBC Cross-border cooperation
CBR Cross-border region

CBSS Council of the Baltic Sea States
COTRAO Western Alps Working Community
CTP Working Community of the Pyrenees

EEIG Economic interest groupings EES European Economic Space

EGTC European Grouping of Territorial Cooperation

EIB European Investment Bank

EURIMED Euroregion of the Islands of the Mediterranean Sea

FDI Foreign direct investment GDP Gross Domestic Product

IMEDOC Association of Western Mediterranean Islands IPA Instrument for Pre-Accession Assistance MOT Mission Opérationnelle Transfrontalière

ND Northern Dimension

PME Pyrenees-Mediterranean Euroregion

POCTEFA France-Spain-Andorra Cross-border Cooperation

Operational Programme

VASAB Visions And Strategies Around the Baltic

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# Part I Introduction

## 1 Europe's changing regional geography

### The impact of inter-regional networks

Nicola Bellini and Ulrich Hilpert

European macro-regions and Euroregions are increasingly being discussed since the European Union has introduced a macro-regional strategy and defined ten European macro-regions. These new geographic constellations are expected to contribute to European integration, to help establish new socio-economic spaces which may generate economic development and employment, and to reduce tensions between neighbouring countries. Even before this policy was introduced, regional collaboration helped both to reduce the negative effects of national borders and to integrate countries, in particular their less developed border-regions, into a process of Europeanization. City partnerships and cross-border planning of traffic or environmental issues marked the beginning of a new conception of Europe.

While Europe's geography has been characterized by national borders, during recent decades regions, as subnational units, have gained importance and attracted particular attention from the European Union. National borders divided the continent into countries and often they have divided particular cultural spaces and ethnicities into subunits of different countries, where they were minorities. Simultaneously, for some decades after World War II nation states were also characterized by national economies with clearly identifiable centres of economic development which were usually not located along national borders. Thus, for decades the capabilities and potential of regions which were located along national borders were insufficiently taken into account – in particular their potential to identify opportunities by matching competences with contiguous regions across their borders. Increasing intra-European trade and traffic clearly introduced a strong need for cross-border planning or even European projects (e.g. the European rapid train system). The French-German collaboration in the Upper Rhine Valley indicates very clearly the advantage of European integration at regional level and also how this generates new opportunities once the importance of national borders is reduced.

Following the success of this new approach to inter-regional collaboration, reducing the significance of borders while strengthening socio-economic development and employment in these regions, the attractiveness of Euroregions grew. These involved collaborative arrangements with a wide range of activities and a

number of regions from different countries, or even macro-regions – particularly large systems of collaboration across a multiplicity of European countries. It is, of course, obvious that such multi-regional systems of collaboration engage a divergence of potentials and competences which may both be mutually complementary and contribute mutually to the benefit of the participating regions. The development of a skilled labour force, and the generation of industrial competences or networks of research, can be organized within large spatial arrangements such as macro-regions. Nevertheless, simply to declare both the introduction of a macro-region and announce the diminishing relevance of national borders is not likely to be sufficient to achieve such aims. Europe will change only where there is close collaboration and exchange, and where individual regions or actors in the regions are prepared both to take advantage of these new opportunities and to contribute towards these shared new opportunities.

Processes of integration such as these take time and require continuing engagement of the institutions and individuals involved. But, even more than this, it is important to identify both the existing potential of macro-regions when compared to that of potential member countries who are contemplating joining the Union and what the output of such processes is likely to be. Undoubtedly, there are differences throughout Europe, and clearly there are divergent regional situations depending on whether the border regions have complementary industrial and technological potential or whether they are rural regions based on agricultural products. Similarly, macro-regions differ according to the regions, metropolises and potentials they include. This may provide for more or less areas of collaboration and it might allow an assessment of how and where such macro-regions can generate the beneficial effects which are anticipated and whether the border regions can be integrated into the process of overcoming the problems posed by borders.

## Building important transnational space beyond national borders: new macro-regions

The definition of macro-regions relates to new entities which have previously escaped attention because they are neither a country nor an individual region. There is also no single, identifiable polity-structure which characterizes their government or political decision-making. Formed by a number of regions they are neither included in statistics nor are they politically represented. Once considered they account for significant potential in terms of population and economic performance (see Table 1.1). While the European Union is formed by nation states, it is important to see the vast capabilities and dimensions of its macro-regions. The Western Mediterranean Arc counts about 94 million inhabitants, the Baltic Sea Area makes up almost 80 million and the Adriatic Sea includes some 32 million people. Even the smallest multi-regional arrangement *Archimed* still counts for a population similar to that of the Netherlands. In addition, of course, the macro-regions differ from one another just like the regions of the member countries which make them up.

Table 1.1	GDP and	population	of In	nterreg	IIIC	programme	areas	and	selected	countries
	in 2007									

Region	GDP in million euros	Population in million people	GDP per capita in euros
EU-27	12,392,921	495,292	25,021
North-West Europe	5,255,497	162,482	32,345
CADSES	2,830,155	170,397	16,609
Western Mediterranean Area	2,503,985	94,024	26,631
Germany	2,428,500	82,315	29,503
United Kingdom	2,054,238	60,785	33,795
Alpine Space	1,937,630	59,279	32,687
France	1,886,792	63,645	29,646
Atlantic Area	1,841,490	74,357	24,766
North Sea	1,770,938	54,976	32,213
Italy	1,554,199	59,131	26,284
Baltic Sea	1,504,931	79,572	18,913
South-West Europe	1,478,992	65,290	22,653
Adriatic Sea Region	570,679	32,143	17,754
Archimed	302,001	17,874	16,896

Source: Own calculations based on Eurostat 2012 a, b, c and d.

In addition to the number of inhabitants, their economic potential is very impressive. In particular, the Mediterranean Arc has a Gross Domestic Product (GDP) which is even higher than that of Germany, Europe's largest economy. Also the Baltic Sea Area has a similar population to Germany and generates a GDP which is about 60 per cent of Germany's. This clearly makes it economically more powerful than the majority of EU member countries. Thus, statistically individual macro-regions are the homes of large proportions of the population of the European Union as a whole, and their economic capabilities can be very significant. However, simultaneously, the variations among the macro-regions are just as great as among EU member countries. It is important to identify which regions from which countries compose these macro-regions. The participation of capable regions from economically strong countries, of course, contributes to a strong macro-regional situation.

Once regions became aware of their new development opportunities in the European Union and of being in a different socio-economic situation because of the European internal market and globalization, they also identified both new opportunities beyond their national borders and their increasingly close socio-economic relationship with neighbouring regions. The Baltic Sea Area provides an interesting example.1 There are differences in production costs of which enterprises from the Scandinavian countries were well aware when they decided to locate in the Baltic Republics. While this contributes to the development of less advanced regions, it also helps to reduce production costs and to maintain the competitive position of the more advanced regions and locations. Simultaneously, this intensifies the relationships between enterprises and between the regions where they