Integrating Territorial Cohesion and the Economic Agenda: The Role of Local and Regional Government in Cross Border Cooperation

Dr. Joachim Beck
Cross-border territories: the horizontal dimension of European integration

• Border regions represent 40% of EU territory and 30% of the EU’s population

• Cross-border territories represent key areas, where both the positive effects of European integration as well as the remaining obstacles to integration can best be studied

• Cross-border territories are regions of potential and thus important catalysts for European Territorial Cohesion
European support (INTERREG, EGTC,...) brought much progress

Concrete projects instead of nice ideas...
Real partnerships with shared co-financing instead of nice meetings...
Integrated programmes instead of stand-alone approaches...
Innovative structures instead of institutional sclerosis...

Territorial cohesion 2014-2020:
CBC territories seen under a 360° perspective: From selective problem perception to a joint development of integrated potentials
-> Thematic concentration
-> Evidence based policy-making
Towards territorial cohesion: Ideal types of different levels of cross-border cooperation
(Lundquist and Trippl, 2009)

RIS= Regional innovation system
CBRIS= Cross-border regional innovation system
CBC in Europe today: semi-integrated

- **Dominance of public actors** (institutional partners of CBC)
- **No specific competence** for CBC bodies and institutions
- **Policy-implementation through projects** (sectoral fragmentation, temporal stipulation)
- **Principle of unanimity** (strong veto potential but without real “exit” option)
- **Voluntarism and partnership** principle (closed networks)
- **Knowledge problem about the CBC territory** due to lack of information (real world problems, possible potentialities)
- **High complexity of procedures** (importance of functional informal networks between persons)
- **High dependence on domestic jurisdictions** (Principal-Agent Problem)
- **Lack of legitimacy** (accountability and democratic control)
- **No sanctions** (in case of inactivity or lacking achievements)
Cross Border Territorial Development

a. What is the territory in question?

b. What are the relevant policy-fields to be included?

c. How to best structure the cooperation between actors?

An Integrated Approach:

Three pillars of Sustainable Development + Cooperation

Social Economic Environmental

(CCBS/Euro-Institute, 2011, p. 14)
Finding the right policy-approach for CBC

Constitution of the CBC-territory

A. as a "special zone" (economic integration)
B. as a defined territory with competent bodies (institutional integration)
C. as a variable space structured by (inter-) sectoral networks (functional integration)
A. CBC as special zone (economic integration)

Within a defined territorial zone:

- **Option 1**: Same legal standards on both sides of the border (taxation, social security, technical norms etc.)

- **Option 2**: Better solutions for the cbc territory compared to both "domestic" jurisdictions (Tax incentives, more flexible labour market, better health service etc.)


*Example Option 2*: still to be invented 😊
B. CBC with competent bodies (institutional integration)

Transfer of competencies from domestic jurisdictions to a CBC body

- **Option 1:** Transfer of the *coordination* of joint tasks
- **Option 2:** Transfer of *implementation* of joint tasks
- **Option 3:** Transfer of the *joint task* itself

*Example Option 1:* EUREGIOs /Euro-Regions

*Example Option 2:* EGTC, INTERREG, Management of cross-border Fire-Vessel Upper-Rhine

*Example Option 3:* Joint Labour Market-Agency Kehl, Euro-Institut (CBC-training), InterTradeIreland
C. Inter-sectoral networks and clusters (functional integration)

Cross-border trans-sectoral networks

- **Option 1:** without institutional support
- **Option 2:** with institutional support

*Example Option 1:* will never work 😊

*Example Option 2:*

TMO ([www.rmtmo.eu](http://www.rmtmo.eu)),


Example of the Upper-Rhine

- Trinational circle with representatives from political life, business, the scientific community and civil society
- Joint working level with experts from political life, business, the scientific community and civil society

1. **Politics**
   - Representatives of the regional authorities and states involved in the Upper Rhine Conference; elected representatives of counties, towns, regional associations, Eurodistricts, etc., on the Upper Rhine Council.

2. **Business**
   - Representatives of business, chambers of commerce, chambers of craft trades, employment services, social partners, etc.

3. **Science/Universities**
   - Representatives of universities, colleges, etc.

4. **Civil society**
   - Representatives of voluntary workers, in the Upper Rhine area, citizens advice bureaux, etc.

Networks:
- Strategic network
- Trans-sectoral network
- Sectoral networks
The basic functions of cross-border governance

Diagram developed by Dr. Joachim BECK, Director of the Euroinstitut, Kehl (www.euroinstitut.org) in the course of a joint intervention of PROGNOS (www.prognos.com) and VIAREGIO (www.viaregio.com).
Three leading questions:

• Do we need a specific organizational solution?
• What is the appropriate form?
• Do we need a legal structure for it?

-> Structure should follow the function and not the other way around !!!
The prospects for CBC: a need for systemic innovation
Statement

The prospective optimization of cross-border cooperation goes far beyond the simple question of different organizational options. It rather depends on **how the functional context-conditions can be developed in a systemic e.g. integrated way.**

-> Two key prospective dimensions
Governance (I)

1. The normative concept of **multi-level-governance**

**Vertical dimension:** Optimizing the functional relations between the different territorial levels of cooperation (European, national, regional, local)

**Horizontal dimension:** Optimizing the functional interaction and relations between different actors (state, local, economic, private, scientific, corporate, thematic, etc.)
Subsidiarity (II)

2. A new interpretation of the concept of **subsidiarity** (precedence of a smaller unit over a bigger unit)

The obvious dimension: "**vertical subsidiarity**" as basic element of European construction (Art.5,3)

The "hidden" (but original*) dimension: "**horizontal subsidiarity**" : Division of labour between sectors (public, private, society) (Beck 2013)

* See for instance droit canon: Pape Léon XIII: dans L’encyclique Rerum novarum
The case of CBC...

-> Application and integration of both concepts on a territorial basis

**Horizontal Subsidiarity / Governance:**
Functional priority of the cross-border territory in relation to its “domestic” politico-administrative frame + new division of labour between the different sectorial actors within the cbc territory

**Vertical Subsidiarity / Governance:**
Functional division of labour between the different levels of the cbc territory itself (variable geometry): primary responsibility of the smaller unit (e.g. inter-local cooperation) over the bigger unit (e.g. inter-regional cooperation) – in accordance with the respective “domestic” division of tasks...
The vertical and horizontal dimensions of multi-level governance and subsidiarity in cross-border cooperation.
Prospects for effective CBC: Report of the COE 2013*

Practical implications and recommendations (pp. 11-16)

3.2.1 Developing the legal provisions in order to make horizontal subsidiarity work (experimental and opening clauses, exemptions based on de minimis rules, principle of mutual recognition)

3.2.2 Informed 360° transfrontier co-operation strategies with qualified targets and indicators

3.2.3 Increased result-orientation via integrated development contracts

3.2.4 Training and capacity-building of relevant actors

3.2.5 Transfer of operational competences and resources to transfrontier co-operation bodies

3.2.6 Shared services as new perspective for the future

3.2.7 Monitoring and active dissemination of good transfrontier co-operation practice

3.2.8 Interdisciplinary Research

* The Congress of Local and Regional Authorities/ Governance Committee (Ed.), Prospects for effective transfrontier co-operation in Europe, CG/GOV(24)6, Strasbourg 2013, (Breda PECAN, rapporteur)
Roles in driving forward an economic CBC agenda:

**Local government:**
- Initiating and managing intersectoral networks (ECO, SOC, ENV) of local actors
- Carrying out need-assessment and developing shared policy-options
- Promoting integrated inter-local approaches
- Shared (local) services for integrated territorial promotion

**Regional government:**
- Active support of CBC on a bilateral, shared cbc basis
- Allowing for flexible solutions to be developed on the borders
- Pushing “horizontal subsidiarity”: setting the frame via direct legal coordination between neighbouring jurisdictions in relevant sectoral policy fields
- Financial promotion / Investment in bigger infrastructure
- Dissimination of good practice examples
Open questions on CBC governance

• How to integrate/coordinate different functional rationales of different sectors (public sector, private sector, civil society) within a cbc territorial governance approach?

• Horizontal coordination of diverse functional networks (How to built and manage a meta-network at territorial level?)

• Future role of and change-managent within existing cbc bodies?

• Can territorial CBC development strategies be binding for sectoral and “third”actors?

• In the case of new types of “functional cbc territories (variable geometry)”: how to manage the link with „classical“ administrative organisation and competences (administrative limits)?
Thank you!

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Selected publications of the speaker


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Joachim Beck, Cross-border governance and the principle of subsidiarity, in : Joachim Beck / Margot Bonnafous (Hrsg.), Perspektiven lokaler Governance in Europa / Perspectives de la gouvernance locale en Europe / Perspectives of local governance in Europe, Zürich / Baden-Baden (Dike/NOMOS), 2013, pp. 177-196

Back up
Key-challenges of CBC policy-making still unresolved: semi integrated

- How to find the functional equivalence between different politico-administrative systems?
- How to base future action on a sound knowledge of the cross-border territory and its specific needs?
- How to act without substantial competences with most legal areas remaining with member states?
- How to turn cultural and linguistic differences into a productive interaction?
- How to find the right level of institutionalization, how to integrate new actors from the non-public sector?
- How to define and measure the added-value of the integrated cross-border action?
- How to overcome a limited project-approach and develop sustainable integrated policy approaches for the entire cross-border territory?
Typology of cross-border territories  
(Lambertz 2010)

A. Dimension
Big (e.g. Balic Sea/Danube) -> “Macro”
Middle (e.g. Upper-Rhine, Lake of Constance) -> “Meso”
Small (e.g. Euregio/Eurodistrict) -> “Micro”

B. Complexity
Simple: two countries, one common language, one functional territory
Complex: Diverging systems, partners, cultures, languages...

C. Nature of the border
Natural limit/boundary
Historically and politically sensible border

D. The European perception
“Old” internal borders
“New” internal borders since 2004
External borders of the EU
No direct contact with EU -> Council of Europe/Neighbourhood-policy (e.g. Black Sea)
Multi-level approach of territorial cooperation

Territorial Governance?

- cross-border
- inter-regional
- trans-national

- local
- regional
- national

- public
- private
- societal
Where we are in Europe...

**Empirical evidence: problem-solving**

<table>
<thead>
<tr>
<th>Basic function</th>
<th>Meeting</th>
<th>Information</th>
<th>Coordination</th>
<th>Strategy Planning</th>
<th>Decision</th>
<th>Implementation</th>
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Where we are in Europe...

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Empirical evidence: develop potentials
### Need to enhance cross-border governance

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<thead>
<tr>
<th>Function</th>
<th>Fields of improvement</th>
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<tbody>
<tr>
<td>Meeting</td>
<td>Better understanding of the structure and the culture of the neighbour, enhancement of language capacities of key-actors, more dialogue with citizens, more problem-orientation</td>
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<tr>
<td>Information</td>
<td>Anticipation and structuration of regular exchange of information between actors and institutions</td>
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<tr>
<td>Coordination/representation</td>
<td>Enhance management of projects and procedures, enhance the preparation of decisions, more common representation towards national governments</td>
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<tr>
<td>Strategy/Planning</td>
<td>Need of better informed strategies, quantifiable objectives of cooperation, annual work-programmes with transparent evaluation</td>
</tr>
<tr>
<td>Decision-making</td>
<td>Polical will, better commitment of decisions taken, integrated structures and monitoring of decision-making,</td>
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<tr>
<td>Implementation</td>
<td>Specific budget for cross-border co-operation to overcome national co-financing procedures, integrated legal structures to maintain projects</td>
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Multi-level / Multi-actor Governance (Lang 2009)

Highly complex, integrated and interdependent negotiation system, that is incorporating heterogeneous – public and private – actors on different, interconnected levels.

• Three principal elements:
  - Decision-making competencies are both distributed "vertically" as well as "horizontally" (vertical and horizontal differentiation of actors),
  - No hierarchical order, but competition for policy making competences,
  - Highly dynamic negotiation system

"Networks rather than classical institutions"
Typologies of cross-border networks

- Information sharing networks
  - weakly institutionalised forms of networks with loose connections between actors;

- "Learning" networks
  - mutually learning processes;

- Problem-solving networks
  - aiming at common goals or at solving common problems,

- Policy-networks
  - developing and implementing an integrated policy strategy for a cross-border region. (Beck 1997)
Why do we need CBC?

Basic missions of cross-border co-operation

Solutions for common problems
Which problems can be better solved by a common action of cross-border co-operation?

Development of common potentials
Which are future potentials that can be better developed by a common approach of cross-border co-operation?

Challenge: How to analyse the characteristics of the cross-border territory?
How to demonstrate the added-value of a common CBC approach?