

FERAIOS REVISED: INTER-REGIONAL CROSS-NATIONAL SOCIOECONOMIC COOPERATION IN SOUTH AND EASTERN EUROPE

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ABSTRACT

Contemporary systemic, global crisis enhances the risks of internal and transnational aberrations. Precisely for that reason, the need for an inter-regional, cross-national cooperation emerges even more emphatically. South and Eastern Europe provides an area where enhanced intercultural, business and socioeconomic interrelations generate a fertile environment for collaboration. The region, consisted of a broad mixture of national and cultural identities, rather presents great diversity, heterogeneity and complexity in transnational cooperation. Since the emergence of new countries, and consequently the establishment of new frontiers, the region has been experiencing fundamental changes in economic, political, social and cultural patterns.

The present paper starts from the characteristics of the wider region that came out of a historical analysis, in the frame of a broader research project. We proceed with a SWOT analysis of the prospects for an inter-regional, cross-national cooperation. Based on this analysis as well as on a comprehensive literature review of relevant theoretical contributions, we provide a specific proposal for the structural reorganization of the existing institutions for transnational collaboration in the area, co-integrated in a mutual context of democratically legitimized, socially and environmentally balanced cooperation, taking into consideration local and ethnic specificity.

Key words: Regional development, Cross-regional socioeconomic co-operation

1. Introduction

Throughout the years, the Eastern and Southeastern European countries are affected by a number of economic integration and transition forces shaping at the same time the economic landscape in Europe. The Balkan and the Black Sea identity is dominated by its geographical location. Throughout history, the area constituted a net of crossroads of ethnicities and cultures (Greek, Latin, Slav, Islamic, Jewish), while it incorporated very poor areas as well (Kondonassis et al. 2008: 1). The great number of population, poverty and the long standing ethnic diversities led to conflicts and instable political and economic environment. The weak background of the region encouraged the penetration of the Great powers in the region in collaboration with local reactionary forces. As they were competing in promoting their products in new open markets, as well as in controlling important channels, global rulers recognized significant economic benefits in supporting, sometimes even fomenting ethno-political conflicts and separatist processes.

Nowadays, almost 100 years after the Balkan Wars, a significant part of the region remains fragile to a greater or lesser extent. The states in Southeastern Europe are not able (or

unwilling) to control their territories, insure a safe environment for their citizens, provide them with essential public goods (health care and education) and proper structure for economic growth, while there are no effective institutions for guaranteeing law enforcement and ensuring participation in the political environment (Kempe/Klotzle 2006: 6). The old structures of internal organization and external economic relations have collapsed; the establishment of new economic, political and institutional structures is rather painful. According to Petrakos & Totev (2000), the Southeastern region is dominated by “*unfavorable structural adjustments*” and this may lead to further divergence from the more advanced countries of Europe.

Overall, contemporary systemic, global crisis enhances the risks of internal and transnational aberrations. Eastern European regions experience also a dangerous exacerbation of transnational, intercommunal clashes, which are being undermined by the deterioration of the systemic distortions globally and by the intensified antagonism for controlling the lacking energy and material resources. Precisely for that reason, the need for an inter-regional, cross-national cooperation emerges even more emphatically. South and Eastern Europe provides an area where enhanced intercultural, business and socioeconomic interrelations generate a fertile environment for collaboration.

Feraios is probably the pioneering European thinker who expressed the perspective of socioeconomic and ultimately of political integration in this region, already in the second half of the 18th century. The modern conditions in the region, as part of the process of globalization and the European integration in particular, call into the technical, social and global political conditions for the reintroduction of this perspective. Nevertheless, it is precisely the neo-liberal internationalization that contributes to, or even seeks for, the reversal of corporatism into a scraping of rivalry and conflicts. We may have to admit that the membership in the European Union (EU) perspective facilitated the Southeastern states to overcome their dilemmas related to their fundamental and simultaneous transformation of their economic, political and national order (Heidenreich, 2003). Yet, despite the external assistance that was provided to the region by inter-regional, cross-border cooperation projects (CBC projects), it should be strongly considered the fact that various sociopolitical distortions of the EU along with local economic deficiencies in the region make the reforms’ implementation rather difficult.

In the following, we proceed with a SWOT analysis of the prospects for an inter-regional, cross-national cooperation in the area. In the third section we provide a specific proposal for the structural reorganization of the existing institutions for transnational collaboration, co-integrated in a mutual context of democratically legitimized, socially and environmentally balanced cooperation, taking into consideration local and ethnic specificity.

2. A SWOT Analysis of the prospects of inter-regional cross-national cooperation in South and Eastern Europe

2.1 Definition and establishment

Since 1990s there is a significant increase in the number of cross-border relations all over Europe, although some of these initiatives date back to 1950s. Today, all local and regional authorities located in border areas participate, in one way or another, in cross-border cooperation (CBC) initiatives. Those initiatives are supported by the European Commission

annually by approximately €700 million and by European nation states by a similar amount (Perkmann 2003).

Perkmann (2003: 156) defines cross-border cooperation *“as a more or less institutionalised collaboration between contiguous subnational authorities across national borders”*, while Gabbe, Martinos et. al (1999: 1) as *“neighbourly co-operation in all areas of life between regional and local authorities along the border and involving all actors”*, solving problems of everyday administrative life and stabilizing contacts across border region. Cross-border cooperation has been mainly motivated by the aim to unify communities in border region by removing physical barriers, restrictions and other factors separating them.¹⁰³ People living in those communities characterize them as a mean *“to alleviate the negative effects of border and to improve their daily lives”* (eg. business, work leisure, housing, planning social facilities etc) (Brinkhoff & Martinos, 1997).

Gabbe, Martinos et. al (1999: 5) observe the factors that accelerated the cross-border cooperation processes since the late 1980s:

- internal changes in the European Union (enlargement, the completion of the Single Market, the Economic and Monetary union);
- political changes in Central and Eastern Europe;
- the EU initiative and funding programmes supporting cross-border cooperation (Interreg).

Through the years, CBC developed over various institutionalized forms. The continuous enlargement of the European Union contributed to the emergence of initiatives aiming to enhance people to people contacts and to eliminate the barriers to trade, especially at the external borders. Therefore, the relations between cross-border regions, which according to the Council of Europe’s definition are *“characterized by homogenous features and functional interdependencies because otherwise there is no need for cross-border cooperation”* (Boman & Berg, 2007: 156), increased significantly due to mainly two factors: first, the non-state specific variables that affect the emergence and shape of CBC initiatives; second, the impact EU policies have on CBC (Boman & Berg, 2007).¹⁰⁴

Nevertheless, CBC programs and policies are by far not the main focus of our claim; it constitutes only a sub-category of inter-regional cooperation and it provides a good example for arguing that the current global trends, especially the process of European integration, makes our appeal even more realistic und up to date.¹⁰⁵ Beyond any cross-border coupling,

¹⁰³ Regarding the EU policies impact on CBC initiatives, the researchers are divided. According to Anderson & Bort (1997), given the diminishing importance of the borders and the increase of the regional representation at the supranational level, European Union could be considered a significant factor *“behind the emergence and proliferation of CBC across Europe”*. On the other hand, Anderson observes that the impact of EU is often overestimated and that a great number of CBC initiatives come up as *“a response to growing cross-border functional interdependencies”*.

¹⁰⁴ Regarding the first factor, Osthol (1996) infers that the number of the CBC initiatives that affect specific countries depends on *“federal constitution”*, meaning the extent to which each country is a unitary or a federal state, *“centrality”* i.e. whether a country’s economy is central or peripheral, *“EU-membership”*. From the regression analysis that Osthol run, could be concluded that centrality and EU-membership constitute determining factors, while federal constitution is not that significant.

¹⁰⁵ Cross-border cooperation is referred to cases of contiguous cooperation, while inter-regional cooperation refers to cases of non-contiguous, long-distance interaction Perkmann (2003).

we focus on the possibility of transnational cooperation of communities that not only belong to a wider geographic area, but, aside to their long-lasting and deep differences, they share common ideological, historical and socio-cultural bonds.

Inter-regional, transnational cooperation is defined “as subject oriented cooperation across national borders between regional and local authorities and other organizations which can be located anywhere within a state’s territory”. Inter-regional cooperation has been developed during the last decades and it has been mainly encouraged by the need for experience transfer and know-how exchange among various regions within Europe (Brinkhoff & Martinos, 1997: 2). The form an inter-regional and trans-national cooperation could take depends on two dimensions: first “*the geographical scope of the cooperation initiative*”; second “*the condition of contiguity*”, meaning the extent of the geographical contiguity of the co-operating partners’ territories.

2.2. SWOT analysis

Inter-regional, transnational cooperation has an important role to play within the European Union, but even more specifically within South and Eastern Europe. CBC may support sustainable development along the Union, alleviate differences in living standards and deal with the challenges and opportunities arose from the European Union enlargement European Neighborhood & Partnership Instrument (2007-2013). On the other hand, transnational cooperation in the South and Eastern Europe can be the answer to the local disparities, while it is a strategy that steps upon current opportunities and builds up a historical perspective, opening new ways of socio-economic evolution, in this region and for the world.

The above mentioned objectives of an inter-regional cooperation in general actually constitute its strengths:

- promotes regional socio-economic development;
- deals with common challenges (environment, public health, organized crime);
- ensures efficient and secure borders;
- encourages “people-to-people” local cross-border actions European Neighborhood & Partnership Instrument (2007-2013).

The development of this type of transnational interconnections is a rather effective process, though it is proceeding slowly, mainly hindered by parameters such as:

- the various administrative systems implemented in the cooperating regions, meaning differences in the jurisdiction, competencies, resources and decision making policies of the local and regional government authorities;
- the fact that legal personality can derive only from one body of the law;
- the fact that national authorities apply constraints to local or regional authorities, as for example to the right to transfer competencies or liabilities to cross-border bodies Gabbe, Martinos et. al (1999: 3).

Despite the obstacles and the differences among Eastern and Southern European border regions, transnational, interregional cooperation has to deal with a number of challenges:

- the different rates of economic development, the high disparities in incomes and the various demographic dynamics demand an integrated and harmonious regional development across the EU border. To that direction could drive joint development strategies;
- the treatment of environmental issues, such as water pollution, marine pollution, water-shortage, the sustainable management of fisheries' resources;
- the treatment of public health issues, related to the communicable diseases, possible epidemic or pandemic diseases, consumer protection, food safety and quality assurance and surveillance systems;
- the fight against organized crime, corruption and terrorism, illicit trafficking of human beings, smuggling of firearms and stolen vehicles;
- effective border management. For the cross-border cooperation to deal with this challenge, efficiency and security and close cooperation among the EU's external borders should be promoted;
- promotion of people-to-people cooperation. The Eastern European borders are characterized by traditional economic, social and cultural links, while cooperation in terms of education, society and culture could break down all barriers and encourage democratic reforms;

In order to complete the SWOT analysis of the prospects for a strengthened interalliance and cooperation in South and Eastern Europe, there remains only for the threats to be referred to. Similar to the arguments mentioned in the Neighbourhood & Partnership Instrument (2007-2013), there are four main risks for the cross-border cooperation in general:

- the willingness and capacity of the partners to enter into a program partnership;
- the willingness and capacity of the partners to manage the program and establish a joint management responsibility program;
- the knowledge and capacity of the partners to develop and implement project proposals;
- the support in national level of the establishment and management of the program by local partners.

3. Institutional restructuring towards a transnational cooperation in the area

There are various levels of governance and to each one of them there exist many institutional, cross-border, even transnational initiatives. The local public authorities for example contribute to inter-regional and inter-municipal networks and initiatives (think of the Euroregions, or inter-municipal agreements); on the other hand, the central authorities provide the domestic legal framework, as well as the framework of various interstate agreements, both being quite significant for the form and the intensity of cross-border and transnational cooperation; last but not least, the supranational level of institutional and / or legal formations, being either of global (UN, World Bank, WTO, etc.) or regional scale (EU, Black Sea Trade and Development Bank, Organization of the Black Sea Economic Cooperation, etc.), providing financing alternatives, frameworks for collaboration and interstate consultation (Boman & Berg, 2007).

The establishment of the appropriate institutions should follow some general principles and share some common characteristics in order for their role to be efficient. Gabbe, Malchus &

Martinos (1999) observe that the international institutions should promote the expansion and deepening of cooperation activities and not be regarded as the “*preliminary step*” towards cross border cooperation. In cases of diversity in structures and jurisdictions, the most practical solution for each situation should be found.

Furthermore, the interregional, international institutions should improve the local/regional authorities’ effectiveness and not create new administrative structures. Although they are different in terms of organizational structure or their legal form, they should be characterized by permanence, a separate identity from their members, their own resources of administration, technical and financial support, and their own decision-making structures. In relation to the stage of cooperation, the familiarization between the two (and more) partners and the creation of the appropriate networks, forums, contact mechanisms and mechanisms for information exchange constitutes an essential step. The formation of the transnational concepts and strategies necessitates the establishment of mechanisms for joint working (commissions, councils, working groups, secretariats), while the establishment of informal structures is required for the development and management of the transnational projects.

Nevertheless, beside the organizational, institutional remarks, the present paper wants to contribute first to the (re-) generation of a principal discussion, dealing with the necessity to work on the strengthening of regional economic cooperation and sociopolitical integrations, before going into wider amalgamation, like the EU, where the basic specifications required are lacking or missing. Often, one step back can be really progressive, as it facilitates the further development towards multicultural, transnational cooperation and progress. Second, we wish to open the dialogue for a deepening integration of socio-economic and political space in southern, eastern European and Black Sea area. It is necessary to evolve the historical binders of this region in a modern context ideological, cultural, social and economic identity. The above quotation of arguments and ideas speaks both, for the feasibility, but also for the necessity of such an aim.

4. Conclusions

The Eastern and Southeastern European countries are affected by a number of economic integration and transition forces shaping at the same time the economic landscape in the European Union and the continent as a whole.

The Union consists a multilevel system where social conflicts dominate among territorial categories. The increasing territorial inequalities in the enlarged Europe will possible enhance the creation of barriers in closer cooperation. In the context of increasing Europeanization and internationalization, cross-border and especially regional, transnational cooperation among neighboring local and regional authorities constitutes one special case of initiatives promoting co-ordination and cooperation.

The Southeastern and Eastern European region provides a fertile environment for collaboration generated by intercultural, business and socio-economic interrelations of longer lasting, historical sense. The transnational cooperation in the area is rather complex, due to the heterogeneity and diversity of the states. The region has been experiencing fundamental changes in terms of economic, social and cultural life, since the emergence of

new countries led to the restate of the frontiers. Some of the Southeastern countries are adapting themselves rather well to the changes, while others try to re-orient themselves.

To that direction important role play the inter-regional cross-border cooperation initiatives within the European Union and more specifically within South and Eastern Europe. Yet, more important is to open the dialogue for a deepening integration of socio-economic and political space in southern, eastern European and Black Sea area (as well as in other regional sub-divisions, European or not). It is necessary to evolve the historical binders of this region in a modern context ideological, cultural, social and economic identity. Considering the local and ethnic specificity, there is a need for the structural reorganization of the existing institutions for transnational collaboration in the area, co-integrated in a mutual context of democratically legitimized, socially and environmentally balanced cooperation.

Above all, there is a need for a vision, a new "Charta". We wish to think of the present paper as a justified contribution for the structural reorganization of the existing institutions (local, national or cross-national) in the area, co-integrated in a mutual context of democratically legitimized, socially and environmentally balanced cooperation, taking into consideration local and ethnic specificity. A noble cause that will encourage the revolutionary potentials of our time, regionally or even globally. Today, in the time where the "suspended step" of a monetary unification in the European Union and the asymmetrical financial integration worldwide generate severe imbalances, there is a cry for democratization and socio-political integration too. Even if that means that we have to revert to regional socioeconomic and political associations, on the basis of the existing cultural, economic and historical bonds, like those of the South and Eastern Europe.

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