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7 Incentives and obstacles to cross-border cooperation in post-communist central Europe

Gergő Medve-Bálint

Introduction: the context of cross-border cooperation initiatives in Europe

After WWII the proliferation of new socio-economic and political scales took place, which also involved the restructuring of economic, political and social relations within and across states. This complex process of 'state rescaling' triggered a 'shift from government to governance, the latter embodied by a range of actors operating outside the regulatory framework of traditional state institutional forms' (Kramsch 2002, 170). Growing internationalization, the integration of nation-states, and the creation of a supranational political space have often provoked regional or local responses (Jessop 2002), and new political spaces and actors have emerged at the sub-national level (Clarke 2002). Consequently, sub-national actors gained novel capacities by taking advantage of the opportunities provided by these complex, dynamic political and territorial processes.

Regarding the European continent, cross-border cooperation initiatives by local and regional governments and other sub-national entities are particular examples of such newly emerging governance structures. Border communities may benefit from engaging into cross-border interactions. Especially those border areas may expect advantages that are in a peripheral situation, which is a consequence of their remote geographic location and distance from the market. In addition, these peripheries may also demonstrate distinctive cultural, economic and political features. First, ethnic minorities often live in border areas, thereby giving them a culturally distinct character. Second, borderlands are usually less capable of generating a high level of economic activity unless they are located close to the economic centers. Third, they may also have poor access to central decision-makers and are often characterized by a low level of political participation. The peripheral situation of border regions may be further aggravated if cross-border interactions are restricted by the central government (Gabbe and von Malchus 2008).

Cross-border cooperative arrangements therefore reflect the ambition of local political elites to build cross-border networks in order 'to solve the traditional problems of border-related regional underdevelopment and to contribute to the dismantling of regional disparities' (Bertram 1998, 215). During this process,

however, several political, economic and ideological goals compete with each other. Cross-border projects mirror how local, regional and even national elites manipulate space towards specific policy ends and political goals (Johnson 2009; Popescu 2008). On the one hand, tension may arise between conflicting socio-cultural and political-economic agendas of cooperation, on the other hand certain historical-cultural factors and sometimes even incompatible perceptions about the nature of the border trigger conflicts. In short, even though cross-border initiatives are meant to be collaborative, they are often characterized by conflicts and dissent. The complex interaction between facilitating and hindering factors, between incentives and obstacles to cooperation therefore determine the extent to which cross-border initiatives can institutionalize.

Considering the above broad context, this chapter attempts to develop a new typology of the factors that facilitate or block local cross-border cooperation. Furthermore, it aims to address the relevance of these factors by focusing on the central European borderlands. This way, the chapter also intends to analyze the underlying mechanisms that triggered the burgeoning of cross-border cooperation initiatives, most notably in the form of Euroregions, after the fall of the Iron Curtain. The typology of incentives and obstacles of cross-border cooperation is developed based on the theoretical insights provided by the so-called Europeanization research agenda. The chapter argues that the emergence of central European Euroregions can be considered as an outcome of Europeanization mechanisms involving complex interactions between transnational and domestic factors.

The following section provides a brief introduction to Euroregions, which are the most common forms of institutionalized local cross-border cooperation in central Europe. This is followed by a short overview of the theoretical approaches to Europeanization, which provides the background for the typology of facilitating and hindering factors of cross-border cooperation. In order to highlight the empirical applicability of the analytical framework, the final part of the chapter analyzes the Euroregions that emerged at the border areas of four central European countries, the Czech Republic, Hungary, Poland and Slovakia.

Euroregions – an institutionalized form of cross-border cooperation

Many types of cross-border cooperation initiatives exist, and the Euroregion is one of them. Perkmann (2007) defines Euroregions as small-scale groupings of contiguous public authorities across one or more nation-state borders. Furthermore, they are institutionalized initiatives between local governments and other local actors of adjacent border regions. Euroregions are purely voluntary associations: they do not possess any political mandate. In this respect, besides the spatial component, Euroregions also bear a network element since they are established by local public and private actors that co-operate across borders. They are thus both spatial and organizational entities (O'Dowd 2003).

The first Euroregion (called 'EUREGIO') was established at the Dutch-German border in 1958 and its goal was to mobilize local resources and improve the daily

life of the border population. Later, EUREGIO became the model for other initiatives (Perkmann 2002). Euroregions perform two basic functions: they fulfill a cultural mission by fostering cultural exchange across state borders, while at the same time they aim at promoting the economic development of the border area. Several scholars argue that cross-border cooperation in general and Euroregions in particular are capable of enhancing local development as these initiatives may mobilize local resources. Kennard (2004) and Virtanen (2004) agree that 'one way of reducing disparities, especially on the Eastern border of the European Union, is (sub)-regional cooperation' (Virtanen 2004, 131). Krätke (2002) argues that Euroregions aim at a partial eradication of developmental blocks and contribute to joint resolution of cross-border problems. However, less optimistic views are also expressed in the scholarly community. For instance, Markus Perkmann (2002) maintains that Euroregions are hardly good means of coordinating economic development strategies, while other scholars claim that 'a major problem of Euroregions is that they do not fulfill their potentials as local government fora that allow for greater citizen discussion of regional issues' (van Houtum and Scott 2005, 30).

One of the main reasons for these contradictory views is that the agenda of local cross-border cooperation initiatives tends to be burdened by tensions and conflicts of interest that eventually inhibit effective cooperation. As Bob Jessop puts it, 'regional projects can be influenced by various considerations ranging from the representation of new infrastructural requirements and the formulation of new economic strategies through region- or nation-building projects to simple economic calculation or political careerism to take advantage of grants (hence rather grant than growth coalitions) or windows of political opportunity' (Jessop 2002, 30). In addition, local governments of the peripheral border zones may lack sufficient financial resources, know-how and decision-making power to carry out cross-border projects. As a result, some Euroregions are capable of fulfilling their stated mission, while others fail to live up to the initial expectations. This is why it is of great significance to identify the factors that contribute to the formation of Euroregions and in turn may also determine the functioning of these initiatives.

Historical legacies and the significance of cross-border cooperation initiatives in central Europe

Central and Eastern Europe offers an almost unique laboratory for those who wish to study mechanisms that lead to institutionalized cross-border cooperation in an area where previously they had not existed. Before 1989 most borders of Central and Eastern Europe were 'zones of secrecy and separation' (Kennard 2004, 108). Cross-border movements were strictly controlled and limited both within the Soviet bloc and between the communist countries and Western Europe. Local and regional cross-border cooperation was practically ruled out even among the communist countries (Turnock 2002). In addition, local authorities were usually constrained to execute centrally taken decisions (Yoder 2003b). Borders therefore posed almost impermeable barriers to the development of cross-border linkages.

While state borders tend to have an effect that widens the perception of geographic distance between locations across the border (Perkmann and Sum 2002), these effects were particularly strong in Central and Eastern Europe before the change of regime. The close government supervision of the interactions of the border population resulted in the erosion of economic conditions, and led to a permanent state of underdevelopment (Böhm 1995). Consequently, most border areas in Central and Eastern Europe became marginalized as their economic activity was declining (Turnock 2002; Mezei 2004).

Besides the legacy of closed borders and economic decline, several other factors inherited from the past may have influenced local cross-border cooperation in central Europe. Most of these borderlands have been historically contested frontiers, as they were drawn after WWI and WWII. In many cases they cut through ethnic, geographic and economic entities and brought an abrupt end to already established socio-economic relationships (van Houtum and Scott 2005; Hardi 2007). The massive re-settlement of the German, Polish, Czech and Hungarian population in the post-war period raised already existing ethnic tensions further and contributed to the spread and reinforcement of fears and stereotypes which often created a cognitive block to cross-border relationships (Mezei 2004).

In sum, central European borders carry burdensome legacies of economic marginalization, historical fears and tensions, and ethnic conflicts. However, the breakdown of the communist regimes, the opening up of borders and the process of European integration created new opportunities of cooperation for these border communities. In this sense, the strong presence of both facilitating and hindering factors of cross-border cooperation makes central European borderlands an appealing target for research. On the one hand, various opportunities provided by European integration may have facilitated local cross-border initiatives. On the other hand, certain local and external factors may have posed significant obstacles to such attempts.

As Euroregions had been unknown in central Europe before the change of regime, the spread of this type of cross-border cooperation may be attributed to transnational, especially Western European influences. This is the reason why models of Europeanization, which theorize how the interaction of domestic and transnational factors influence domestic political outcomes, may be appropriate to analyze the institutionalization of cross-border initiatives in central Europe.

Developing the theoretical framework: cross-border cooperation as a form of Europeanization

Mechanisms of Europeanization – an overview

The research agenda of Europeanization is concerned with the domestic impact of 'Europe'. It focuses on how the processes of institution building at the European level affect various aspects of domestic politics and policies (Börzel and Risse 2003). In other words, it is primarily concerned with explaining domestic processes of institutionalization and institutional change caused by factors originating from the transnational level, within the context of European integration (Radaelli

2003). Initially, the concept of Europeanization was used to describe how domestic policies in EU member states were shaped by the European Union. However, due to the recent enlargement rounds, the scope of the concept has been expanded also to EU candidate countries, and even beyond them (Schimmelfennig and Sedelmeier 2005).

A key aspect of Europeanization is 'the way in which EU policies, procedures and norms become embedded in national policy frameworks, policy-making structures and discourse' (Grabbe 2006, 205). The debate in this stream of literature has emerged exactly around the issue of what the precise mechanism is through which the transnational influences the domestic level (Bulmer et al. 2007). Is it primarily a top-down rule transfer or does Europeanization also involve horizontal mechanisms?

While authors such as Tanja Börzel and Thomas Risse (2003) or James Caporaso (2008) and Heather Grabbe (2001; 2006) favour the top-down view, some scholars argue for the extension of the notion of Europeanization to horizontal mechanisms, too (Radaelli 2003; Radaelli and Pasquier 2008). This latter group of scholars claim that the impact of Europe should not be restricted to vertical pressures, but 'more subtle impacts of socialization processes, ideational convergence, learning and interpretations of policy paradigms and ideas' (Radaelli and Pasquier 2008, 39). The top-down mechanism emphasizes the coercive nature of Europeanization and attributes an almost exclusive role to European institutions in shaping domestic outcomes. Contrary to this, the horizontal approach acknowledges the potential role of other transnational actors in influencing the domestic level, thus it downplays the significance of coercive mechanisms and allows for the existence of more voluntary rule adoption processes.

This chapter shares the view that Europeanization involves both top-down and horizontal mechanisms. In this sense, Europeanization is understood as the 'domestic adaptation to European regional integration' (Graziano and Vink 2008, 7). Accordingly, local cross-border cooperation is influenced both by vertical and horizontal mechanisms of Europeanization. Those programmes of the European Union that offer financial incentives for cross-border initiatives are examples for vertical (or top-down) influences. Horizontal mechanisms involve dissemination of information, learning from best practices or voluntary adoption of models that have been successfully applied elsewhere on the continent. For instance, horizontal mechanisms of Europeanization allowed for EUREGIO to become a role model for cross-border initiatives.

The top-down and the horizontal views differ on the logic of action. The top-down account adopts a rational choice perspective by arguing that political actors are rational, interest-seeking utility-maximizers concerned with their gains and losses and are therefore driven by the 'logic of consequences'. The horizontal approach, which is rooted in sociological institutionalism, builds on the 'logic of appropriateness', which poses that political actors strive to meet certain (perceived) norms and social expectations (Schimmelfennig 2007; Graziano and Vink 2008). As it is outlined by Risse (2000), the logic of consequences assumes that actors are rational, goal-oriented and purposeful and their behaviour

is determined by personal interests while they aim at maximizing their utility. Contrary to this, actors that strive to fulfil social expectations while demonstrating a norms-based behaviour act according to the logic of appropriateness.

The actors that participate in cross-border cooperation are also driven by either the logic of consequences or the logic of appropriateness, or sometimes both, as in certain cases it is difficult to distinguish between interest-based and norms-based behaviour. The presence of various incentives and obstacles of cooperation hence influences the behaviour of actors in the border areas and may also determine their attitudes towards cross-border cooperation. One may argue that some of the factors trigger a rather interest-based behaviour (such as the existence of European funds), whereas some evoke norms-based responses. The distinction between interest-based (or objective) and normative incentives and obstacles of cooperation thus seems to be suitable for the classification of those factors that may contribute to the emergence of cross-border cooperation in central Europe. In other words, the view of Bursens and Deforche (2008), who claim that factors related to utility-maximizing, rational choice and norms-based behaviour may play a role in subnational responses to Europeanization mechanisms, can be applied to the case of cross-border initiatives, too.

The incentives and obstacles thus can be classified into two dimensions. One of them is the already introduced distinction between objective and normative factors. The second dimension bears a spatial character. On the one hand, some incentives and obstacles are present locally, at the border area. On the other hand, there are certain factors that influence the formation of local cross-border initiatives but they are rooted externally, either at the national or at the transnational level. From the perspective of local cross-border initiatives thus it makes sense to distinguish between local factors and external ones. The following typology of these factors is developed based on the works of Gabbe and von Malchus (2008), Greta (2008), Novotny (2006) and Osekowski (2000).

Typology of incentives and obstacles of local cross-border cooperation in central Europe

Table 7.1 summarizes the main incentives associated with cross-border cooperation in central Europe.

In the central European border areas, *local objective incentives* of cross-border cooperation are to a great extent rooted in the legacy of communism. As most of the borderlands had been cut off from the main centres of economic activity, they have been affected by permanent economic decline and underdevelopment. The need to overcome this peripheral situation is a strong incentive for establishing new ties across the border and to engage into cross-border cooperation, which could also possibly attract much needed investors. Furthermore, local actors can also expect to gain advantages from pooling local resources. In certain cases, they may also intend to solve common environmental problems by engaging in cross-border cooperative activities. These types of border-related problems all pose local objective incentives for cooperation.

Table 7.1 Incentives for local cross-border cooperation

Incentives for local cross-border cooperation	*Objective*	*Normative*
Local	Need to overcome economic decline Common environmental problems Pooling local resources	Will to participate in European integration ('return to Europe') Presence of historical socio-cultural and economic ties Distinct regional identity Common ethnic background
External (national or transnational)	Availability of transnational funds (PHARE CBC, INTERREG) Availability of national financial support Established legal framework (ratified Madrid Convention; bilateral treaties)	Advocacy work of transnational organizations (AEBR, Committee of Regions, European Commission) Learning from best practices or models of other cross-border initiatives Supportive policy of the central government

Several scholars argue that after the change of regime *external objective incentives* played a key role in the proliferation of cross-border initiatives, particularly those of Euroregions. For instance, Perkmann (2002) claims that the emergence of Euroregions in central Europe was to a large extent due to the PHARE CBC (Cross-Border Cooperation) program launched by the European Commission in 1994. The regulation of the program stated that its goals were '[. . .] to help the border regions in Central and Eastern Europe to overcome the specific development problems which may arise [. . .] from their position within the national economies' and '[. . .] to promote the creation and the development of cooperation networks on either side of the border, and the establishment of links between these networks and wider Community networks'.[1] However, the program was selective in that between 1994 and 1998 the funds were available only for border areas of central Europe adjacent to the external border of the EU. Thus first the Polish side of the Polish–German, the Czech side of the Czech–German and Czech-Austrian and the Slovak and Hungarian sides of the Slovak–Austrian and Hungarian–Austrian borders became eligible for funding.

Later, in 1999 the scope of the program was extended to all the joint borders of the EU candidate countries.[2] This way the adjacent border areas of the Baltic states, Poland, the Czech Republic, Slovakia, Slovenia, Hungary, Romania and Bulgaria became eligible for funding but several borderlands (such as the Polish–Ukrainian or Polish–Belarus) were still left out from the support scheme. Given that until 2004 the PHARE CBC program was the single most important external objective incentive for cross-border cooperation in central

Europe, the allocation pattern of these funds will be discussed in a separate subchapter, together with the distribution of INTERREG IIIA funds between 2004 and 2006, which replaced PHARE CBC after central European countries became EU members.

Local normative incentives are partly determined by historical legacies of the border areas. As already discussed, most Central and Eastern European borders have been contested frontiers, as they often separate ethnic groups or geographic and economic entities. Willingness to re-establish centuries old socio-cultural and economic relations across the border may be a strong normative incentive for cooperation. The presence of a common ethnic background across the border may also facilitate cooperation. Furthermore, taking advantage of the new opportunity structures and an open political space offered by European integration can also be normative drivers of cooperation. This is especially the case if Western European models and practices are perceived as superior to local institutional arrangements. This kind of normative motivation can be labeled as the will to 'return to Europe', to the family of wealthy, prosperous and democratic European nations.

Transnational organizations that promote cross-border cooperation transmit *external normative incentives*. Among those actors there are the Association of European Border Regions (AEBR), the Committee of Regions and the European Commission. Furthermore, the practices of other European cross-border initiatives may also serve as external normative incentives. Lastly, political support of central government towards local cross-border cooperation can also represent an important source of external normative incentives.

The above typology also applies to obstacles of cross-border cooperation, which are listed in Table 7.2. *Local objective obstacles* arise when the local level is characterized by fierce competition for resources due to the lack of sufficient financial assets to engage in collaborative projects. Such obstacles also appear if know-how and appropriate skills to manage cross-border initiatives are missing. Furthermore, language barriers and local power asymmetries may all pose such obstacles to cross-border cooperation. It is important to note that some of these factors arise directly from the peripheral situation of the border area. This also implies that economic decline may generate both incentives and obstacles for cross-border cooperation.

A significant *external objective obstacle* is the incompatibility of political-administrative structures, which refers to the difference in competences and decision-making autonomy of the local level across the border. Even though this problem appears locally, it is a structural one and cannot be controlled by local governments, thus it can be considered external. The system of territorial administration is exclusively determined by national regulatory frameworks, hence local governments usually have little influence over them. Furthermore, the lack of supportive legal frameworks for cross-border cooperation can also appear as obstacles to local initiatives. The Council of Europe has adopted several conventions which provide an international legal framework for transboundary relations of local and regional governments. The most significant of these documents is the 'European Outline Convention on Transfrontier Cooperation between Territorial

Table 7.2 Obstacles to local cross-border cooperation

Obstacles to local cross-border cooperation	*Objective*	*Normative*
Local	Fierce competition for resources Lack of sufficient own funds Lack of know-how and management skills Language barriers	Historical tensions, conflicts (border as symbol of identity and distinction) Existing stereotypes and prejudice towards the population across the border Fear of competition (labour market, property market) posed by the other side
External (national or transnational)	Lack of established legal framework for cross-border cooperation Inappropriate external financial resources Incompatible political-administrative structures Lack of supportive bilateral governmental agreements	Unsupportive policies of the central government Intergovernmental conflicts Governmental fear of losing territorial integrity

Communities or Authorities', which was adopted in Madrid in 1980. Since then, most members of the Council of Europe have ratified this document. However, a number of governments in central Europe were reluctant to join the convention until very recently, thus several cross-border initiatives were established in a legal vacuum, especially in the 1990s.[3]

External normative obstacles may take various forms. Most notably they arise when the central government does not support local cross-border cooperation but does not take direct actions to block such initiatives either. Intergovernmental conflicts that burden diplomatic relations also belong to this group of obstacles. In addition, the central governments' fear about losing control over the local level as a potential consequence of cross-border cooperation may also appear as an external normative obstacle. Similarly to the case of economic decline that may trigger both incentives and obstacles to cooperation, local normative incentives and external normative obstacles also share the same root: while a common ethnic background across the border may facilitate cross-border cooperation at the local level, some central governments are inclined to perceive this as a challenge to the integrity of the nation-state and, as a result, will express their dissent to cross-border activities.

Internal normative obstacles may also hinder the creation of cross-border linkages. For instance, the massive re-settlement and expulsion of the native

population in the post-war period created ethnic tensions and fears that are still present in the affected borderlands (Gorzelak 2006; Mezei 2004; O'Dowd 2003). Furthermore, asymmetric economic development of the two sides of the border may evoke a sense of competition among local inhabitants as '[b]orders are viewed as economic opportunities as well as economic threats, particularly when those borders separate places with substantially different regulatory frameworks, labour market structures' (Johnson 2009, 182). On the one hand, this may raise concerns about labour migration and job competition; on the other hand, fears may also arise about increasing property prices due to a potentially increased demand posed by the richer border population (Yoder 2003a). The presence and strength of internal normative obstacles as well as incentives are therefore determined by how neighbouring populations and the local elites view each other and how the locals evaluate the historical and socio-economic legacies of the border area. In short, such normative reflections can serve as incentives or conversely, can also become obstacles to cross-border cooperation.

It is important to note that all of the incentives and obstacles listed in the framework have a temporal dimension in a sense that some of them may influence cross-border initiatives over a long period of time, while others can be subject to relatively quick changes. For instance, legal frameworks and the availability of financial support may change year by year but especially the normative incentives and obstacles may demonstrate a more time persistent character. Due to data limitations, this chapter does not discuss the temporal dimension.

The role of external objective incentives: the PHARE CBC and INTERREG IIIA funds

It follows from the above analytical model that before the EU accession, the availability of PHARE CBC funds at the border regions of central Europe posed a significant financial incentive for local authorities to engage into cross-border initiatives. This financial support scheme was the single most important external objective incentive that offered material gains for local governments in case they established cross-border cooperation. However, funds were unevenly distributed because the PHARE CBC programme differentiated between border areas: the western borders of central Europe, which were located at the external EU borders, received significantly more funds and for a considerably longer time period than other border areas. Hence the European Union preferred to stimulate cross-border cooperation at the proximity of its external border and paid much less attention to more distant border areas. Ironically, most of these western borderlands that received the bulk of the PHARE CBC funds were already relatively prosperous compared to the eastern borderlands. The reason for this was that after the change of regime a great number of foreign investors entering central Europe chose to locate in the vicinity of western markets (Petrakos 2001) and thus preferred to set up their production facilities in the western borderlands. Contrary to the programme's stated goal, the PHARE CBC financial support scheme thus indirectly reinforced rather than mitigated already existing developmental disparities.

Table 7.3 shows the PHARE CBC funds that were allocated between 1994 and 2003 to each eligible border area of four central European countries (the Czech Republic, Hungary, Poland and Slovakia, i.e. the Visegrad group), which were the first beneficiaries of the PHARE programme. The distributional pattern is extremely uneven as almost 82 per cent of the total financial support went to border regions neighbouring Austria or Germany. Although the Hungarian-Romanian, Hungarian-Slovenian and Hungarian-Slovakian borders received funding through some pilot projects before the PHARE CBC programme was officially extended to these areas in 1999, still, the EU funds seem to have discriminated against regions not adjacent to the EU's external border and stimulated cross-border initiatives in relatively prosperous, western border areas of central Europe.

After the countries joined the EU in 2004, their border areas were no longer eligible to receiving funds from the PHARE CBC scheme. Instead, they all became beneficiaries of the INTERREG III programme, which offered significantly greater financial resources for cross-border cooperation than the PHARE CBC. In this period, INTERREG III contained three strands, of which the first (INTERREG IIIA) was dedicated to the promotion of local cross-border cooperation.

While it was the European Commission that decided on the distribution of INTERREG funds between the member states, the responsibility of allocating these funds to border areas was at the discretion of the member states' governments. Hence, each borderland received a different share from the funds. The exact amount was determined by joint cross-border committees that had to represent the local, regional and national authorities from each side of the border.[4]

Table 7.4 reveals that the INTERREG IIIA commitments showed remarkable similarity to the distribution of PHARE CBC funds. The practice of highly uneven fund allocation among the eligible borderlands persisted after 2004, too. It also implies that the promotion of cross-border cooperation had been consistently imbalanced: the primary source of external objective incentives was available mostly in those border areas of central Europe that were adjacent to Austria or Germany. Indeed, the correlation between committed PHARE CBC funds and INTERREG IIIA funds per inhabitant of an eligible border area is high ($r = 0.80$, $p < 0.01$), which confirms that the allocation of the INTERREG funds followed the practice established during the period of the PHARE CBC programme.

How incentives and obstacles determine local government involvement in Euroregions

In this section the chapter empirically tests the analytical framework and also tries to assess how local and regional governments in central Europe responded to various internal and external incentives and obstacles to cross-border cooperation. In other words, the question is how active they have been in entering cross-border initiatives. An appropriate indicator of measuring local government involvement in such initiatives is the share of local governments participating in Euroregions in a given border region. Since the basic territorial units eligible for

Table 7.3 The PHARE CBC Programme in Central Europe, 1995–2003

Border area	*Regular funding since (year)*	*Annual allocation of PHARE CBC funds at each eligible border area (in mn of €)*									
Czech Republic		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Czech–German	1994	25.2	24.3	23.6	24.6	7	29.4	10	10	10	10
Czech–Austrian	1995	0	6.4	9.5	0	11.4	10.6	4	4	4	4
Czech–Polish	1999	0	0	0	0	0	3	5	5	5	5
Czech–Slovak	1999	0	0	0	0	0	2	0	0	0	0
Hungary											
Hungarian–Austrian	1995	0	7	11	14	0	10	10	10	10	10
Hungarian–Slovak	1999	0	1.5	1.5	0	0	2	2	2	2	2
Hungarian–Romanian	1999	0	0	5	4	0	5	5	5	5	5
Hungarian–Slovenian	2000	0	1.5	1.5	0	0	0	2	2	2	2
Poland											
Polish–German	1994	51.7	47.3	49.5	48	49	32	44	44	44	44
Polish–Czech	1999	0	0	0	0	0	3	5	5	5	5
Polish–Slovak	2000	0	0	0	0	0	0	4	4	4	4
Polish–BalticSea	1994	3.7	4	4	3.3	4	3	3	3	3	3
Slovakia											
Slovak–Austrian	1998	0	0	0	0	5	4	6	6	6	6
Slovak–Hungarian	1999	0	1.5	1.5	0	0	2	2	2	2	2
Slovak–Czech	2004	0	0	0	0	0	2	0	0	0	0
Slovak–Polish	2000	0	0	0	0	0	0	4	4	4	4

Border area	*Regular funding since (year)*	*Total funds allocated (mn of €)*	*Length of border (km)*	*Total funds per length of border (€/km)*	*Average population of the borderland (1995–2003)*	*Total funds per head (€/head)*
Czech Republic						
Czech–German	1994	174.1	810	214,859	2,306,704	75.5
Czech–Austrian	1995	53.9	466	115,591	2,279,964	23.6
Czech–Polish	1999	23	796	28,894	3,406,572	6.7
Czech–Slovak	1999	2	252	7,943	3,010,242	0.7
Hungary						
Hungarian–Austrian	1995	82	356	230,337	1,005,541	81.5
Hungarian–Slovak	1999	13	665	19,558	2,048,311	6.3
Hungarian–Romanian	1999	34	448	75,893	1,975,241	17.2
Hungarian–Slovenian	2000	11	100	110,000	301,386	36.5
Poland						
Polish–German	1994	453.5	467	971,092	3,490,005	129.9
Polish–Czech	1999	23	796	28,894	4,039,648	5.7
Polish–Slovak	2000	16	541	29,575	3,729,048	4.3
Polish–BalticSea	1994	34	544	62,500	3,394,440	10.0
Slovakia						
Slovak–Austrian	1998	33	107	309,278	1,162,197	28.4
Slovak–Hungarian	1999	13	665	19,558	2,691,314	4.8
Slovak–Czech	2004	2	252	7,943	1,849,073	1.1
Slovak–Polish	2000	16	541	29,575	1,474,503	10.8

Source: Author's calculation based on PHARE Annual Reports (1995–2005), Dziembala (2006) and Lados (2006).

Table 7.4 Distribution of committed INTERREG IIIA funds in Central Europe, 2004–6

Border area	*Total funds committed (in €)*	*Length of border (km)*	*Funds per length of border (€/km)*	*Average population of the borderland (2004–2006)*	*Total funds per head (€/head)*
Czech Republic					
Czech–German	158,472,977	810	195,646	2,307,067	68.69
Czech–Austrian	41,713,961	466	89,515	2,269,724	18.38
Czech–Polish	50,322,248	796	63,219	3,374,510	14.91
Czech–Slovak	24,393,842	252	96,801	2,972,388	8.21
Hungary					
Hungarian–Austrian	18,284,242	356	51,360	999,950	18.29
Hungarian–Slovak	10,843,359	665	16,306	2,017,866	5.37
Hungarian–Romanian	20,202,225	448	45,094	1,936,144	10.43
Hungarian–Slovenian	6,025,515	100	60,255	2,94,272	20.48
Poland					
Polish–German	275,511,533	467	589,960	3,429,312	80.34
Polish–Czech	75,057,032	796	94,293	3,656,938	20.52
Polish–Slovak	22,083,021	541	40,819	2,708,830	8.15
Polish–Baltic Sea	146,620,322	544	269,523	3,405,941	43.05
Slovakia					
Slovak–Austrian	16,788,374	107	156,901	1,156,348	14.52
Slovak–Hungarian	14,193,713	665	21,344	2,691,115	5.27
Slovak–Czech	15,851,978	252	62,905	1,849,017	8.57
Slovak–Polish	11,071,104	541	20,464	1,492,079	7.42

Source: Author's calculation based on SWECO Research Report and database (Available at: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2006/expenditure_final_annex2.xls), accessed 23 February 2010).

PHARE CBC and INTERREG IIIA funds were the NUTS 3 regions,[5] it seems appropriate to use the NUTS 3 level for collecting data on local government participation in Euroregions. A border region is therefore considered to be a NUTS 3 region located at a national border. In order to maintain consistency with the previous section on fund allocation, data is collected on the border regions of the Visegrad states only.

It follows from the analytical framework that in borderlands where the objective and normative incentives outplayed the obstacles to cooperation, local governments may demonstrate greater activity and join Euroregions in proportionally greater numbers. A further assumption is that if the PHARE and INTERREG grant schemes (external objective incentives) represented strong incentives for cross-border initiatives, then the size of the funds allocated to a border region is proportional to the share of local governments participating in cross-border initiatives.

Figure 7.1 displays the participation rate of local governments in Euroregions (considering both the municipalities, which represent the lowest tier of territorial administration, and the NUTS 3 regional governments, where applicable[6]) in

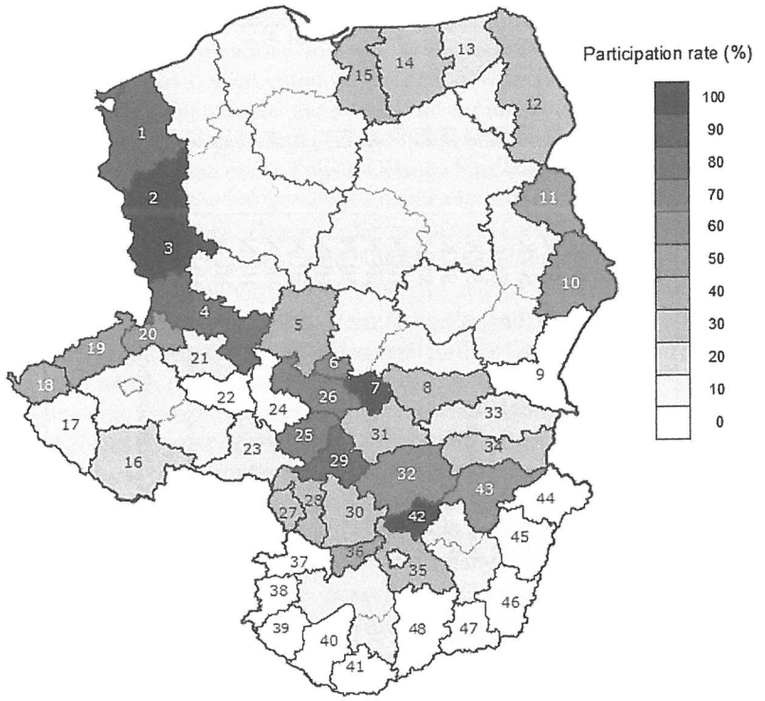
the border regions of the Visegrad countries. The map reveals that local government involvement in Euroregions is highly uneven across the central European borderlands.

The data in Table 7.5 allows for testing whether the uneven participation rate of local governments in Euroregions is indeed associated with the level of external funding. The correlation coefficient between the available INTERREG IIIA funds per local government[7] and the share of local governments participating in Euroregions is notable and statistically significant ($r = 0.46$, $p < 0.01$). This suggests that the stronger presence of external objective incentives has generated greater local government involvement in cross-border initiatives. However, as the data also reveals, there is huge variation around the trend line. Several border regions did not benefit substantially from the EU funds, yet they demonstrate a high rate of local government membership in Euroregions. This implies that a strong presence of external objective incentives could possibly be a sufficient but not necessary condition for achieving high participation rates of local governments in cross-border initiatives. However, it also follows from this observation that the other factors listed in the analytical framework may play an equally important role in the creation of institutionalized cross-border partnerships.

In central Europe, the Polish side of the Polish–German borderland benefited the most from external funds both before and after Poland joined the EU. Yet, this border area is one of the most heavily affected by historical tensions and conflicts. This is the reason why it offers an appropriate case for assessing the presence and relevance of the normative dimension of incentives and obstacles to cross-border cooperation.

The Polish government ratified the Madrid Outline Convention in 1993, which established the legal framework for local governments to engage in cross-border activities. The act of ratification served as another source of external objective incentives. Furthermore, consecutive Polish governments actively promoted cross-border collaborations: between 1991 and 1998 Poland signed 17 inter-governmental agreements on cross-border cooperation with 15 countries, including most of its neighbours (Szczepaniak 2000). However, some politicians expressed criticism towards this practice: in a parliamentary debate in 1993 several MPs accused the government of deliberately increasing the likelihood of losing sovereignty over parts of Polish territory by promoting Euroregions (Malandowskiego 2000). Nevertheless, the support for cross-border cooperation became a fundamental element of Polish foreign policy, which saw Euroregions as a tool for a quick reintegration with Europe (Malendowskiego and Szczepaniaka 2000). While the Polish government promoted cross-border cooperation with each of the country's neighbours, at the Polish–German borderland these efforts met with the German government's intentions of supporting local cross-border contacts with Polish partners. The attitudes of the two central governments thus represented strong external normative incentives for establishing cross-border cooperation.

At the local level, the idea of 'returning to Europe' also appeared as a normative incentive: Polish local governments appreciated the fall of the Iron Curtain and



1 Szczeciński	17 Plzeňský	33 Prešovský
2 Gorzowski	18 Karlovarský	34 Košický
3 Zielonogórski	19 Ústecký	35 Pest
4 Jeleniogórsko-wałbrzyski	20 Liberecký	36 Komárom-Esztergom
5 Opolski	21 Královéhradecký	37 Győr-Moson-Sopron
6 Rybnicko-jastrzębski	22 Pardubický	38 Vas
7 Bielsko-bialski	23 Jihomoravský	39 Zala
8 Nowosądecki	24 Olomoucký	40 Baranya
9 Krośnieńsko-przemyski	25 Zlínský	41 Somogy
10 Chełmsko-zamojski	26 Moravskoslezský	42 Borsod-Abaúj-Zemplén
11 Bialskopodlaski	27 Bratislavský	43 Nógrád
12 Białostocko-suwalski	28 Trnavský	44 Hajdú-Bihar
13 Ełcki	29 Trenčiansky	45 Szabolcs-Szatmár-Bereg
14 Olsztyński	30 Nitriansky	46 Békés
15 Elbląski	31 Žilinský	47 Csongrád
16 Jihočeský	32 Banskobystrický	48 Bács-Kiskun

Figure 7.1 Participation rate of local governments in Euroregions in the NUTS 3 level land border regions of Central Europe (in November 2008).

Source: Author.

Table 7.5 Participation rate of local governments in Euroregions (in November 2008) and the distribution of INTERREG funds (2004–6) in the NUTS 3 land border regions of the Visegrad countries

No.	*NUTS 3 border region*	*Country*	*a*	*b*	*No.*	*NUTS 3 border region*	*Country*	*a*	*b*
1	Szczeciński	POL	83	2074	25	Zlínský	CZE	74	6
2	Gorzowski	POL	100	1014	26	Moravskoslezský	CZE	72	35
3	Zielonogórski	POL	100	866	27	Bratislavský	SVK	32	112
4	Jeleniogórsko-wałbrzyski	POL	83	622	28	Trnavský	SVK	34	36
5	Opolski	POL	41	80	29	Trenčiansky	SVK	85	6
6	Rybnicko-jastrzębski	POL	68	139	30	Nitriansky	SVK	30	5
7	Bielsko-bialski	POL	100	75	31	Žilinský	SVK	28	17
8	Nowosądecki	POL	35	61	32	Banskobystrický	SVK	62	3
9	Krośnieńsko-przemyski	POL	0	160	33	Prešovský	SVK	14	9
10	Chełmsko-zamojski	POL	56	84	34	Košický	SVK	28	4
11	Bialskopodlaski	POL	51	71	35	Pest	HUN	33	15
12	Białostocko-suwalski	POL	33	184	36	Komárom-Esztergom	HUN	46	10
13	Ełcki	POL	16	79	37	Győr-Moson-Sopron	HUN	1	38
14	Olsztyński	POL	32	90	38	Vas	HUN	1	25
15	Elbląski	POL	36	84	39	Zala	HUN	0	23
16	Jihočeský	CZE	22	40	40	Baranya	HUN	1	10
17	Plzeňský	CZE	9	35	41	Somogy	HUN	1	10
18	Karlovarský	CZE	46	228	42	Nógrád	HUN	100	2
19	Ústecký	CZE	53	155	43	Borsod-Abaúj-Zemplén	HUN	57	14
20	Liberecký	CZE	56	144	44	Hajdú-Bihar	HUN	2	64
21	Královéhradecký	CZE	12	7	45	Szabolcs-Szatmár-Bereg	HUN	1	31
22	Pardubický	CZE	3	6	46	Békés	HUN	3	50
23	Jihomoravský	CZE	11	18	47	Csongrád	HUN	3	67
24	Olomoucký	CZE	6	9	48	Bács-Kiskun	HUN	1	43

a: Share of local governments participating in Euroregions in November 2008 (figures are rounded).
b: INTERREG IIIA funds available per local government (2004–6) in thousands of € (figures are rounded).
Source: Author's calculation.

expressed their desire to accelerate political integration with the EU also through local cross-border cooperation. However, as Kepka (2004) observed, the German participants to cross-border initiatives tended to view Euroregions as economic projects thus they approached the issue from a rather materialistic perspective. Nevertheless, the economic dimension of cooperation was also important for the Poles. Before WWII the entire Polish–German borderland belonged to Germany, but after the war both the infrastructure and the regional economies gradually deteriorated (Gorzelak 2006). Cross-border cooperation with the German side was therefore considered a potential source of local development.

In spite of the fact that virtually all objective and normative incentives of cooperation were present at the Polish–German borderland, obstacles to collaboration were equally significant. After WWII several million Germans were expelled from this area to which ethnic Poles were resettled who had also been expelled from their homeland, from the eastern parts of interwar Poland. As a consequence, fears and stereotypes about the people living across the border are deeply rooted and in spite of the local cross-border initiatives, the inhabitants continued to view cross-border relations as competitive: the Germans typically feared competition from cheaper Polish labour and goods, while the Poles were concerned about a potential economic exploitation and domination by Germany (Yoder 2003a).

Besides the local normative obstacles, differences between the regional economies, incompatible territorial-administrative structures, and language barriers were among the most significant obstacles to accomplishing local cross-border projects between Germany and Poland (Bertram 1998; Kocwin 2000; Osekowski 2000). For instance, in the case of the Neisse-Nysa Euroregion, which was the first one established not only in this borderland but also in central Europe, the mismatch between competencies and expectations resulted in the dominance of German initiatives:

> 'The German side has had the upper hand in forging cross-border contacts, and in dictating conditions for cross-boundary economic interactions. The Poles, constrained by the weak position of local governments, by the lack of clearly defined competencies to engage in cross-border contacts, by inexperience in a capitalist market economy, and, most of all, by meager economic potential, have been relegated to a position of junior partners in German–Polish relations.'
>
> (Kepka 2004, 173)

Due to these objective and normative obstacles, the development of less formal contacts and the true integration of the borderland seem to evolve slowly: animosity, prejudice, and the notion of conflicting interests often emerged in cross-border contacts in the Polish–German border area even a decade after the change of regime (Trosiak 2000). Although German–Polish Euroregions have primarily been elite-driven projects, their efforts of improving local cross-border relations have paid off to a certain extent: a survey in the Neisse-Nysa Euroregion

revealed that while in 1992 only 15 per cent of the Polish border population identified with the idea of the Euroregion, by 1998 this rate rose to 56 per cent and the number of people who did not have any knowledge of the initiative fell from 40 per cent to 5 per cent (Adamczuk 2000).

The Euroregions in eastern Poland offer an interesting comparison with Polish–German cross-border initiatives. Similarly to western Poland, eastern Poland was also affected by massive population re-settlements after WWII. Poles leaving their homes from the territories that now belong to Ukraine moved to western Poland, which had been abandoned by the indigenous German population. The strong historical, cultural and ethnic ties across the Polish–Ukrainian border therefore facilitated cross-border contacts and promoted the institutionalization of cross-border initiatives in the early 1990s, even without the presence of significant external financial support as this borderland benefited little from transnational funds. Nevertheless, the first Euroregion (Euroregion Bug) was established as early as 1995. However, expectations on the two sides of the border were quite different and this situation mirrors the German–Polish cross-border relations. While Ukrainian officials viewed cross-border cooperation as a way to create more awareness of the opportunities offered by European integration, Polish officials considered it in more practical terms (Krok and Smetkowski 2006). Although normative incentives for cooperation have been strongly present on both sides, the lack of sufficient funding, know-how and management skills and the differences in the decision-making powers of local administrative units posed obstacles to collaborative projects which have proved difficult to overcome.

As the Polish central governments were supportive of Euroregions, Polish cross-border initiatives have been exposed to considerable external normative incentives. However, external objective incentives differed to a great extent: western Poland received the vast majority of EU funds for cross-border cooperation, while eastern Poland was left almost unaffected by these transnational support schemes. The differences in external funding opportunities thus may partly explain the variation between east and west Poland in terms of local government involvement in cross-border initiatives.

The cases of the Hungarian-Slovakian and Hungarian-Romanian borderlands reveal the significance of central government support for establishing Euroregions. These borders were almost as much contested and troubled with historical conflicts as the German–Polish border. However, in their case transnational funds came in low supply.

Hungary, similarly to Poland, promoted local cross-border cooperation early on: the government ratified the Madrid Convention in 1994 and the first Euroregion with Hungarian involvement, the Carpathian Euroregion, was established in 1993 with active international support. The presence of a large, ethnic Hungarian population in Slovakia and Romania living next to the Hungarian border provided the normative basis for the Hungarian government to facilitate the creation of local cross-border cooperation. However, these efforts evoked strong rejection and opposition from the Slovak and Romanian governments. According to Popescu (2008), in the early 1990s, several national governments in Central and Eastern

Europe considered the establishment of Euroregions as a matter of extending a country's political control beyond its borders, especially if the land across the border was inhabited by the same ethnic group. At the same time, the countries affected by these policies perceived local cross-border initiatives as direct threats to their territorial integrity, and objected to local cross-border projects. This is the reason why the ethnic Hungarian population across the border, which seemed to pose an opportunity for Hungary to establish local cross-border initiatives, was perceived as a threat by its neighbours, which were deeply concerned about their territorial integrity.

Until 1998, the Slovak central government did not permit the local governments near the Hungarian border to enter into cross-border cooperation with Hungarian partners. This restrictive approach was motivated by the fear that establishing links with Hungary at the local level could evoke separatist sentiments in the Hungarian minority (Hardi and Mezei 2003). Before WWI, the territory of Slovakia belonged to the Austro-Hungarian Monarchy. When the peace treaties of Versailles created Czechoslovakia, the new state inherited hundreds of thousands of ethnic Hungarians from the Monarchy. Their descendants, who still live close to the Hungarian-Slovak border, form an ethnically relatively homogeneous area. In 1993 when Czechoslovakia was dissolved, Slovakia received these territories. Slovak nationalists soon began to fear that the Hungarian minority might demand autonomy or would even attempt separation. Although these fears proved unreasonable, Vladimir Mečiar's government shared these extreme views and tried to block local cross-border initiatives with Hungary (Krivỳ 1997; Kruppa 2003). Hungary and Slovakia signed an agreement on the cross-border cooperation of local and regional authorities as late as 2001, three years after Mečiar's government had been ousted in the parliamentary elections (Baller 2006).

Due to the highly unsupportive attitude of the Slovak central government, Hungarian-Slovak Euroregions emerged relatively late. In spite of this, the deep historical socio-economic ties and the common ethnic background may explain why the Hungarian local governments at the Slovak border (with the exception of Győr-Moson-Sopron county, which is more oriented towards Austria than to Slovakia) demonstrate much greater involvement in Euroregions than other local governments in Hungary. The neighbouring Slovak regions, however, are less active except for the Banskobystrický *kraj*. The reason for this might be that Slovaks view Hungarian-Slovak Euroregions as ethnic projects, and local governments of fully Slovak settlements located further away from the Hungarian border refrain from joining those initiatives.

The Hungarian-Romanian borderland bears similar features to the Hungarian-Slovak border in terms of its ethnic composition and historical background. This border was also drawn after WWI and the share of the ethnic Hungarian population living right next to the Hungarian border in Romania varies between 10 and 35 per cent of the total population (Hunya and Telegdy 2003). Given this background, the development of Euroregions in this area shows similarities to the Hungarian-Slovak case. Following the same considerations as the Slovak government, in the early 1990s Romanian officials blocked the establishment of those Euroregions

that involved Hungarian partners. However, as Popescu (2008) observed, the Romanian government took an inconsistent approach as it actively promoted the formation of 'ethnic Romanian' Euroregions along the Moldavian and Ukrainian border. Nevertheless, after 1996 when Hungary and Romania signed a treaty of good neighbourliness and cooperation, the political environment for cross-border cooperation became much more favourable.

Still, Euroregions at the Hungarian–Romanian border are rather limited in their membership, as mostly regional authorities and cities entered into formal cooperation with each other while other local governments do not participate in these initiatives. This may be explained by an external normative factor, the influence of a cross-border initiative that served as a model for Euroregions with Hungarian involvement. This 'role model' was the Carpathian Euroregion, which involved only regional authorities in its membership (Süli-Zakar 2001). The inspiration for the Carpathian Euroregion, however, may have been provided by the transnational Alps-Adriatic Working Community, in which western and southwestern Hungarian counties had already gained membership since the beginning of the 1990s. The influence of this single model was so strong that the first Hungarian Euroregions established up to 1999 all imitated the Carpathian Euroregion in that they were initiated by regional governments (NUTS 3 units) and did not involve local governments (municipalities) in their membership. The Euroregion West-Pannonia at the Austrian border, the Duna-Dráva-Száva and the Danube-Körös-Maros-Tisza cooperation at the south and southeastern borders of Hungary have all followed the example of the Carpathian Euroregion. This explains, why except for some towns, local governments are almost entirely missing from these initiatives.

The Czech-Slovak borderland and to some extent the Polish–Czech border as well offer examples of cross-border initiatives which flourished without almost any external funding. The border between the Czech Republic and Slovakia was born only in 1993, when Czechoslovakia split into the successor states. Consequently, this border had not had any significance before: 'cross-border' cooperation and contacts were a common, everyday experience between the Czechs and Slovaks. Hence, cross-border ties and linkages had already been established by 1993. The lack of external funds has been the only major obstacle to cross-border cooperation: PHARE CBC funding was practically unavailable for this border area, while INTERREG funds also remained low between 2004 and 2006. Yet, both normative and objective incentives were strongly present at the local level: the common cultural and historical background, the already established socio-cultural ties, the lack of language barriers and the need to pool local resources all played a role when the Euroregion Biele Karpaty was established in 2000 with high participation of local governments both at the Zlínský region in the Czech Republic and Trenčiansky in Slovakia. This Euroregion is inclusive in its membership as it has also incorporated non-governmental organizations, chambers of commerce, firms and other private entities.

Polish–Czech Euroregions have also developed without much external funding. Nevertheless, local governments in this borderland have been active in establishing cross-border contacts and their participation rate in Euroregions is also high.

This can be explained by the presence of centuries old historical ties and linkages between the two sides of the border. The Czech Moravskoslezský region and the neighbouring Polish territories used to belong to the historical Silesia region, which emerged as a major mining and industrial center in the eighteenth century. Investments in heavy industry continued into the twentieth century on both sides of the border, which eventually turned the whole region into a declining industrial district with massively polluted landscapes (Probáld 2000). Common environmental problems, the need to overcome economic and environmental degradation, the already existing cross-border linkages, the still existing Silesian regional identity and the lack of substantial language barriers have all contributed to establishing Euroregions. Every cross-border initiative in this area was established through grassroots, bottom-up mobilization of local communities and self-governments, without the involvement of the national level, which shows the strength of local initiatives (Greta 2008).

Finally, considering the broad picture, it is notable that Polish local governments, on average, demonstrate a higher participation rate in Euroregions than local governments in the other Visegrad countries. Except for two regions (Ełcki and Krośnieńsko-przemyski), all Polish NUTS 3 border regions have a relatively high level of local government involvement in Euroregions. This can be partly explained by the Polish central governments' strategy of promoting local cross-border cooperation but it can also be attributed to a structural feature, which has not yet been taken into account. The average size and population of Polish local governments, the *gminas* is far bigger than those in the other Visegrad states. In Poland, *gminas* on average accommodate 17,000 people, while this figure is 1500 in the Czech Republic, 1700 in Slovakia and 3100 in Hungary.[8] On the one hand, larger units may possess greater financial resources with which they can initiate cross-border projects. On the other hand, it may be easier to negotiate and conclude cooperative agreements among a limited number of local governments that cover the entire borderland. This suggests that a collective action problem may emerge in countries where the territorial administration is fragmented at the local level, like in Hungary, the Czech Republic and Slovakia. This could pose a further obstacle to establishing cross-border cooperation.

Conclusions

This chapter has developed a typology of factors that may potentially affect the development of local cross-border cooperation in central Europe. Based on the regional participation rates of local governments in Euroregions, it seems that the strong presence of external financial incentives indeed generated cross-border activity and facilitated the institutionalization of cross-border networks. However, 'the EU has virtually no way of compelling regionalism other than financial incentives' (Johnson 2009, 186) and a high level of formal involvement of local governments in Euroregions does not necessarily imply that they also accomplish real cross-border activities. The chapter demonstrated that factors other than external financial incentives also play an important role in cross-border initiatives. Most

notably, normative elements like common ethnic or linguistic background, distinct regional identity, long-established historical socio-cultural ties and linkages across the border can play a significant role. Nevertheless, these normative factors that are perceived as opportunities at the local level can appear as threats for central governments, as the Euroregions at the Hungarian-Slovak and Hungarian-Romanian borders suggest. This also highlights the substantial role of supportive government policies in establishing local cross-border cooperation.

In short, the presence of a single incentive (either objective or normative) is neither necessary nor sufficient for triggering cross-border cooperation. Institutionalized cross-border cooperation thus is most likely to emerge if there is a combination of incentives, with which both the local and the national level can identify. Even persistent high levels of external funding may not generate much cross-border activity without the presence of other, non-financial incentives. This is because, as the chapter demonstrated, several obstacles to cross-border cooperation are present in the central European borderlands and especially in the case of local normative obstacles it is unlikely that they would disappear in the short run. For this reason, external funds for cross-border cooperation may not be able to mitigate deeply rooted conflicts, tensions and stereotypes associated with borders in central Europe. Yet, transformative changes in the borderlands can happen only in the long run and Euroregions in central Europe might be capable of contributing to those changes.

Notes

1 See Article 3 of Commission Regulation (EC) No 1628/94 of 4 July 1994 concerning the implementation of a programme for cross- border cooperation between countries in central and eastern Europe and Member States of the Community in the framework of the PHARE program.

2 See Commission Regulation (EC) No 2760/98 of 18 December 1998 concerning the implementation of a programme for cross-border cooperation in the framework of the PHARE program.

3 Among the Visegrad countries, Poland was the first to ratify the Madrid Convention in 1993, followed by Hungary in 1994 and the Czech Republic in 1999 and finally, the Slovak Republic in 2000 (source: Council of Europe Treaty Office).

4 See the Communication from the Commission to the Member States as of 2 September 2004, laying down the guidelines for a Community initiative concerning trans-European cooperation intended to encourage harmonious and balanced development of the European territory INTERREG III. *Official Journal of the European Union,* 2004/C 226/02.

5 The NUTS (Nomenclature of Territorial Units of Statistics) is the territorial statistical nomenclature of the European Union used for statistical purposes. Currently, there are 14 NUTS 3 regions (*kraj*) in the Czech Republic, 20 (*megye*) in Hungary, 66 (*podregion*) in Poland and 8 (*kraj*) in Slovakia. In Poland, the new system of 66 NUTS 3 regions was introduced in 1 January 2008. However, due to data availability, this chapter uses the previous system, which had 45 NUTS 3 regions.

6 NUTS 3 regions have administrative powers in the Czech Republic, Hungary and Slovakia (accordingly, they can become members of cross-border initiatives) while in Poland the NUTS 3 territorial units serve only statistical purposes.

7 Data on the distribution of PHARE CBC funds among the NUTS 3 regions is unavailable.

8 Source: Ministry of Local Government, Hungary.

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8 The Pyrenees-Mediterranean Euroregion

Functional networks, actor perceptions and expectations

Francesc Morata and Andrea Noferini

Introduction

The Euroregions are likely the most prominent expression of cross-border cooperation (CBC) in the European Union (EU). The increase in the number of Euroregions is, however, a relatively recent phenomenon. At the end of the 1980s, the completion of the European Single Market, the strengthening of Cohesion Policy and, thereafter, the preparation for the accession of candidate countries from Central and Eastern Europe, provided the essential impetus to increasing cross-border cooperation (AEBR 2004). The creation of the INTERREG Community initiative in 1988, through which the European Commission provided financial support for cross-border initiatives, is generally considered the turning point. There are currently more than 130 cross-border regions in Europe under different names: Euroregions, *Euregios*, macro-regions or working communities (Morata 2007). Prior to the launch of the INTERREG programme, these numbered only 26 (European Parliament 2004). These figures are significant in terms of the impact of the EU on the evolution of CBC.

The Euroregions are not generally formed as a new territorial administrative unit or as a new level of government, but as strategic political agreements aimed at establishing and strengthening cooperative ties among their members. A key challenge consists precisely in managing the political, administrative and technical capacities needed to make territorial cooperation possible through joint territorial policies. A complementary challenge is the mobilization of actors from civil society without which the objectives of territorial cooperation would be unachievable. Both challenges are summed up in the concept of multi-level governance, one of the main characteristics of European policy-making with a twofold dimension: vertical integration of the different levels of government and horizontal integration of public and private actors around common objectives to take advantage of the resources available (Bache 2008; Marks and Hooghe 2004; Piattoni 2010; Morata 2004).

The empirical analysis of the most relevant cross-border experiences demonstrates that, for a Euroregion to be successful, horizontal and vertical cooperation