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DIPLOMARBEIT

Titel der Diplomarbeit

Romania and Cross-border Regional Development at the External EU Borders

including a case study from the Romanian-Serbian border

Verfasserin

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angestrebter akademischer Grad

Magistra der Naturwissenschaften (Mag.ª rer. nat.)

Wien, im März 2009

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Acknowledgement

The last few years taught me that I cannot achieve everything at once. Hence, this thesis had to come to an end, covering only fragments of what I wanted to say. However, a lesson I learned was that every once in a while it is necessary to finish what you are doing and start something new.

I want to thank the people who supported me during all these years of learning:

My parents, my brother and my closest friends; The people who built organisations with me, who believed in me and who showed me what great things can be achieved, if you are confident to do them; All the motivated students at the Department of Geography and Regional Research, who contribute to a great atmosphere of exchange, friendship and challenge and prove that Geography is really cool. Matthias Kopp who is responsible for the competent proof-reading and moral support at all times, which I am truly thankful for.

In terms of this thesis I also want to thank Martin Heintel, who inspired my interest in borders and regional policy and who was willing to supervise my thesis. I want to thank the team at BRCT Timişoara (especially Cristina Imbri and Carmen Homorogan), who accepted me as an intern and thus, allowed for on the spot observation and all the other open-minded Romanians who supported my endeavour[1]. My deep gratitude goes to Daniela Craciun, who always supported me in overcoming organisational barriers in Romania.

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[1] The on location research in Romania was only possible because of a scholarship for Short Research Stays Abroad granted by the University of Vienna (Department of Research Services and International Relations).

Abstract

Cross-border regional development is a means of the EU to achieve European cohesion and integration. Cross-border cooperation (CBC) is the driving force for cross-border regional development. So far at the internal EU borders successful CBC has been accomplished; however, the external borders in the East are only at the beginning. For a few years they have been faced with incomparably more difficult challenges than many border regions in Western Europe. The communist past and unstable political and economic years in the 1990s are the source of many of these challenges. This thesis tries to find a scientific analysis tool on the basis of governance concepts in order to scrutinise CBC. It explains the multi-level context of CBC in Romania on the basis of which the status-quo of CBC at the Romanian-Serbian border was elaborated. Finally the hypothesis will be tested, whether EU visions of CBC coincide with the regional and local realities in the border region. The thesis shall provide an incentive for further, more detailed and systematic research in the field of *Cross-border Regional Development at the External EU Borders*.

Zusammenfassung

Grenzüberschreitende Regionalentwicklung ist das Mittel der Europäischen Union um das Ziel europäischer Kohäsion und Integration zu erreichen. Grenzüberschreitende Zusammenarbeit ist der Motor grenzüberschreitender Regionalentwicklung. Während an den Binnengrenzen der EU bereits beträchtliche Erfolge erzielt wurden, stehen die Staaten an den östlichen Außengrenzen der Union noch ganz am Anfang. Überdies sind die Grenzregionen in diesen Gebieten mit unvergleichbar schwierigeren Ausgangssituationen konfrontiert (kommunistische Herrschaft und folgende politische und wirtschaftliche Unsicherheit). Die vorliegende Diplomarbeit beschäftigt sich zum einen mit der Frage der wissenschaftlichen Analyse von grenzüberschreitender Zusammenarbeit mittels Governance-Konzepten. Andererseits sollen die Mehrebenen-Aspekte dargestellt und anhand dieser in Kombination mit Feldforschungsmethoden der Status-quo in der rumänisch-serbischen Grenzregion erarbeitet werden. Überdies wird die Korrelation zwischen europäischen Vorstellungen grenzüberschreitender Zusammenarbeit und der regionalen und lokalen Realität überprüft. Die Arbeit soll ein Anstoß für weitere fundierte und systematisierte Forschungsarbeit zum Themengebiet *Grenzüberschreitende Regionalentwicklung an den EU-Außengrenzen* geben.

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Preface

In 2005, a seminar on *cross-border spatial development – chances and barriers in the new EU-25* caught my attention. The topic I picked was cross-border cooperation at the external EU borders. Since then I have not been able to let go of borderlands. In that same year I travelled to Romania for the first time. In the following two years, while travelling a lot throughout Europe and studying Romania as well as Romanian, the idea for this thesis developed.

Cross-border cooperation is not inherently a national priority but the EU cohesion objective and the according funding lines provide for its growing relevance on our continent. On the other hand there is the EU newcomer Romania, a country that fascinates not only because of its eventful history but also due to its agitated recent political past. The combination of these two strong interests of mine in my master thesis seemed self-evident.

The failed attempt to find an existing research project at the Romanian-Serbian border that might have provided a framework for orientation lead to the somewhat experimental character of the thesis. Instead of discussing one research question in broad detail, I choose to stay on a more general tier and combine three questions I was interested in, even though each of them has great potential to be treated independently. The little work that was conducted so far in that area seemed to justify the generalist and introductory character of my paper.

Romania took on a difficult challenge, when starting the rocky road of accession; thus, it could be expected that it would not be an easy endeavour. Romanians should therefore not be surprised that a lot of people watch the implementation of EU policy and the distribution of funds closely. I attempted to observe as objectively as possible, however, one's origin and socialisation cannot be discarded completely. Growing up in a federal state does not go unnoticed; therefore, it should be kept in mind that, subjectively speaking, I do support the ideas of decentralising competences and empowering regions.

Finally I want to highlight the fact that during the process of writing this thesis between July 2008 and March 2009, Romania elected a new parliament and a new president, which lead to certain changes of structures that I was used to before. I tried my best to update all information in the thesis and ask for forgiveness in case I left something out.

1 Introduction

1.1 Romania on its Way to CBC

"There isn't [sic!] no more the question "if we should co-operate" but just "how we can co-operate"."

Jens GABBE, 2005

Cross-border cooperation has become a still rather small, but integral factor of the European structure and cohesion programmes. In Western Europe the first CBC projects were already implemented in the late 1950s and have by now led to a number of best practice cases (e.g. EMR, Saar-Lor-Lux). The framework back then cannot be compared to the complex requirements new EU-members are facing now when applying the regional policies and CBC frameworks.

CBC is not inherently a national priority, a fact that is in most cases reflected in the decline of infrastructure and population density towards the usually peripheral border regions. Therefore, in many countries, CBC at an institutional and administrative level was initiated only due to the incentives of EU cross-border programmes.

In many of the new member states EU accession has been a radical change for the border regions. Where less than 20 years ago insuperable barriers turned divided cultural regions into neglected and vacated peripheries, today CBC is requested, supported and financial funds are available. For mostly centralised-governed countries, the EU requirements, which are multi-level approaches, add up to time- and labour-intensive implementation processes[2]. Those member states neighbouring old EU members have already gotten in touch with CBC programmes and made experiences at least at their adjacent borders. Also the other now internal borders find themselves in comparably favoured situations, because the administrative systems underlie on both sides the acquis communautaire thus have a similar implementation environment and similar budgets.

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[2] This applies also to most aspects of regional development in general.

In additionally to the challenges faced by regions which cooperate across borders, the Eastern external borders of the Union are confronted with visa requirements, different budgets, and different stages in the development of cross-border cooperation as well as big inequalities in the general development of the neighbouring regions. In terms of status there are at the moment two types of external borders, those abutting potential candidate countries or candidate countries and those where the adjacent country has slim to no chance to ever join the EU. The latter are also eligible for funding because *"it is necessary to support effective cross-border, transnational and interregional cooperation with the Community's neighbouring countries where it is necessary to ensure that the regions of the Member States which border third countries can be effectively assisted in their development."* (Regulation (EC) No 1080/2006)

So far, there has been done substantial research on the former external EU borders. However, while the external borders have shifted farther to the East, most of the research work did not keep up and in those areas currently only available in fragments. It is also difficult to find a theoretical background for an analysis of cross-border cooperation: on the one hand the many theories that can be applied only cover very specific aspects; on the other hand more recent concepts (e.g. certain governance concepts) are not yet far enough developed in order to be considered a theory.

The Romanian border regions in general have had a very eventful past especially since most of them went from not being border regions at all to being divided by tightly closed frontiers. Unlike other ex-communist countries, in the case of Romania these frontiers effectively only opened up after 1989 and also then only slowly due to the subsequent government[3].

Even though first advances to neighbouring countries were made as soon as 1992 (Danube 21 Euroregion), sustainable CBC was out of the question until concrete efforts were made towards an EU membership. Since Romania did not directly adjoin an EU country until 2004, the access to funding was limited, even though already in 1999 the first financial support (EUR 10 million) for projects at the Romanian Hungarian and the Romanian

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[3] After 1989 Romania was governed by Iliescu and his entourage, who have all been part of the communist regime under Ceausescu and barely encouraged changes compared to the preceding dictatorship.

Bulgarian borders was provided, the external borders were only included in 2003 (PHARE CBC EBI External Border Initiative Programme). Even Bulgaria has been able to receive PHARE CBC funding since the very beginning of the programme due to the common border with Greece. Romania was therefore the EU Member that was cut off the longest from access to CBC programmes, analysis in the field as well as experience. The necessary structure and capacity building that has been proved to be a time-consuming task is coming along, but the experience that is necessary to succeed is only gained during an extensive learning-by-doing process.

Romania has highly interesting border regions that have so far undergone quite extensive development. Nonetheless, research and analysis output is scarce or only very punctual. Finally this leads to three central research questions that this thesis intends to answer.

- How can CBC at the external borders be analysed in a comprehensive and yet scientific manner?

- What is the status quo of CBC at the Romanian Serbian border after two years of EU membership and where does it go (challenges and perspectives)?

- EU regulations vs. regional and local reality, how far do European visions coincide with the regional and local needs and expectations at the Romanian external borders?

These questions came up on the basis or related to of three hypotheses, which will also be picked up again in chapter 6 in order to be verified or falsified:

- Governance concepts are fit to provide an analytical background for CBC.

- The quality and grade of institutionalisation is crucial for successful CBC; thus, post communist countries and their border regions are highly depending on EU institutionalisation requirements in order to be able to handle CBC.

- EU regional policy is not fit to match realities in post-communist border regions (since regulations are based widely on experiences or contexts of Western European Countries)

1.2 Methodology

There are various methods that seem adequate to approach the topic of this thesis. It has been taken into consideration that the efforts cannot be too extensive in the framework of a master thesis. Moreover the lack of data especially in this border region is and has been a restriction towards a reasonable quantative approach.

The Data Situation (an excursus):

The attempt has been made to conduct a comparative analysis of the regions on both sides of the border as well as the internal structure of the entire border region. However, the availability of statistical data, though improving rapidly, is still impeding a comprehensive analysis. In Romania the situation has improved considerably because of EU accession, were certain data simply had to be made available and is now easily accessible down to NUTS level 3. However, Serbia, being only a potential candidate to EU accession has not yet introduced NUTS and even though the data availability has improved significantly also on regional and local levels, there is still no coherent way of conducting basic comparative studies with the data available. Also the programming documents, which in their description of the programming area had to deal at their best with the existing material, indicate the insufficiency of feasible statistical data.

Therefore, the following methods have been found suitable in order to answer the research questions stated in chapter 1.1:

In addition to the reading of the relevant scientific publications, a variety of EU documents were analysed as well as Romanian national legislation, development programmes and programming documents on the national and regional level.

Several visits to the Romanian-Serbian border region, including a two-month stay in Timişoara, were part of the research phase (participant observation). During the time in Timişoara the author spent one month as an intern at the Regional Office for Cross-border Cooperation Timişoara and was able to experience the work on the spot, as well as to get in touch with different beneficiaries. This time was also used to conduct semi-structured

interviews[4] with actors on different levels of CBC in Romania and especially in the region of the case study. This type of semi-structured interview will be called expert interview. The term experts can be defined as "*people, who have a specific knowledge about social circumstances*" (translation by the author) according to GLÄSER & GRIT (2004; 10). All the actors involved in CBC endeavours are in their position only for a few years and are usually the first to fill these positions within CBC. Therefore, the expert status needs to be seen in the context of the young age of institutionalised CBC in the region (q.v. chapter 5.3). Thus and accordingly to the rather new field covered in the thesis the expert interview seems well fit to complement the other research methods applied. This form of interview helped to reduce otherwise long periods of observation and research as the experts can be used as crystallising centres of practical insider knowledge, being interviewed representing a larger number of actors (BOGNER & MENZ 2005; 7).

1.3 Structure

Chapter two of the thesis will give a short insight into the research scenery of cross-border cooperation; it will not be able to honour the immense diversity of borderland studies and research on CBC and only serves to sketch the programme of this work. The subsequent parts will highlight the lacking clarity of terms and the general deficit of theory construction considering CBC. The conceptual demarcation shall set the framework by shortly discussing the core terms that this thesis evolves around and to set a basis in order to understand the following description and analysis of CBC at the Romanian external border. The terms region and border are crucial to CBC as well as the related concepts of regionalism and regionalisation ideas, which will lead directly to cross-border cooperation and are interlinked with different governance concepts. The latter will be tested as to their suitability to serve as an analytical tool for cross-border cooperation and shall be presented with their interconnections highlighted. Next to already established concepts such as multi-level and

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[4] In sociologic literature categorisations of interviews differ from volume to volume and of course from language area to language area (q.v. FLICK 2005; 1). There is however a consensus that semi-structured interview is an overarching term, which describes different forms of interviewing (LEWIS-BECK et al. 2004; 1020; q.v. HOPF 1995[2], LAMNEK 2005[4]). Its overall characteristics are flexibility, the organisation around a guide and the generation of the interviewee's own perspective, perception, experience, interpretation. Further information sociologic methods will be drawn only from German literature due to easier access and in order to avoid confusingly long explanations.

regional governance the lately much used but rarely explained cross-border governance will be scrutinised in order to see if it is in legitimate use.

In chapter three the motor of most institutionalised CBC, the European Union and its instruments will be discussed in order to unfold the structure and processes that strongly influence the development on the regional and local level and to contextualise, together with chapter four, CBC on the Romanian-Serbian border. There will be a short section on the research concerning the European Neighbourhood Policy as the wider context of most external CBC instruments. Some critical aspects shall be raised in order to cover also the less shiny side of the EU funding line medal.

Chapter four covers the national level, which is still dominant and centralises most competences and therefore influences the regional and local tier to a very high degree. It is necessary at that point to give clear picture of the development of regional policy in Romania in order to understand the status quo, which will be the topic of chapter five. This shall also highlight the still existing aftertaste of the communist regime, which left its marks in working processes and the handling of policies.

The structures of cross-border cooperation at the Romanian-Serbian border, the organisational patterns, implementation processes as well as the actors and projects will be central to the penultimate chapter. The necessary analysis of the border region in terms of history, demography and economy will fall short of a proper geographic version including maps and a satisfying statistical approach due to the above-mentioned lack of data. Also the conducted interviews will be part of this chapter, as they provided much of the processed information.

In the end a résumé will review the research questions and hypotheses. It will highlight as well the vastness of the topic of the thesis as some of the possible perspectives of the discussion on cross-border cooperation especially in East and South East Europe. The three central themes will be inter-connected and develop ideas for further qualitative but also quantitative research.

2 Theoretical Considerations

The discussion of borders is not limited to only one discipline, it is rather handled as an interdisciplinary field, whereas a mono-disciplinary approach is often perceived as inadequate (q.v. VAN HOUTUM 2000; 59). In 1963, Julian MINGHI stated "that boundaries are perhaps the most palpable political-geographic phenomena" (q.v. VAN HOUTUM 2005; 672) and even though the context of border/boundary studies has changed significantly since then, it is evident that Political Sciences and Geography are and will be constantly crossing paths in terms of border studies. Considering multi-disciplinarity immanent to Geography, the presented thesis will, being based in Human Geography in general and Regional Geography in particular, openly include certain approaches from Political Sciences especially in order to create a theoretical background for the qualitative research conducted;

2.1 State of the Art

It is not the intention of the author to unfold the entire research history on cross-border cooperation in this thesis, it is, however, important and interesting to take a look at the scientific work that has been done so far in the area of cross-border cooperation, its characteristics and perspectives; especially at the now external borders where new situations and challenges have been met since 1989 and especially after the latest EU accession rounds and the ambivalent EU neighbourhood and security policies.

The programming documents for the CBC programmes already show the difficulties that a quantitative analysis of the border region presents. It seems, however, important to provide a more objective, comprehensive and contextualised analysis, than the ones done by the authorities responsible for CBC (programming documents). Not to mention the added value of the structure and insight of a scientific approach. Therefore, it is necessary to find an instrument to analyse cross-border regional development, which, as will be made clear in the following, is challenging, since so far no outstanding model or scheme has been developed.

Even though CBC has been promoted by the Council of Europe since the 1960s and broached by researchers since the 1970s, (e.g. VAN MALCHUS 1975) only after 1989 has it reached the popularity in discussion that is common nowadays. The extension of the EU

Structural Funds and the start up of the Community Initiative INTERREG and PHARE CBC as well as new possibilities for cross-border regions in Eastern Europe[5] paved the way for the increase in scientific work on CBC (q.v. BRUNN & SCHMITT-EGNER 1998, VAN HOUTUM 2000, KOWALKE 2002).

In his paper "an overview of European geographical research on borders and border regions" HENK VAN HOUTUM (2000; 66) defines three main approaches[6] in border studies, the cross-border cooperation approach being granted the highest level of popularity: "*In fact, the number of studies on borders and border regions that emphasise the importance of cross-border networking and cross-border development has, relatively speaking, become so large that one could best speak of the new mainstream within border (region) studies.*" In the same paper VAN HOUTUM also gives a comprehensive overview on (mainly) Geographers, who were dealing with CBC at the internal EU borders until then. According to the paper, CBC research in the 1990s is characterised as mainly policy-oriented; with a focus on analysis and evaluation of dissimilarities between the regions prohibiting integration; border regions are seen as key areas and micro-scale laboratories for the integration process as well as cross-border policy development.

Only in the late 1990s after the Finnish and the Austrian EU accession in 1995, CBC at those – then external EU borders – received more and more attention. A variety of publications can be found on the German and Austrian external borders (e.g. GRIMM 1998, von Malchus 1998, KOWALKE 2002, WASTL-WALTER 1999, 2004) as well as on the Northern external borders (PAASI 1996, 2000, BERG 2000, JOENNIEMI)[7]. KOWALKE (2002; 124), a specialist on the German external border-regions, considers these first steps of geographic border research cautious deliberative, generally descriptive and lacking an analytical concept for the specific issue as well as normative concepts for the formation of a cross-border region as a political-administrative or economic unit.

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[5] In the beginning of the 1990s more than 12.000 km of new borders developed in East- and South East Europe (q.v. Michel FOUCHER 1998, quoted in: BRUNN & SCHMITT-EGNER 1998).

[6] The other two approaches are the flow approach, taking into account the impacts of borders on the flow of economic activity and the people approach, which focuses on "human production and reproduction of borders as a way of understanding the persistence of borders and their meaning for the European integration process." (VAN HOUTUM 2000; 67)

[7] Work has been done of course also at e.g. the Italian and Greek External borders, but is however less known to the author.

Already before, but especially after the great enlargement round of 2004 and the further extension of 2007 entirely new border and cross-border regions became relevant for CBC and started to be explored by the scientific border researchers community. Important work has been done in this very recent field by James SCOTT who initiated two large research projects (Exlinea and Eudimensions) on CBC at the external EU borders each of which involved a series of papers and other publications (e.g. PETRAKOS 2005, SCOTT 2006, BERG & BOMAN 2007).

Apart from the above-mentioned scholars, many border studies institutes which emerged especially in the last two decades (e.g. Centre for International Borders Research (CIBR) at the Queens University in Belfast, the Nijmegen Centre for Border Research at the Radboud University Nijmegen, the Peipsi Centre for Transboundary Cooperation) can be found. But also institutions such as the AEBR (Association of European Border Regions) contributed considerable research work on CBC (q.v. AEBR).

The theoretical output so far, as addressed already above quoting Kowalke, is scarce. First hints at a possible theoretical outline have been made so far on the basis of integration studies, regionalism, institutionalisation, culture and, increasingly, based on concepts of governance (SCOTT 2002, GUALINI 2003, GABBE 2005, Deppisch 2007). Also, edited volumes about CBC (e.g. RATTI 1993, BRUNN & SCHMITT-EGNER 1998, GU 2002) were not able to give satisfactory answers concerning theoretical approaches to cross-border development.

BRUNN (1998; 30-37) defined three areas of research in order to scrutinise border regions and that are helpful in order to identify different approaches, the "boundary" or "frontier view", the "border area view" and the "bottom-up regionalism view". He adds a fourth view, based on his own theoretical production: the above-mentioned "transnational regionalism view"[8].

The "boundary" or "frontier view" refers to international border research in the narrow sense and border as subject to public international law and international politics or rather the subject to national conflict.

The "border area view" opposite to the precedent research area that analyses macro-political processes, focuses on the interaction in the border areas as far as dominated by the frontier.

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[8] Which is however of no relevance to the present writing since it has found little echo in the circle of border and cross-border research.

Two approaches can be distinguished: the dependent (q.v. RATTI 1993) addressing the effects of the border on the adjacent areas as well as the dependency of regional development on the border, and the interdependent approach (q.v. MARTINEZ 1994), including also cross-border interaction of the abutting regions and its inhabitants.

The "bottom-up regionalism view" takes also the region as an activity unit into consideration and identifies cooperation as a network of collective actors and individual diversity of actors. The presented thesis can be classified within this last approach.

2.2 Conceptual Demarcation

2.2.1 Region[9]

BLOTEVOGEL (1995) distinguishes three overall types of regions: Descriptive-analytical Regions, Political-administrative Activity Regions and Mental Regions[10]. Regions are "man-made" (WEICHHART 1996) social constructs. Attempts to define perfect regions that are suited for any purpose tend to fail, since regions are earmarked spatial abstractions, the borders of which differ according to actual circumstances or processes (SINZ 1995; 806); therefore, context-related definitions are advisable and will also be used throughout this thesis as follows:

In the European context – Europe of the Regions – a region is considered to be an institutionalised, political and/or administrative entity. The NUTS system therefore is based on already existing political regions that differ in size and nature according to country. In many of the new formerly centralised member states the basis of some of the NUTS levels (e.g. NUTS II) had to be created in order to match the requirements (q.v. 4.1.2). Hence even when the term region is limited to political-administrative Activity Regions, there is still considerable scope for interpretation left. For the purpose of this thesis, however, the not yet

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[9] The term region conceals a very tempting, broad interdisciplinary discussion, which cannot be addressed in this thesis. Therefore only a straightforward geographic definition that positions the term for the purpose and the context has to suffice.

[10] BLOTEVOGEL also defines subcategories to these regions, thus Descriptive-analytical regions are Homogeneous Regions or Functional Regions, terms that are widely used within geographic typologies of regions.

precisely defined Political-administrative Activity Region[11] will suffice as a framework for the use of the term region.

The author is aware of the big variety of possible meanings and contexts that the term region can incorporate only when talking about CBC and that for individuals, Mental Regions are more present in their everyday life than Activity or Analytical Regions. In order to keep this paper compact, this aspect has to be widely neglected; nevertheless some issues that arise from the vagueness of the term will be brought up again in the following chapters as they are matters tackled by the case study.

2.2.2 Border (border region vs. cross-border region)

A reflection on the term border can be as complex as the discussion about the term region. Avoiding a philosophical argument about borders – with limited relevance to the thesis – the issues at hand are territorial borders and especially state borders that are seen as *politically and socially constructed (dividing) lines and demarcations of sovereign states. Therefore, borders reflect in their impact and value always the historically evolved society and affect by their nature the adjoining or straddling areas* (own definition)[12].

The significance and functions of these kinds of borders have been subject to constant changes throughout the last century, being either intensified or softened by different agreements, treaties and regimes.

The most relevant attributes for the present topic shall be discussed shortly with an emphasis on the changes they underlie especially within the increased influence of European Union regulations. SCHMITT-EGNER (1998) distinguishes normative functions of borders, which are supposed to be fulfilled according to international and state law, and empirical functions, which are the actual effects, borders have and that need to be redefined for every particular case. According to SCHMITT-EGNER the normative functions are

(1) the regulatory function, separating different jurisdictions and fields of competence

(2) the control function as an instrument for regulation of imports and exports

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[11] Activity Regions are formed by the actions of men (individuals and groups) as well as by social organizations (businesses, associations, political subdivisions) (BLOTEVOGEL 1996; 59).

[12] For the more detailed border discussions in the context of border studies and CBC see e.g. PAASI 1996, ANDERSON et al. 2002, O' DOWD 2002.

(3) the protective function, guaranteeing the integrity of a state

(4) the identity function, the border as a demarcation line for national identity

(5) the peace function

While within the EU and the Schengen area especially the regulatory and control aspects are disappearing they are being intensified at the external borders as if denying all efforts of cross-border cooperation with adjacent non-EU members (q.v. chapter 3.3). On the other hand, the disappearance of the protecting, regulating and controlling effects seem to increase the socio-cultural significance of borders (VAN HOUTUM 2002) i.e. the identity function. This assumption leads directly to some of the possible empirical effects borders might bring forth. While a political, dividing or filter function[13] is in general realistic, when it comes to CBC only the open border effect shall be mentioned, which according to SCHMITT-EGNER is a basic precondition for transnational cooperation. It refers to situations in which territorial boundaries have been dissolved but where soft borders of social, economic and cultural systems remain and require different means of overcoming.

Another important question for the topic of cross-border cooperation is the character of the border area. Here the widely known borderland concept by the American historian Oscar MARTINEZ used at the U.S. – Mexican border has become a more and more popular theoretical basis for empirical case studies about European and especially Eastern European border regions (SCHMITT-EGNER 1998; 34). MARTINEZ (1994) distinguishes four types of borderlands (q.v. Fig. 1) that define the bordering areas as an interactive space not forgetting the transnational and intercultural aspects. What SCHMITT-EGNER (1998; 35) criticises is that this border region concept like others does not consider the space as an activity unit and that motives, varying interests and actors constellations are not sufficiently identified but merely typologised. He is thereby postulating yet another analytical approach that satisfies the requirements created by the complexity and multiplicity of cross-border cooperation (q.v. 2.2.4).

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[13] For details see SCHMITT-EGNER 1998; 45-46.

Figure 1.1 Alienated borderlands	**Figure 1.2 Co-existent borderlands**	**Figure 1.3 Interdependent borderlands**	**Figure 1.4 Integrated borderlands**
Tension prevails. Border is functionally closed, and cross-border interaction is totally or nearly totally absent. Residents of each country act as strangers to each other.	Stability is an on and off proposition. Border remains slightly open, allowing for the development of limited bi-national interaction. Residents of each country deal with each other as casual acquaintances, but borderlanders develop closer relationship.	Stability prevails most of the time. Economic and social complementarity prompt increased cross-border interaction, leading to expansion of borderlands. Borderlanders carry on friendly and cooperative relationships.	Stability is strong and permanent. Economies of both countries are functionally merged and there is unrestricted movement of people and goods across the boundary. Borderlanders perceive themselves as members of one social system.

Figure 1: borderland concepts. (Martinez 1994, quoted in: Mayer 2004, 43)

The areas adjoining the borders and therefore being affected by them – the border regions – are offering rich and revealing opportunities for social research. The border region derived from the former meaning of "frontier area" or "zone of transition" surrounding the legal lines separating different jurisdictions (ANDERSON & O'DOWD 1999; 594-595). Their significance can vary as much as it can for the two words that constitute the term. Having dealt with the region in 2.2.1, the above-stated demarcation will be used to closer define border region i.e. as a political and/or administrative region abutting a border.

Areas straddling a border are even more interesting – cross-border regions. In Central and Eastern Europe there are many cross-border regions that resulted from the excessive border drawing throughout the 19th and 20th century, these are, however, historical cognitive cross-border regions such as the Banat, Moldova, Galicia, etc. According to the above-given definitions, what nowadays comes closest to cross-border regions are the Euroregions, constituted by local and regional entities on both sides of the border. Thus, CBC happens

between two border regions and in Europe increasingly by establishing a cross-border region. This region-building is more and more often subsumed with other forms of the creation of regions[14] under the term regionalisation.

2.2.3 Regionalism and Regionalisation

Two concepts that can hardly be bypassed in the discussion about CBC are regionalism and regionalisation; two terms which are not necessarily new, but received new heights of attention and new substance with the growing significance of the region in Europe. Regionalism and regionalisation are used as diversely as the terms region and border discussed above.

Regionalisation and regionalism received a new meaning in parallel to the upsurge of the regions in Europe and imply in their widest sense political ideas creating and/or empowering regions. SCHMITT-EGNER (1998, 52) distinguishes between a bottom-up concept from within the regions (regionalism) versus a top-down approach (regionalisation) coming from the national and supranational level, both seeking to increase the significance and the influence of the regional level. He makes another distinction between national and European regionalism, the first referring to regional political and social movements, which aim at an emancipation from the unitary state. European regionalism would be the rising significance of the regions as an actor of European politics (SCHMITT-EGNER 2005), in some literatures this phenomenon is called "new regionalism" (e.g. HAMILTON 2004 quoted in FÜRST 2007; 355) [15]. According to FÖRSTER (2005), regionalisation is the result of spatial processes in politics[16] (e.g. empowerment of regions within the state), in the economy (e.g. regional networks) as well as in a socio-cultural context (the significance of the "regional"). To him, regionalism in Eastern Europe has a slightly negative connotation[17], being the emancipation of regions

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[14] e.g. establishing a NUTS II level in the new EU member states.

[15] Some researchers consider new regionalism the recent supranational phenomenon of states forming (trade) alliances such as NAFTA, MERCOSUR and the EU (SÖDERBAUM 2003, KRÖCHER 2007, TELÓ 2007)[15]. These supranational agreements came up already in the middle of the 20th century, but were predominantly failures[15]. In the light of the new regionalism those unsuccessful initiatives are called old regionalism.

[16] In some literature it is used synonymously or similar to decentralization (q.v. BENZ 1999).

[17] Also STADLBAUER (1997) highlights the somewhat negative aspect of regionalism in East- and South East Europe by pointing out the fear of the current governments to give up competences and thus power, a fear that originated in the older but still existing form of ethnic regionalism and is now directed towards the regionalisation required by and the regionalism supported by the EU accession or rather membership.

leading in the worst case to separatism (q.v. GROß & SCHMITT-EGNER; 15). The positive contextualised regionalism, meaning a positive and necessary empowerment of the regions can be found in Western Europe behind the concept "Europe of the Regions".

SCHMITT-EGNER (1998, 2005) and SCOTT (1999) use the term regionalism further in the context of cross-border (SCOTT) and transnational (SCHMITT-EGNER) levels, the latter going as far as to subsume cross-border interactions under the term transnational regionalism (see also the definition in chapter 2.2.4). Scott is less coherent with the use of terms but eventually, though less thoroughly funded, concludes similarly to SCHMITT-EGNER that transfrontier-regionalism is a form of cross-border cooperation. He then goes one step further and also links this concept to cross-border governance (see also chapter 2.3).

2.2.4 Cross-border Cooperation

Trans-national regionalism is one of the few efforts to put a theoretical cast explicitly on CBC. With this concept SCHMITT-EGNER (1998) attempted to find a comprehensive theoretical approach to CBC, describing it on the basis of the terms region and border and concluding with the definition of trans-national regionalism as *"cross-border interaction between neighbouring or not-neighbouring regions and their actors without the interposition of the respective nation states."* (translation by the author) and cross-border cooperation as: *"trans-national interaction between neighbouring regions and their actors in order to preserve, manage and develop a common environment."* (translation by the author)

Other definitions are either more general:

Council of Europe (Madrid Convention) 1980: *transfrontier co-operation shall mean any concerted action designed to reinforce and foster neighbourly relations between territorial communities or authorities within the jurisdiction of two or more Contracting Parties and the conclusion of any agreement and arrangement necessary for this purpose.*

And MATTOUG (1998) objectively speaking that CBC exists when a common strategy is pursued by the means of a common conception and working process

Or more precisely:

PERKMANN (2003; 15) inductively reached his definition through empirical generalisation, avoiding any strong assumptions on the essence of regions or border communities attributing to CBC the following four criteria:

1. CBC must be located in the realm of public authorities

2. CBC refers to collaboration between sub-national authorities (actors are normally not legal subjects according to international law and are not able to conclude international treaties. In conclusion CBC is often based on informal arrangements.

3. the foremost concern of CBC is practical problem-solving in a wide variety of every day administrative issues

4. over time, CBC involves a certain stabilisation of cross-border contacts, i.e. institution building

While SCHMITT-EGNER intentionally tried to find a general definition for CBC and criticised the definition – although operational – because of its limited scope, PERKMANN highlights the precise character of his definition.

However, in many cases researchers and scientists refrain from a definition of CBC at all. While an operational confinement of the term can be useful, it seems questionable to try to find one universal theoretical definition in order to explain CBC. Its complexity and contingency upon situations and contexts ask for adequate approaches depending on the character of each case. All SCHMITT-EGNER (1998) does is creating typologies that do no more than describe different contexts. Its potential ends when it comes to explain processes, interactions and lines of decision making in CBC. In order to achieve this at first glance certain governance concepts are deemed to be suitable, due to their flexibility and adaptability. In the following chapter the potential of governance as an analytical tool for CBC will be scrutinised.

This thesis works under the assumption that the grade and quality of institutionalisation is essential to the success of CBC, therefore, informal CBC, being less relevant[18]; will be left out

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[18] Drawing attention to the definitions of CBC, informal aspects were always excluded explicitly.

of this thesis. Another assumption is that CBC is an incentive and pushing factor for cross-border regional development[19], which should also be one of the core aims of all CBC.

2.3 Governance Concepts as an Analysis Tool for CBC

CBC is very much EU dominated. In the new EU countries and at their borders even more so than in the old ones, where an evolution has taken place since the 1950s until the late 1980s, that was mostly independent from EU policies.

When hierarchical steering theories seize to explain control mechanisms, governance concepts can be used in order to set up a complex analytical tool with a new perspective.

It should be considered that the interaction, cooperation- and coordination processes in the new member states might not (yet) function in the same ways as they do in the old member states, where either federalism is a long practised form of governing or regionalisation processes have changed and multiplied levels of decision-making. The complex structures and processes within the European Union go down to at least the regional level and therefore require adapted analysing-tools for different countries and situations, especially when it comes to CBC at the external borders including yet another political and therefore governance regime.

The regional level congregates a diverse mixture of actors being a still new and controversially discussed stage of political activity. Since competences are not harmonised and distributed yet, insecurities, ineffectiveness, but also opportunities arise, when collective actors need to coordinate their decision making. The cooperation requested can be seen before the conceptual background of governance.

2.3.1 Governance

Nowadays, governance is a popular term in social sciences and as such used freely and incoherently in and outside the political arena. This often negligent handling entices to perceive governance as a short-term trend word without any scientific value. The author

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[19] We understand regional development as a holistic and sustainable way of progress and development in a region (according to the respective definition) that comprises politics, the economy, the environment as well as all social and cultural aspects.

however, considers the governance approach very useful and is therefore following the *Handbook of Governance* by Arthur BENZ et al. (2007a) in the core understanding of this chapter. Therein Benz comprises the term governance in its most modern and general understanding as "*all forms and mechanisms of coordination between more or less autonomous actors, whose actions are interdependent and are thus able to mutually impact or support each other.*" (translation by the author)[20]. He uses governance as an analytical concept[21], the characteristic of which is not the exact description of reality but its certain perspective on reality. Therefore, governance must be seen as contingent upon the situation, in the context of a respective theory and in the setting of different levels[22]. MAYNTZ (2005) elaborates the difference between the steering theory and governance and reaches the same conclusion on a definition as Benz, where Governance in general comprises all essential forms of coordination of activity. A narrower variation of the term, she claims characterises governance as the antagonism of hierarchical steering and cooperative regulation, implying the involvement of private, corporative actors.

There are several other forms of use for governance next to analysis, all of which are in one way or another linked to the analysis-tool described (BENZ et al. 2007a; 14-15):

The descriptive term comprises the fact that in modern societies collective decision-making happens more and more in non-hierarchical forms of cooperation between public and private actors. In order to understand these forms of policies an analytical instrument is needed.

The normative term refers to concepts such as "good" governance (i.e. norms like democratic responsibility, transparency etc.) or "New Public Management". If the pretences that these concepts claim to have are actually realistic, can only be verified by applying an analytical instrument.

The applied concept relates to governance as a technique of governing, which derives from the normative concept of "good" governance as used for example in the White Book

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[20] Other definitions are e.g. by SCOTT (1999; 606): the establishment and acceptance of a set of rules of conduct and norms (as embodied by social institutions) that define practices, assign roles and guide interaction so as to grapple with collective problems; or by HOOGHE and MARKS (2003; 1) who define governance as binding decision making in the public sphere.

[21] Governance is not a theory but open for a pluralism of theories (BENZ et al. 2007a)

[22] Local, regional, national, international, transnational etc.

Governance issued by the European Commission and refers to management of interdependencies, networks and systems of negotiation.

FÜRST (2003) suggests opposed to the normative term an **empirical approach**, which would then comprise as well the descriptive as the applied concept as sub-categories.

A variety of governance mechanisms and forms as well as different theoretical approaches will be presented as follows and testify to the complexity of governance regimes[23] that can be found.

2.3.2 Governance Mechanisms and Forms

Governance *mechanisms* are generalisable findings on the development and effects of regulatory systems as well as on the behaviour of actors in collectives (LANGE/SCHIMANK 2004; 23-24, quoted in: FÜRST 2007; 357). The available basic forms of collective action in modern society are already well analysed and an important precondition for the description of the effectiveness of governance. The coordination of activity that is achieved by the following selection of mechanisms relies on simple, elementary mechanisms (SCHIMANK 2007). These are "*exit*" i.e. the opportunity to leave an actor constellation without consequences; *reciprocal observation*, being the one-sided or mutual assimilation of the respective actions to the perceived actions of others; *reciprocal interference*, which happens on the basis of reciprocal observation by the means of potentials of interference; and *reciprocal negotiation* (q.v. sub-chapter 2.3.2.3) (LANGE & SCHIMANK 2004, SCHIMANK 2007)

2.3.2.1 Negotiation

Negotiation is a form of social interaction between equal actors that strive for a common decision by means of direct exchange of aims, offers and arguments. It is a basic form of collective action that occurs e.g. in organisations, networks, the market and competition procedures (BENZ 2007b; 106). Negotiation may be a form of governance as well as a governance mechanism, the latter being a way to reach coordinated action while the first

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[23] Governance *regimes* are the concrete types of governance in different contexts (q.v. LANGE/SCHIMANK 2004; 23-24, quoted in: FÜRST 2007; 357).

addresses the structure of interaction, that treats all negotiating actors equally in terms of communication and decision rights[24].

BENZ (2007b, 110-112) describes three main modes of negotiation, which, in reality, occur in different combinations of each other:

1. Position-oriented negotiation: the actors involved are bargaining and agreeing on a barter or compensation payment, while on each side the most important position can be maintained.

2. Compromise-oriented negotiation: step by step approximation of the different positions with a compromise as a result

3. Understanding-oriented negotiation: rational arguing on all sides in order to convince the others.

Fruitful negotiation is only possible when the often occurring mutual blocking situations can be overcome[25]. Personal communication that creates trust (q.v. networks 2.3.2.3) may facilitate negotiation. While networks help to reduce difficulties, in hierarchic organisations a superior authority might be able to take over the decision when no consensus can be reached, while in political competition or in the market, negotiating is highly complex and difficult (BENZ 2007b; 116).

2.3.2.2 Political Competition

Competition is social interaction between actors, who strive for a good or aim that is not equally accessible to both of them. If the actors aim at power or offices, social recognition or the quality of services we talk about political competition. This may happen between political actors such as states, governments, parties, regions, communes or organisations between the market and the state (BENZ 2007c; 54). This competition mechanism generates coordinated action from opposite interests. BENZ (2007c; 54-56) names seven basic elements of the mechanism.

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[24] Governance is sometimes confused with the governance form *negotiation* as the mere involvement of non-governmental actors into state-decisions, which would, however, exclude other coordination mechanisms (BENZ 2007b; 106).

[25] Being the first to cooperate might bring you in a disadvantaged position, while others might exploit that situation BENZ 2007b; 111)

1. Despite diverging individual interests the striving for the same aims and goods directs the actors' action into the same direction.

2. Comparative advantages. Competitive interactions have a social dimension because of the consideration of and the reaction to the actions of the competitors. Within political competition the prospect of power, approval and additional resources – always in comparison to the other actors – are a decisive element.

3. The standards for the above-mentioned comparison are not set by the actors themselves but by other actors, who are entitled to such judgement. In the political field that may be experts who evaluate, citizens who vote or actors with an exit-option (e.g. mobile tax-payers).

4. The coordination of independent actors induced by reciprocal assimilation and observation.

5. The results of competition are open. The realisation of aims or goods depends solely on the efforts of the involved actors that are stimulated by the competitors (HAYEK 1964; 250. quoted by BENZ 2007c).

6. Dual coordination-effect. Increased output through reciprocal assimilation towards one aim on one hand, on the other hand a paretho-optimum, meaning that the results are the optimum interactions since no actor can offer a better alternative.

7. Basic institutionalisation is essential for competition in order to serve as a coordination mechanism (e.g. identical measuring methods; guarantee of competitiveness; code of conduct, in order to secure the existence of the mechanism).

2.3.2.3 Networks

From the most neutral point of view, networks contain a number of actors that are connected by an amount of relations with certain content (WALD & JANSEN 2007; 93). Networks, whether seen as a combination of market and hierarchy elements or a self-standing governance form, have certain basic advantages in common (WALD & JANSEN 2007; 96). These are the relative equality and autonomy of the actors; more horizontal than vertical relations between the actors; the high autonomous as well as multi-lateral capability of assimilation; and foremost, having the ability to form trustful cooperation. Trust is vital in

that context since effort and reward are not exactly quantifiable and neither hierarchic nor decisional authorities are given.

Network effects are capable of reducing the coordination, information and motivation problems of governance. "Structural embedded action"[26] as a means of creating trust through the embeddedness in multiple relations, is one of the best known network effects.

2.3.2.4 Path Dependence

Path dependence is an often used but also more and more criticised concept that relates to continuous, incremental developments, which are determined by the past[27]. Even though they lead to insufficient conditions these developments do not necessarily cease to exist or change (WERLE 2007; 119). Path dependence has been especially featured within the renaissance of institutionalism.

In social sciences past-determined phenomena such as standard operating procedures, bureaucratic inertia or institutionalist indolence are well known and lead to an adaption of the concept that originated in economics (WERLE 2007; 122). Transaction costs can be reduced by means of conventions that overcome coordination problems (e.g. language), a certain solution becomes more attractive the more it is practised.

The two elementary conditions for path dependence, *increasing returns* and *positive feedback* have been postulated by ARTHUR 1989 (quoted in: WERLE 2007), the creator of the approach, and are still fundamental to all adaptations and extensions of the concept.

Within the recent approaches, PIERSON and MAHONEY (quoted in: WERLE 2007) emphasise that processes of self-amplification are also caused by power, norms or traditions as well as utility and functionality. In table 1 Mahoney promotes four path dependent processes of institutional reproduction that, however, already include mechanisms that allow change, which leads us to the critique of the concept that has, while being handed over from the economical to the social and to the historical institutionalism, turned out more and more inarticulate.

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[26] "Structural embedded action" is a concept by GRANOVETTER, which claims that additionally to economic barter-relationships other types of relationships are playing a role between actors (WALD & JANSEN 2007; 98)

[27] MAHONEY (2000; 510) argues that the concept is more complex than simply past events influencing future events. The question according to him should be "how process, sequence and temporality can be best incorporated into social explanation.

In a nutshell, the criticism has been inevitable due to the overly strict lock-in aspects and the predetermination that overestimates social inertia and underestimates the strategic capabilities of individual and cooperative actors to purposefully create new lines of development.

Table 1: typology of path dependence explanations of institutional reproduction (MAHONEY 2000)

	Utilitarian explanation	Functional explanation	Power explanation	Legitimation explanation
Mechanism of reproduction	Institution is reproduced through the rational cost-benefit assessment of actors	Institution is reproduced because it serves a function for an overall system	Institution is reproduced because it is supported by an elite group of actors	Institution is reproduced because actors believe it is morally just or appropriate
Potential characteristic of institution	Institution may be less efficient than previously available alternatives	Institution may be less functional than previous available alternatives	Institution may empower an elite group that was previously subordinate	Institution may be less consistent with values of actors than previously available alternatives
Mechanism of change	Increased competitive pressures; learning processes	Exogenous shock that transforms system needs	Wakening of elites and strengthening of subordinate group	Changes in the values or subjective beliefs of actors

2.3.2.5 Policy Transfer

The discussion about policy transfer focuses on processes of concrete import and export of policy content, its mechanisms, contents and results. Therefore, the core aspects are the processes through which policy-relevant knowledge it utilised for another policy development. Policy transfer assumes that these imports and exports are intentional, thus, the role of the actors – "agents of transfer" – is also crucial (LÜTZ 2007; 134).

Globalisation and forms of new regionalism paved the way for policy transfer studies nowadays (e.g. European Studies, International Relations). Different levels of transfer exist; hence the convergence of political models is not a predisposition. The following levels of policy transfer can be distinguished (LÜTZ 2007; 135):

- Copying: taking over a programme and applying it in the exact same way in another jurisdiction

- Adaptation/Emulation: recognising a programme as a best practise example and using it as a model

- Hybridisation/Synthesis/Combination: the combination of elements of different policies

- Inspiration/Influence: creation of self-developed solutions on the basis of the study of other concepts as an intellectual stimulus

A consensus about the mechanisms of policy transfer has not yet been reached, though the basic ideas are similar. LÜTZ (2007; 136-139) suggests hierarchy, competition, negotiation, deliberation and uni-lateral policy shopping.

Policy transfer can be favoured or handicapped by endogenous (e.g. cultural, institutional and socio-economic similarities in the broadest sense) and exogenous factors, the latter meaning different forms of embeddedness (e.g. into communication networks), by transfer agents or private advocacy networks, as well as by the suitability of the transfer object.

The concept is criticised because of the difficulties to distinguish it from other policy-making concepts, however, there is an evident analytical potential in combination with the governance concept.

2.3.2.6 Hierarchy

Even though it seems that hierarchy does not fit into a concept such as governance, throughout the research process it became clear that it is also an existing governance mechanism. Also BENZ et al. list it as a coordination instrument in governance. Hierarchy refers to a principle of organisation or process based on the sub- and super-ordination of functions, persons, organisations and organising elements (MORSTEIN-MARX 1965, quoted in: DÖHLER 2007; 46). It has often a negative connotation and is considered less efficient and flexible than cooperation or competition. This negative understanding is rooted in the different and hardly ever explicit appearances. It is often an already present organisation mechanism, which works due to silent acceptance; enforced as a means of steering it often raises resistance. In its most popular meaning within social sciences as coordination- and

steering mechanism it has been used i.a. as an answer to market failure or stilted transaction costs (DÖHLER 2007; 47-48). Even though a broad de-hierarchisation is often propagated DÖHLER 2007 sees a change of meaning only between micro- and macro dimensions. In the latter, between state and society, hierarchy is losing importance, while on the micro-level many hierarchic structures and processes remain intact. While adequately applied hierarchic coordination can indeed be a functional governance mechanism, in its negative connotation hierarchy can only be a sign of a defect governance regime.

The above-described mechanisms are only a selection of those listed by BENZ et al. and are suggested by the author to be the most relevant for the subsequently described forms of governance. Still, the central conclusion of WIESENTHAL's Theory of social coordination-mechanisms (quoted in DÖHLER 2007; 52) shall be kept in mind: "*Every single mechanism individually might be problematic. The maximum efficiency can be reached in combination with elements of other coordination mechanisms only.*" DÖHLER supports a governance debate that includes the mixture of different coordination mechanisms but emphasises the preference of hierarchy-free solutions.

2.3.3 Multi-level Governance

The term multi-level governance has been formed within European studies and has first been used by MARKS (1992, quoted in: BACHE & FLINDERS 2004) in the context of the reformation of EC structural policy in the late 1980s; however, federalism studies have dealt with the phenomenon for quite some time. The increasing significance and involvement of the regions within EU matters in general and especially through the regionalisation of the EU structural policy can be seen as incentives towards the formation of the term (BENZ 2006; 95).

In its core, multi-level governance comprises the fact that in an institutionally differentiated political system, actors on different levels are reliant on each other and have to coordinate their decisions. The overvalue of the concept comparing it to federalism and organisation research lies in the description of cooperation and interaction patterns in addition to the structure of multi-level organisation (BENZ 2007d; 297). Also SCHARPF (2002; 35-39) emphasises the added value of multi-level governing comparing it to various approaches from within Political Sciences (e.g. International and European studies)

Due to dependencies between the development on the local, regional, national and international level an increasing need for coordination between those levels can be asserted. The more competences are relocated to the regional and local levels, thus decentralised, the higher the need for coordination between these authorities. Some interconnections between bodies on different tiers are often already laid out in the institutional structures of a multi-level system (BENZ 2006; 97).

While BENZ (2007d) suggests different forms or contexts for multi-level governance, the presented paper shall work on the home ground of the concept – European Union Regional Policy (BACHE 2004; 165) and claims that multi-level governance on the European Union level comprises most of the other differentiations that BENZ makes (i.e. intergovernmental relations between states; policy networks within federal states and multi-level governance by means of competition).

Multi-level governance on the national level has traditionally happened in federal states, while in most other states forms of decision-making processes where centralised on the national level. Models of analysis for federal states have been transferred to regionalised states or unitarian states in order to scrutinise processes of implementation of programmes and laws in decentralised administrations or local authorities (BENZ 2007d; 302)[28].

In his definition of multi-level governance MARKS (1996, quoted in BENZ 2007d; 301) highlights the fact that the state as one actor is being disaggregated and the power of decision of individual public authorities is requested. He claims that public actors pursue manifold and even conflicting objectives and postulates a significant variation in their scope of influence on the different governance levels, between different policy fields and even within them.

Multi-level governance in the European Union is characterised by highly developed and differentiated institutionalisation that includes existing multi-level systems within the member states or requests the establishment of such. The EU only has very limited competences, therefore, European policies are the result of negotiations (q.v. 2.3.2.1) among European, national and regional actors, these actors are not only government representatives

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[28] The question if these models can be applied on centralised states, whose main reason for rapid decentralisation is EU accession, cannot be answered at this point.

of these levels, but also include experts from interest groups on the various levels (BENZ 2007d; 301).

Competition for locations and services is also highly relevant for coordination in a multi-level system such as the EU (q.v. 2.3.2.2) – only to mention the catch word "Wettbewerb der Regionen", who compete for location, population and funding.

BENZ (2007d; 308) claims that because of the complex coherences of multi-level governance its dynamics are path dependent (q.v. 2.3.2.4) and therefore inflexible and resistant to changes. Through constant tensions caused by claims to power and policy-blockades intentional or unintentional changes occur.

In this paper the multi-level governance approach by BENZ is obviously favoured over others, because of the comprehensiveness and distinctiveness of his views and the near ideal usability for the purpose of this thesis. However, other approaches shall not go unnoticed[29]: Especially the work by Lisbet HOOGHE, often in cooperation with Gary MARKS, throughout the last 20 years has been highly relevant for the development of multi-level governance concepts. Their 2003 paper about types of multi-level governance is widely published. They distinguish two fundamental types of multi-level governance and refer to them simply as Type I and Type II; Type I being based on the federal model, while Type II provides a complex and flexible vision of governance (q.v. table HOOGHE & MARKS 2003). In the following chapter 2.3.4 two approaches to regional governance by FÜRST (territorial and functional) will show similar characteristics and thus an idea of how tightly interlinked these two concepts can be.

2.3.4 Regional Governance according to Dietrich FÜRST[30]

Regional governance has its origins in England, where a regional level did not formally exist and was only introduced along with the expansion of EU structural funds and the *Enabling-state Concept* (FÜRST 2003; 442). It addresses the question of "how, in an increasingly fragmented world, development processes on the regional level can be realised?" (FÜRST 2007; 353)

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[29] E.g. BACHE & FLINDERS 2004; a broad variety of publications by SCHARPF (e.g. 1998; 2002); GUALINI 2004;

[30] The author realises that there is a number of authors dealing with regional governance, however it appears that Dietrich FÜRST has mainly led this discussion and brought most relevant aspects together in his explanation.

Regional governance can be described as those interaction patterns that result from the cooperation of different actors (political/administrative, economic and civil) in respect to community issues in order to avoid suboptimal decisions as result of a lack of coordination[31] (q.v. FÜRST 2007; 354). If, for example communities in peripheral border regions are facing common problems such as an aging population, emigration and a deteriorating infrastructure, individualistic thinking within the local and respectively the regional population and administration would lead to a positive feedback and an amplification of those negative trends. Therefore, individuals as well as corporate actors need to be included into planning as well as decision-making processes in order to have a chance at reversing these tendencies, by creating a common identity and responsibility.

Even though there is still no international consensus on most aspects of regional governance, within the German language area regional governance refers to network-like regional formations of self-steering explicitly including actors from politics, administration, economy and/or civil society that aim at advancement of regional development. The focus lies less on horizontal cooperation than on vertical, but does consider the interconnections with forms of multi-level governance (FÜRST 2007; 356). Definitions in general depend on whether the concept is used normatively (Good Regional Governance q.v. PÜTZ 2007) or empirical-analytical, and whether abstract mechanisms or concrete regimes are at stake (FÜRST 2007; 355).

The necessity of a new perspective on social steering processes results from the changing contexts of cooperation. The borders between state and society are moving, they are becoming more diffuse and are opening up, handling more and more activities of the state and the communes in cooperation with private actors or are outsourcing duties to private entrepreneurs. Traditional law is often exceeded in capacity with these new forms of cooperation, which are often hardly institutionalised and therefore difficult to grasp by public law. Ultimately there is the increased relevance of the region as a field of action (FÜRST 2007; 354-355).

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[31] The Prisoners dilemma as part of the Game-theory often appears within governance approaches as being the negative example in the case of strong individualism that leads to none or failed coordination.

FÜRST (2003, 2007) distinguishes two approaches in regional governance. The territorial approach is based on a defined region as a common foundation for cooperation and development – it is the approach of politicians who are institutionally bound to their administrative area. The territorial approach is therefore represented by e.g. regional managements, regional development concepts and regional Agenda 21 processes. Territorial governance is problematic because it needs a representative region and therefore has mostly to rely on local political actors as driving forces, who tend to realise local self-steering processes as a zero-sum of regional cooperation. On the other hand functional governance patterns address those who are interested; they are problem-oriented and usually deal with economic issues. They are more exclusive and therefore tend to have a disintegrating effect on the region and hinder consistent regional development. FÜRST 2003 raises the question on how important the reference to a defined region is, since especially economic actors and their reference areas are usually not restricted to administrative regions.

However, some consensus has been reached so far on certain characteristics of regional governance that seem to be generally applicable (FÜRST 2007):

- Tendency towards institutionalisation: There is a necessary minimum set of rules in order to reach a consensus and allow efficient processes.

- Context dependence: Depending on the context different mechanisms are relevant. Since contexts are historically evolved, path dependency is playing a considerable role in governance (LANGE & SCHIMANK 2004; 27)

- Collective action: requires that the need for action is realised by a considerable group of actors, which demands learning. Further collective learning processes are being enhanced by "opportunity structures", which are general conditions that influence the perception and the thinking patterns of actors in the same direction.

- Importance of promoters: A certain leadership is necessary in order to start governance processes, specify the purpose of the collective action and prepare the means and logistics. It is easier for an institutionalised actor to take on such a role than for individuals.

The value-added of the concept according to FÜRST (2004) lies within the adaption to new developments of societal modes of steering, which includes the growing importance of *co-*

production, *co-regulation* in society (e.g. public-private-partnership; collaborative planning); the flight from institutional decision-making into informal professional networks; the growing importance of *civil society*, *social capital* and the *third sector* as well as the changing role of state ("manager", „mediator", „organizer")

There are limits and problems to the regional governance concept, such as the following according to FÜRST (2003 and 2007).

▪ *The commitment of the collaborators*, who are likely to choose the exit-option in case collective decisions are to their unacceptable disadvantage.

▪ *The negative aspect of the principle of consensus*, as a result of which decisions tend to be made on the least common denominator, so that the capacity act can be slowed down significantly.

▪ *Tendency towards neo-corporatistic decision-making structures*, which bypass traditional legitimation patterns, meaning that they exclude certain regional actors from steering processes[32].

▪ *Dependency on external institutions*, which often control the resources that are subject to negations within governance processes (e.g. EU structural funds).

▪ *Tensions between territorial (politicians) and functional (experts and entrepreneurs) points of view*

▪ *The lack of sustainability*

▪ Additionally the same problems that networks are confronted with occur (questionable stability and efficiency under changing contexts; lacking obligation that leads to an unsanctionability of actors)

Related research fields that entail coordinated action within regions and that influenced the governance discussion would be corporatism studies, urban-regime studies, political networks, milieu studies, participations studies as well as cluster studies.

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[32] In some cases however this is not restrictive but these patterns improve political decisions, offering a content wise richer and interest wise more balanced and realisable result (FÜRST 2007; 362)

2.3.5 Cross-border Governance

Many scholars admit that governance is not a theory but rather a heuristic concept that has its value added because of its new perspectives on social steering processes and a bridging effect that is able to integrate various relevant theoretical approaches.

Most governance concepts such as the above described multi-level and regional governance are not yet unanimously defined, but in their current shape useful in explaining and analysing European, national and regional steering processes, which are again essential in order to work with regional development and cross-border cooperation. However, so far the transnational perspective – even though somehow present in multi-level governance – has not been concretely addressed, which leads us to the term cross-border governance.

Cross-border governance has emerged throughout the last years (GUALINI 2003, SCOTT 2002, KRAMSCH & HOOPER 2004, LEIBENATH et al. 2008 and others) and has been used in the context of CBC and especially Euroregions. Yet, hardly any attempts for substantiating and classifying the term have been made. Some authors have therefore simply disregarded it and used other concepts such as regional governance (e.g. DEPPISCH 2007)

The question at stake is: What characteristics should cross-border governance have in order to be a legitimate concept to describe CBC? And: Do multi-level governance and regional governance provide aspects necessary to a certain point for defining cross-border governance?

GUALINI 2003 is one of the view researchers, who addressed cross-border governance more concretely by scrutinising the sources and challenges within the light of three interconnected dimensions that converge around institutionalisation as a key challenge:

1. The political-economic dimension relates on the one hand to the changing economy of cross-border regions as a result of the transformation of the meaning of borders[33]. On the other hand it refers to the intentions of local political actors (i.e. access to funding; cost benefit sharing; etc.) and the threats that are caused by the low level of institutionalisation of cross-border initiatives (e.g. political opportunism; the consolidation of neo-corporatist patterns; etc.). Finally GUALINI addresses with this

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[33] E.g. peripheral regions that where traditionally net-beneficiaries from transfers of welfare economies, start to rely on their endogenous potentials.

dimension the strict relation between the emergence of European multi-level governance and the development of local self-centred cross-border initiatives.

2. The institutional dimension addresses the fact that cross-border governance is submitted to institutionalisation processes. These processes are occurring in different variations and are initiated often by EU policies but also as bottom-up ventures. GUALINI requires institutional experimentation in order to overcome the challenges faced throughout these processes (e.g. a diffuse public sector dominance in the conduct of cross-border affairs; administrative complexity and bureaucratic redundancy; the persistent dependence of local cooperation on exogenous incentives).

3. The symbolic-cognitive dimension entails aspects such as regional identity and the invention of communities related to the evocation of images and cultural symbols, as well as the fact that in order to reproduce a regional consciousness a contribution of economic, political, legal and cultural institutions might be necessary

What GUALINI does not achieve, is to substantiate the term cross-border governance. While he distinctly points out different challenges of cross-border governance, he could have easily used the term cross-border cooperation, which still would not justify cross-border governance as a concept for analysing cross-border cooperation.

In some literature we find the term *cross-border regional governance*, which already implies that cross-border governance could be a sub-category of regional governance. Considering the definition of CBC in chapter 2.2.4 regional governance according to the preceding chapter seems to describe quite extensively interaction processes that happen within CBC, however, lacking the border respectively cross-border aspect and the thereby created challenges and effects on governance mechanisms and processes.

According to the above described forms of governance cross-border governance could be defined as those interaction-patterns that result from the cooperation of different actors (political/administrative, economic and civil) in order to achieve common regional development across different jurisdictions.

Mechanisms and related theories would therefore be similar to those within multi-level and regional governance, however, with different focal points. For example in her dissertation

DEPPISCH (2007) connects the actor-centred institutionalism to regional governance in order to scrutinise cross-border governance processes.

If we relate to the cross-border governance dimensions of GUALINI and try to connect them to the multi-level and the regional governance concept, some conclusions on core characteristics of cross-border governance can be drawn:

Cross-border governance is inevitably embedded in a multi-level context (q.v. GUALINI'S second dimension) which can be caused e.g.

- By the need of external funds

- By the need of basic incentives for CBC (provided by e.g. EU policy transfer or international networks)

- By the fact that necessary competences for cooperation are located at the national or maybe even international (EGTC) level.

Concerning regional governance and GUALINI'S first and third dimensions, cross-border regional networks play a crucial role in cross-border governance systems:

- They require and are able to create trust, which is essential for successful negotiation and hence for functional cooperation

- They facilitate and support institutionalisation

- They create and spread regional consciousness in all public spheres (political, cultural, social, economic)

- They provide incentives for necessary bottom-up initiatives

- They enhance communication

The issues that FÜRST addresses in regional governance and GUALINI in the dimensions of cross-border governance are also confronting networks (q.v. pp 30-42). They could be met with certain soft hierarchical structures that facilitate and accelerate decision-making processes.

The cross-border relevance of path dependence can be seen in institutional relations and communication processes, which can be both positive and negative in their increasing returns and feedbacks.

This list of characteristics enables the identification and analysis of cross-border governance. However, this thesis offers only limited space so the more detailed and concrete argumentation[34] for the legitimisation of cross-border governance as an analytical tool for cross-border cooperation has to be postponed.

CBC and Governance Concepts – Intermittent Résumé I

It is unfortunate that the use of the term *governance* is used carelessly and unsubstantiated, which makes it difficult to achieve a clear position and definition of the term.

However, widely questioned governance concepts might be, in this thesis they are – even though not entirely figured out – accepted as a valid concept according to the definitions given in this chapter. Therefore, the author suggests using cross-border governance as an analytical tool for cross-border cooperation in the same sense that regional governance serves to analyse regional cooperation and development processes. The author is aware that there is yet more substantial work needed in order to line out the concept adequately.

There are many further points for discussion in respect to governance concepts that cannot even be tackled here, especially considering that from now on cross-border cooperation in the youngest Member States is of core interest – e.g. governance within the context of transformation or the fact that the formerly communist EU members do not have a history of formal cross-border cooperation.

Going on with the description of cross-border cooperation at the external EU borders will however, enlighten some of the afore-mentioned theoretical considerations and in the end open up even more questions.

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[34] A close analysis and comparison of the empirical work on cross-border governance that has been done so far and then a deduction of the relevant mechanisms that can then be compared to the respective related governance concepts.

3 The EU-Framework for Borders and Cross-border Cooperation

3.1 EU Cohesion Policy – The Structural Funds

The European Structural Funds have existed since the first treaties constituting the European Communities were put into force in the 1950s. Even though the first two Structural Funds[35] were already created in 1958 and the European Regional Development Fund (ERDF) in 1975 only the Single European Act in 1986 incorporated the Structural Funds into the EC treaties and therefore made them officially an EC matter.

"In order to promote its overall harmonious development, the community shall develop and pursue its actions leading to the strengthening of its social and economic cohesion.

In particular the Community shall aim at reducing disparities between the various regions and the backwardness of the least favoured regions. [...] The Community shall support the achievement of these objectives by the action it takes through the structural funds..." (Articles 130a-130b, Single European Act)

The action plan adopted in 1988 and initiated by Commission President, Jacques Delors, doubled the financial resources for the structural funds until 1992 and extended the competences of the Community in terms of structural policy (KLODT et al. 1992; 4), which then lead to the first reform of the structural funds in 1989. Important principles for the further administration of the funds include the reinforcement of the principle of multiannual programming, the establishment of priority development objectives, and the introduction of the partnership system with the Member States and the economic and social actors (www.europa.eu). The Delors-programme also laid the basis for the first cross-border cooperation programmes (INTERREG, PHARE etc.).

The Treaty of Maastricht from 1992 can be considered another milestone for EU regional policy: by the incorporation of the Single European Act into the EC Treaty, cohesion became

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[35] European Social Fund (ESF) and the European Agricultural Guidance and Guarantee Fund (EAGGF)

one of the core objectives of the European Union, which was underpinned by the creation of the Cohesion Fund.

Figure 2: Changes of EU structural funding lines for the period 2007-2013 Source: www.bmwi.de, adapted by the author

2000-2006	2007-2013
Objective 1 (regionally limited) - regions with a GDP < 75% of the EU average - former objective 6-areas - objective 1 phasing out areas productive investments infrastructure development of the endogenous potential	**Objective 1** (convergence) - regions with a GDP < 75% of the EU average enterprises infrastructure human resources social integration

Objective 2 (regionally limited)

Regions undergoing structural conversions

Objective 3 (horizontal)

Support for policies and systems of education, training and employment

Objective 2

Regional competitiveness and employment for all non-convergence regions

(horizontal and vertical)

INTERREG III	URBAN II
LEADER +	EQUAL III

Objective 3

European Territorial Cohesion

Regional Development as well as the community initiative LEADER are henceforce operated within ELER.

Regional policy and with it the Structural Funds are subject to constant improvement. While the reformation of 1993 aimed at an optimised and increasingly goal-oriented distribution system, the reforms in 1999 and 2006 were supposed to simplify the funding framework by reducing the funding objectives.

The last programming period (2007-2013) was then characterised by the most profound changes and innovations since 1989. Three objectives are oriented towards the overall goal of the improved "Lisbon Strategy":

Convergence succeeds objective 1 of the previous programming period (2000 – 2006), addressing the regions having a GDP per capita lower than 75% of the EU average. (Allocation: 283 billion Euro, 81.5% of the structural funds).

Regional competitiveness and employment addresses the remaining EU territory. It can be distributed by the member states according to the national programmes in order to manage social and economic changes (Allocation 55 billion Euro, 16% of the Structural Funds)

European territorial cooperation has the purpose to strengthen cooperation at the cross-border, transnational and interregional levels (Allocation: 8.7 billion Euro, 2,5% of the structural funds).

The most important changes include

- the integration of the community initiatives into the three major objectives
- the fact that all areas are now eligible for funding.
- the enforcement of a strategic approach
- the focus on the Lisbon Strategy (growth and employment)

"*Cooperation with countries outside the European Union is no longer aided by the Structural Funds but by two new instruments: the European Neighbourhood and Partnership Instrument (ENPI) and the Instrument for Pre-Accession Assistance (IPA).*[36]" (Cohesion Policy 2007–13 Commentaries and official texts, Luxembourg). This however, does not make the Structural Funds obsolete for CBC at the external borders, the principles and characteristics that have been established

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[36] Only cooperation with non-Member States that do not receive European Union financial assistance (Liechtenstein, Norway, Switzerland, etc.) is still financed via European territorial cooperation.

over the last two decades are still elementary to CBC in all its forms (q.v. chapter 3.2) and there are several overlapping aspects in terms of funding especially with the ERDF.

Cross-border cooperation programmes at the external EU border for the 2007-2013 programming period are constituted by the means of the two above-mentioned new instruments. However, the linkages to the Structural Funds especially the ERDF were not entirely suspended as the quotation might indicate. There are still several ways that especially IPA beneficiaries also receive a share of the funds. The old instruments, which were part of the Structural Funds, will be part of the following listing because their phasing-out is still going on, their relevance is also given because there are no results and hardly any experiences with the new programmes yet..

3.2 Instruments and Programmes for Cross-border Cooperation

Over the years a number of intervention principles[37] have been accumulated that are characteristic for the implementation of cohesion policy. The application of several of these principles to the IPA and ENPI reflect the dual nature of these instruments (enlargement/external policy and economic and social cohesion) when it comes to financing cross-border and transregional cooperation between partner countries and Member States. The principles common to these programmes are [q.v. Council Regulation (EC) No 1085/2006, Regulation (EC) No 1638/2006]:

coherence: Assistance shall be coherent with EU policies and shall support alignment to the acquis communautaire

complementarity: assistance shall complement national measures to promote synergy and enhance impact

partnership: assistance shall be established in partnership between the Commission and the

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[37] complementarity, coherence, coordination, conformity and additionality as well as proportionality, equality, sustainable development and lately the focus on the Lisbon strategy.

beneficiaries, and programming of assistance should be carried out involving, as appropriate, central, regional and local authorities, civil society, economic and social partners

cofinancing (comparable to additionality): assistance shall be cofinanced in order to promote ownership and maximise its leverage effect

as well as **non-discrimination, sustainable development** and **coordination**.

Programming is yet another important and common element to the CBC instruments. It is the means to realise a strategic approach as well as several of the above stated principles. **Multi-annual programming**[38] has become predominant in terms of all CBC instruments, the respective documents however, are different within each CBC strand.

Until the last programming period one of the major problems in implementing CBC projects at external borders were the differring regulations for the different programmes on either side of the border, for 2007-2013 one of the most important improvements was to only have one instrument for each border region that applies for both sides of the border.

3.2.1 The Internal Borders – INTERREG and the Community Initiatives[39]

At the internal borders INTERREG is probably the most important source of funds for CBC initiatives. The first funding period from 1990 to 1993 was entirely dedicated to cross-border cooperation following a back-to-back implementation. The 1994 to 1999 funding period was characterised by a "joint planning but seperate implementation" strategy. Only for the following programming periods the INTERREG strands A, B and C were introduced in order to distinguish between *cross-border cooperation* between neighbouring countries, *transnational cooperation* for large groupings of regions and *interregional cooperation* in order to improve regional development through a large scale information network.

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[38] Until 1994 European funds were distributed annually. Multi-annual programming refers to the allocation of funds according to programming periods of several years.

[39] Community initiatives are first mentioned in the Council Regulation (EEC) No 4253/88 of 19 December 1988 Article 11 "(…) the Commission may, on its own initiative (…) decide to propose to the Member States that they submit applications for assistance in respect of measures of significant interest to the Community not covered by the plans referred to in Title II. Besides INTERREG community initiatives are URBAN, LEADER and EQUAL. The Community Initiatives are more autonomously managed by the Commission than standard regional policies (PERKMANN 1998; 659).

The INTERREG programme has always been a model also for other funding instruments, that would complement it at the external borders, since most of them e.g. the PHARE programme intended to prepare non-EU border regions for the use of INTERREG. By establishing the objective of Territorial Cooperation, increased visiblity and importance were admitted to the funding line which is now in its fourth programming period. By now strand A covers direct cross-border cooperation only at the interal EU borders, however, strand B anc C also cover external border regions.

3.2.2 The External Borders

While at the internal borders CBC has been bundled in one strong and visible programme – INTERREG – there are still two clearly distinguished programmes at the external borders. They are paying attention to the different relations between the EU neighbours. However, the overall objectives are the same:

IPA	ENPI
"Such cooperation shall have the objective of promoting good neighbourly relations, fostering stability, security and prosperity in the mutual interest of all countries concerned, and of encouraging their harmonious, balanced and sustainable development."(Council Regulation (EC) No 1085/2006)	*…to support various forms of cooperation among them and between them and the Member States with the aim of developing a zone of shared stability, security and prosperity involving a significant degree of economic integration and political cooperation*
	…Cross-border cooperation should contribute to integrated and sustainable regional development between neighbouring border regions and harmonious territorial integration across the Community and with neighbouring countries. (Regulation (EC) No 1638/2006)

3.2.2.1 The Old Instruments PHARE CBC, TACIS, MEDA, CARDS,...

The PHARE programme (Poland and Hungary Aid for Restructuring of the Economics) was introduced in 1989 along with ISPA (Instrument for Structural Policies for pre-Accession) and SAPARD (Special Accession Programme for Agriculture and Rural Development). (Council Regulation (EEC) No 3906/89).

PHARE, ISPA und SAPARD were implemented in order to support the accession preparations of the new Member States. The programming period ended in 2003, whereas

contracting was possible until 2005 and funding distributed until 2006. PHARE at first only addressed Poland and Hungary; however, it was soon extended to more and more Central European countries and in the end included all new member countries except Malta and Cyprus, which were part of similar but different funding instruments. PHARE CBC was introduced in 1994, along with the inclusion of six new candidate members into the programme. Its objective was to support the candidate countries in dealing with regional development challenges in the border regions and to address regional disparities, support the cohesion objective and to avoid the creation of economic peripheries. It also aimed at preparing the future Member States for the participation in the INTERREG programme.

The first PHARE CBC funding reached Romania in 1999 (q.v. chapter 4.2.5). The PHARE CBC programming documents for Romania and Bulgaria provided a helpful basis for the ENP and the action plans (q.v. chapter 3.2.2.3). A total of about EUR 163 million (about 10% of the entire PHARE budget) was allocated annually between 2000 and 2003. Around EUR 33 million were added to that amount in 2003 due to the External Border Initiative in order to support CBC projects at the then future EU external borders

TACIS used to be the main instrument of assistance for the Eastern European and Central Asian EU neighbours[40]. Between 1991 and 1999 around EUR 4.226 million were allocated by the European Union. Another EUR 3.138 million were provided for the 2000 to 2006 programming period (EC, EURATOM 1999). The Commission implemented a network of representation offices in the TACIS countries consisting of seven delegations as well as missions in Baku and Tashkent. Within the TACIS programmes different funding lines on the national and regional level could be distinguished; areas such as nuclear safety, regional cooperation and cross-border cooperation, among others. The TACIS CBC programme concerned Russia (Kaliningrad), Belarus, Ukraine und the Republic of Moldova; it addressed objectives such as the improvement of economic and social relations between the border regions. Before 2004 its most important role was to complement the PHARE CBC projects at the external borders of the then accession candidates. Infrastructure projects, especially border-crossings received the most funding, other priorities were resource management,

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[40] EECCA: Eastern Europe, Caucasus and Central Asia: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Republic of Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan

support for the private sector and small projects between regions, cities and local administrations (e.g. administrative reform processes)

Problems faced by the former programmes include

- the poor cooperation mechanisms between INTERREG, PHARE and TACIS

- the lacking focus on infrastructure projects and support of investments

- the missing priority on projects that contribute directly to the living standards in the respective regions

- the lacking involvement of regional and local authorities

- little funding for small projects

- the independent implementation of the same project on either side of the border (LAURIDSEN 2006)

CARDS and MEDA were instruments designed specifically for the Balkans and the Mediterranian and worked similarly to TACIS but under different regulations.

3.2.2.2 Instrument for Pre-accession Assistance (IPA)

Since 2007, the Instrument for Pre-accession Assistance (IPA) has replaced all above-mentioned instruments for pre-accession aid. The funding is now channeled through a single, unified instrument aiming to provide candidate as well as potential candidate countries with focussed and adequate support. The legal basis is Council Regulation 1085/2006, adopted on 17 July 2006. More detailed implementing rules are laid down in Commission Regulation 718/2007 of 12 June 2007. The total pre-accession funding for the current financial framework (2007-2013) is 11.5 billion euro (http://ec.europa.eu/enlargement).

IPA consists of five essential components that are adapted to the respective country's needs and that are coordinated by different directorates of the Commission[41] (q.v. table 2), however, only component I and II are also accessible for potential candidate countries. The idea is to keep potential candidates unter centralised management with the European Commission as a contracting authority. This way the differences in terms of administrative, programming and management capacity are taken into account.

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[41] The Commission's Directorate-General for Enlargement is responsible for the overall coordination of IPA.

	component	coordination	aim
I	Transition Assistance and Institution Building	DG Enlargement	institution building, transition and stabilisation measures
II	Cross-Border Cooperation (with EU Member States and other countries eligible for IPA)	DG Enlargement and DG Regio	cross-border cooperation between candidate/potential candidate countries and between them and the EU countries participation of beneficiary countries in Structural Funds' transnational cooperation programmes and Sea Basins programmes under ENPI
III	Regional Development (transport, environment and economic development)	DG Regio	transport, environment and economic development (i.e. measures similar to the European Regional Development Fund and the Cohesion Fund)
IV	Human Resources Development (strengthening human capital and combating exclusion)	DG Employment, Social Affairs and Equal Opportunities	human capital, combat exclusion (similar to the European Social Fund)
V	Rural Development	DG Agriculture and Rural Development	rural development-type measures

Table 2 : IPA components. Source: DG Regional Policy Website. Table created by the author.

Elementary for the programming within IPA CBC are the partnership documents on the basis of which each border region[42] sets up a cross-border cooperation programme. The implementation regulation by the European Commission sets out detailed rules on the object of assistance and eligibility, programming as well as implementation and circumstancial information on management and control systems. A more profound description about the obligatory authorities and their implementation and interaction will be given within the Romanian case study in chapter 5.

3.2.2.3 European Neighbourhood and Partnership Instrument (ENPI)

The European Neighbourhood Policy implemented through the ENPI was created in 2004 in order to avoid new dividing lines in Europe as a result of the latest enlargement rounds. The

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[42] I.e. all the participating regions based on the NUTS level 3 or an equivalent area along land or sea borders between the Community and the beneficiary countries or between beneficiary countries.

ENP offers privileged relationship to the EU's immediate neighbours by land and sea, building upon a mutual commitment to common values

"The privileged relationship between the European Union and its neighbours should build on commitments to common values, including democracy, the rule of law, good governance and respect for human rights, and to the principles of market economy, open, rule-based and fair trade, sustainable development and poverty reduction."(Regulation (EC) No 1638/2006)

The level of ambition of the relationship will depend on the extent to which these values are shared. ENP remains clearly distinct from the Enlargement process, and offers close cooperation without the status of a candidate or potential candidate. However, it does not deny the future possibility for these countries to maybe reach such a status[43].

The European Neighbourhood Policy applies to Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestine, Syria, Tunisia and Ukraine[44]. Bilateral action plans are the central element of the European Neighbourhood Policy. They set out an agenda of political and economic reforms with short and medium-term priorities such as political dialogue and reform; trade and measures preparing partners for gradually obtaining a stake in the EU's Internal Market; justice and home affairs; energy, transport, information society, environment and research and innovation; social policy and people-to-people contacts.

Since the ENP builds upon existing agreements between the EU and the partners in question, the ENP is not yet 'activated' for Belarus, Libya or Syria since no such agreements are yet in force (Website of the European Commission, 2009).

The ENPI replaces several assistance instruments that were established for different adjoining regions (q.v. chapter 3.2.2.1). It is the means to support the ENP.

Cross Border Cooperation is a central priority of the ENPI. It aims at reinforcing cooperation between member states and partner countries along the external border of the European Union defined by four broad key objectives

- ▪ Promote economic and social development in border areas

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[43] A fact highlighted especially by EU officials, but is highly questioned by national politicians and researchers (q.v. chapter 3.3)

[44] The cooperation with Russia is regulated separately via a strategic partnership based on the creation of four common spaces (as defined at the St Petersburg Summit in May 2003).

- Address common challenges

- Ensure efficient and secure borders

- Promote people-to-people cooperation

Land border programmes between two or more countries that are sharing a common border and multilateral programmes covering a sea basin can be distinguished as the two overall types of programmes[45]. For the 7-year period 2007-2013 1,118,434 EUR have been allocated for the eastern and southern borders of the EU. As indicated above also this strand of cross-border cooperation will profit from the ERDF.

CBC uses an approach largely modelled on Structural Funds principles such as multi-annual programming, partnership and co-financing, adapted to take into account the specificities of the EC's external relations rules and regulation.

ENPI Programming is based on the action plans mentioned above, on the grounds of which joint operational programmes are set up for each border in cooperation between all participating countries, which also appoint the joint authorities requested by the Commission (Commission Regulation (EC) No 951/2007). One major innovation of the ENPI CBC is that programmes involving regions on both sides of the EU's border share one single budget, common management structures, a common legal framework and implementation rules, which is supposed to allow for a balanced partnership between the participants.

3.2.3 European Grouping of Territorial Cooperation (EGTC)

The EGTC is an attempt by the EU to create a new European legal instrument facilitating and encouraging cross-border, transnational and interregional cooperation. It addresses the difficulties encountered so far by regional and local authorities and other public bodies in implementing and managing actions of territorial cooperation within the framework of differing national legislation. The EGTC shall enable public authorities of Member States to deliver joint services, without requiring a prior consent of their national governments[46]. The new instrument addresses the principle of sustainability and the necessity to facilitate and

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[45] 15 CBC programmes (9 land borders, 3 sea crossings and 3 sea basin programmes) have been established along the eastern and southern external borders of the European Union

[46] Member States must consent to the participation of potential members in their respective countries.

follow up the implementation of territorial cooperation actions without a financial contribution from the Community.

The tasks and competencies are defined by a convention, which is applicable under the law of the Member State in which the official EGTC headquarters are located.

Members of an EGTC might be Member States, regional or local authorities, associations as well as any other public body. In terms of third countries the regulation establishing the EGTC is ambiguous:

"The third subparagraph of Article 159 of the Treaty does not allow the inclusion of entities from third countries in legislation based on that provision. The adoption of a Community measure allowing the creation of an EGTC should not, however, exclude the possibility of entities from third countries participating in an EGTC formed in accordance with this Regulation where the legislation of a third country or agreements between Member States and third countries so allow..." (Regulation (EC) No 1082/2006)

It therefore should be seen as an instrument for the internal EU borders. In 2008 and 2009 the national provisions for the implementation of this regulation have been and are being adopted, therefore, the success of this new legal instrument can still not be estimated.

3.3 Neighbourhood Policy vs. Security Policy at the External EU Borders (the other perspective)

The ENPI is part of the European Neighbourhood Policy[47] and reflects part of the External Aid approach of the EU. Cross-border cooperation, which is an essential part of this External Aid is as much in question as the entire Neighbourhood Policy, which is regularly accused of being contradictory in itself. Avoiding new dividing lines, promoting relations, interactions, exchanges across borders versus stricter customs and visa regulations, border security systems and border control:

The importance of a neighbourhood policy – though highlighted in the European Security Strategy (European Council of December 2003), which states that the EU's task is to *"make a particular contribution to stability and good governance in our immediate neighbourhood [and] to promote a ring of well governed countries to the East of the European Union and on the borders of the*

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[47] *"The ENP remains distinct from the process of enlargement although it does not prejudge, for European neighbours, how their relationship with the EU may develop in future, in accordance with Treaty provisions."* (http://ec.europa.eu/world/enp/policy_en.htm)

Mediterranean with whom we can enjoy close and cooperative relations." (European Commission 2004) – contradicts itself when the requirements for external border security are taken into consideration. The desire to have well meaning neighbours with a secure political and economic status opposes the anxiety of illegal migration, human trafficing and other doubtful cross-border transaction.

A number of researchers critically scrutinised European Neighbourhood Policy (e.g. DEBARDELEBEN 2005, BÖTTGER 2005, VAN HOUTUM 2007, VOBRUBA 2007). Indeed, hardly any acrticle on CBC at the external EU borders finishes without a frowning side blow to the contradictory issue. ENP as the answer to an enlargement crisis is a popular aspect as well as the comparision with a gated community (VAN HOUTUM 2007). It is a fact that those countries at the external EU borders are being put into a kind of pickle: on the one hand they have to make friends and establish neighbourly relations while at the same time doubling the guards at the border-crossings – a difficult political dilemma indeed. Countries that have no forseeable chance of EU accession feel put off – the ENPI as a substitute for EU membership (POPESCU 2006; 40).

The EU has adopted a regulation that gives Schengen States the opportunity to conclude or maintain bilateral agreements implementing local border traffic regimes at external EU borders. Fulfilling certain requirements inhabitants of the border regions have the chance to cross without a visa but with a special permit that allows the movement only in the border area up to 50 km into the state (BUFON 2008; 18). This presentation of good will is a first step towards the harmonisation of these contradictory behaviours towards EU neighbours and make them more bareable.

3.4 CBC Support beyond the European Union

Even though the European Union is now by far the biggest contributor and promoter of cross-border cooperation, CBC has not been initiated by the EU. The first incentives came from German, Dutch and Belgian regions in the 1950s. Until the 1980s the Council of Europe played a comparably bigger role in fostering CBC. While the European Union onlay started to support CBC initiatives financially, the Council of Europe had already been working towards improving the legal situation for year. The Madrid Convention (Madrid Outline

Convention on Transfrontier Cooperation between Territorial Communities or Authorities.) in 1980 on initiative of the Council of Europe was a first step towards CBC structures based on public law (PERKMANN 1998; 659).

However, the biggest impact is the financial one and with the introduction of the EGTC, also the European Union made a first step towards a legal basis for CBC – over 20 years later.

Substantial financial input is also provided by the national governments on different levels (q.v. principle of additionality). Also regional and local support is essential for CBC initiatives, therefore, assistance would not be effective if there was no response from the beneficiary level. This however, is an aspect that cannot be considered at this point. Of course national, regional and local actors (e.g. NGOs) will be considered in the case study.

On the European level the AEBR (Association of European Border Regions) is a major contributor to the promotion of CBC apart from the EU and the Council of Europe. Founded in the early 1970s its members include 90 out of the approximately 115 working border and cross-border regions (AEBR www.aebr.net).

For Eastern and South East European countries international foundations (e.g. from the U.S. or Germany) have often brought considerable input just before the EU became active in these regions, where they conducted valuable pioneer work.

Governance and the EU – Intermittent Résumé II

EU (and especially its Cohesion Policy) is a suiting example for governance structures and mechanisms. As described in chapter 2.3.3 it is even the "traditional" context for multi-level governance. It reflects the occurence of governance mechanisms in an eminent form, even though on the national and regional levels the respective structures vary in their quality and efficiency. When reading chapter 3, it is apparent that the character of the coordination processes is not necessarily visible at first sight. However, there are inidcators such as EU iniatives that work based on builiding networks (e.g. INTERACT, INTERREG IV Projects, ESPON, etc.); the partnership principle, which requires negotiation (e.g. the setting up of programming documents); and the more obvious adaption to EU law, which results in policy transfer (e.g. acquis communautaire). The programming and evaluation processes as well as the communication and exchange networks testify to this. This multi-level character is most likely a result of regional governance efforts in the second half of the 20th century. By

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now it is an essential component of almost all CBC initiatives and thus, cross-border governance structures.

Overall, the EU structures are based on negotiations due to the necessity of a consensus or at least majority votes on decisions, in that case negotiation would be a governance form.

4 Romania

This chapter intends to provide a context within which chapter five can be located. Several aspects shall offer different paths to connect the previous sections of the thesis to the consequent case study:

- Political and historical aspects of Romania's borders

- Research projects at Romania's borders

- General issues on CBC implementation in Romania

- The development of spatial planning and regional policy

While most transformation aspects (e.g. economic, political) develop smoothly the social transformation, that effects actors concerned with governance processes and thus the processes themselves are lagging behind.

4.1 Romania and its Borders

### 4.1.1 Historical and Political Background

In East and South East European countries for the time being the final setting of the nation's frontiers was finished only throughout the 20th century. In fact, Romania's borders were consolidated not until after World War II. From the first Romanian nation state until then, the borders were succumbed to constant changes affecting entire historical regions including, excluding and dividing ethnic communities.

4.1.1.1 The Romanian Nation State and the Genesis of Romanian Borders

For several hundred years the Romanian population (then called Vlachs[48]) were under foreign rule either by Hungary or the House of Habsburg (Transilvania, Bucovina, Banat) or the Ottoman Empire (Moldova, Walachia). The Vlachs were effectively second class or even non-citizens, with their own language that existed only in oral form. Throughout the 18th century, Romanian nationalistic movements emerged. However, the Sublime Porte, which

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[48] The term Romania only became official in the mid 19th century when the first Romanian state emerged, before that the people that is now called Romanians were called Vlachs.

granted a highly autonomous state to the principalities of Moldova and Walachia, did not give in to the independence efforts. In 1859 both principalities elected Ioan Cuza as their regent and thereby created the first Romanian nation state, even though it was not internationally recognised and still under substantial influence of the Ottoman Empire. After the deposition of Cuza in 1866 a foreign regent was sought and found in the person of Prince Karl of Sigmaringen Hohenzollern, who became known as the Romanian King Carol I. Under his regency Romania entered the Russian-Ottoman war in 1977 and fought for its independence, for which it had to surrender southern Bessarabia to Russia and gained (again) Dobrudja from Bulgaria, which was still under Russian occupation. Until World War I the young Romanian kingdom turned West for orientation in its economic and political development, thus the modernisation of society was equal to a synchronisation with western institutions (UNGUREANU 2006; 265). Even though the agricultural sector was improved it continued to lag behind the western world.
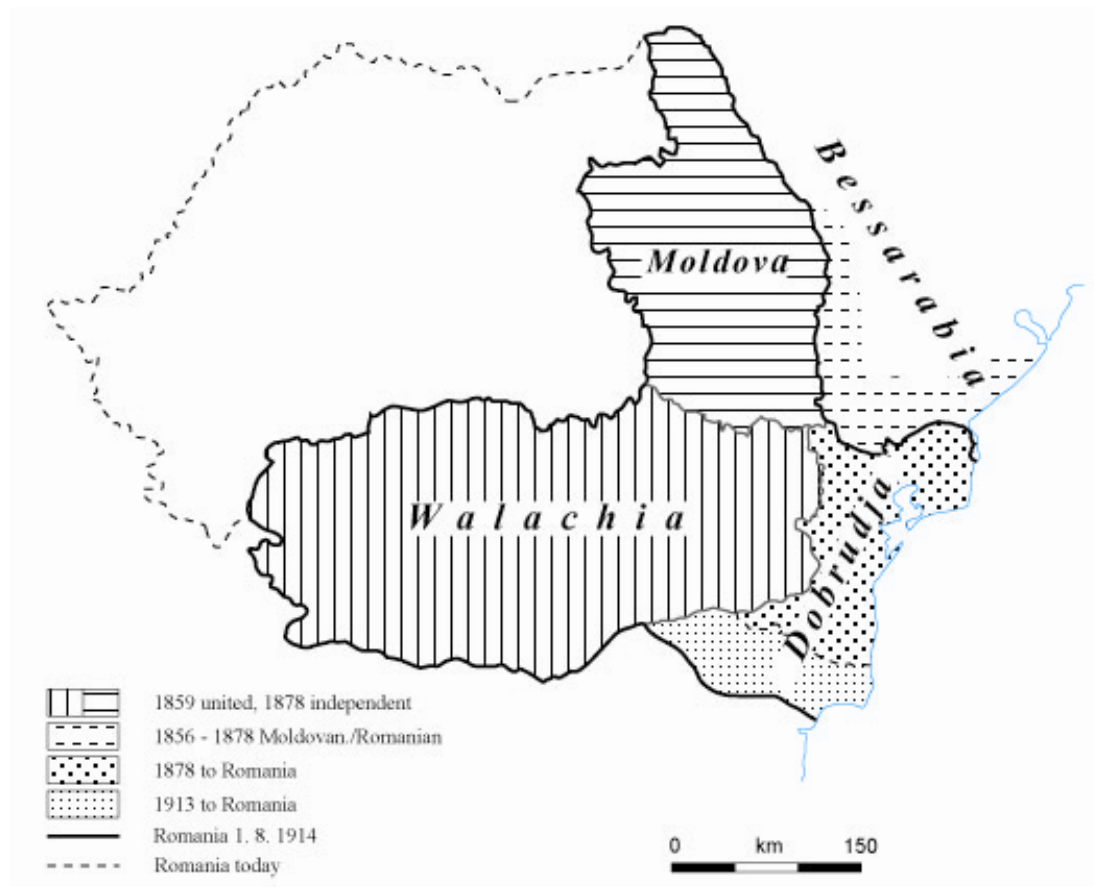
Map 1: Romanian borders in the 19th century.

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Throughout the second half ot the 19th century nationalistic movements in Bessarabia[49], Transylvania, Banat, Crişana, Maramureş and from within the Romanian kingdom struggled for an improvement of the status of the Romanians in the traditional Romanian territories with the vision of a united Romanian state. In 1916 after two years of neutrality, Romania entered World War I on the side of the opposing great powers[50], which guaranteed Romania the fulfilment of its dream of national unity in case of a victory. By 1920 the dream of a Greater Romania had become true and Romania had reached its greatest territorial extension, uniting the entire region of Moldova, Walachia, Transylvania, Dobrudja, Bukovina, Crişana, Maramureş and Banat. This sudden enlargement also ensured many challenges and problems for the government in Bucharest. The territory doubled in size from 130,117 km² in 1912 to 295,049 km² in 1929, while the population in those same years also doubled from 7,160,682 to 15,541,424, with a third of the total population being ethnic minorities.

The interwar period has been interpreted very differently within Romanian historiography (MÜLLER 2006; 279). Post-communist historians claim it to represent by linear modernisation processes in almost every field. It was indeed a period of Romanisation of the population and of a rather unstable parliamentarianism under king Ferdinand I which ended in an era of unveiled authoritarian regimes by the end of the 1930s under king Carol II at first and later under the dictator [conducător] Antonescu.

In the Second Vienna Award in 1940 Romania lost a big part of Transylvania to Hungary, even though also the Romanians had supported Germany at that point. In the same year Romania had already given in to Russian claims and let Bessarabia as well as the Northern Bucovina go and had agreed with Italy to the cession of southern Dobrudja to Bulgaria.

The constant changes of the border situation makes a discussion of cross-border contacts rather difficult, it is, however, hard to believe that local trade was much influenced or that other forms of cooperation existed until 1944.

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[49] Bessarabia had been under Russian rule since 1812.
[50] Romania was in a secret alliance with Germany and Austria-Hungary until then, but was able to stay neutral and then give up the alliance since Austria-Hungary had started the war (BERINDEI 2006; 262).
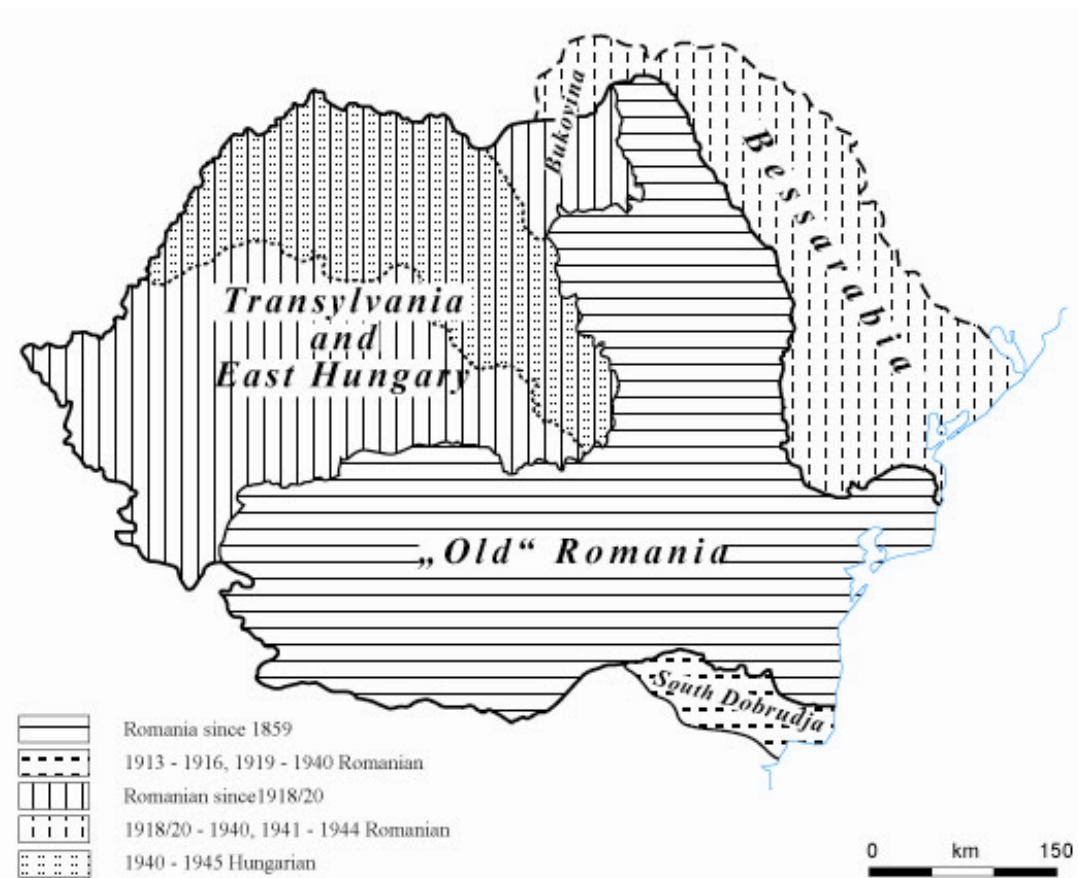
Map 2: Romanian borders in the 20th century.

4.1.1.2 Romanian Borders under the Communist Regime

In 1944 the Soviet Red Army seized the chance to invade Romania and to support the then politically irrelevant Romanian Communist Party [PCR] in its reorientation attempts. With Russian support the first leftist government under Prime Minister Petru Groza gained power and succeeded in rapidly filling all *prefect* posts in the counties with like-minded people. The era of Stalinist Communism in Romania had begun and should last under the leadership of Gheorghe Gheorghiu Dej until 1965, the year Nicolae Ceauşescu was elected Secretary General of the communist party and introduced National Communism to Romania.

The border situation always depended on the relations between the respective countries and Romania, but was seldom actually open. Exchanges across borders were neither encouraged nor officially prohibited. If bilateral border traffic was permitted (e.g Hungary and Serbia in the late 1960s and early 1970s) it included significant restrictions. Indeed official tools (taxes,

duties, requirement of the proof of financial coverage of the stay abroad etc.) and less official ones (presents and tips to the frontier guards; passengers intentionally kept waiting for a long time) efficiently influenced the will to travel (EXLINEA background report, 6). Still, most of the time it was basically impossible to cross borders for goods and persons as well as information (SKVORTOVA; 2).

Resistance during the Communist Regime was kept insignificant by means of oppression and by unsettling the population as well as the nomenklatura by spontaneous and diffuse actions (e.g. arrests, deportations) (MÜLLER 2006; 305).

4.1.1.3 Romanian Border Politics after 1989

Fierce discussions about whether it has been a revolution that initiated the official end of the Communist Regime in Romania or an internal coup is going on until the present day. Indeed it was organised by second- and third-rank communists, who were prepared on December 21st 1989 to take over the leadership from the *conducător*, who had denied them a career under his dictatorship. Under Ion Iliescu the "National Salvation Front" [Frontul Salvării Naţionale FSN] took over all state affairs and made sure that the newly resurging parties did not have enough time to regain strength before the first democratic elections since 1937 which were held in Romania in 1990 (q.v. OPFER-KLINGER 2007; 120-126).

However, also the FSN, even though made up entirely of former communist nomenklatura, had to make amends and led, though slowly and quite unsuccessfully, Romania into its first years of transformation and after a long break back on the western track[51].

After December 1989, also Romania's borders were opened and gave way to a wave of emigration and other cross-border movements, be it local, regional and international trade, family reunions or simply vacations. Like most communist countries in the aftermath of 1989, Romania and its neighbouring countries abolished basically all visa-regimes and thus facilitated border crossings to a certain extent. Still obstacles such as only few and badly equipped border crossings and poor to non-existent infrastructure in the remote border areas limited possibilities.

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[51] The official application for EU membership was handed in under Iliescu in June 1995.

Cross-border cooperation on the regional level did not enjoy a high priority to the still rather centralist government; however, the somewhat decentralised structures allowed the partnership between the counties in the first Euroregion projects at Romania's borders.

4.1.1.4 Romanian Borders during EU-Accession

By 1996 Romania was still not able to manage transformation, energy "black-outs" were regular occurrences, foreign investments could not be attracted, inflation oscillated somewhere between 50 and 70% and corruption was omnipresent. The impoverished Romanian population asked for a political change. The turnaround came in the person of Emil Constantinescu and the Romanian Democratic Convention [Convenţia Democrată Română CDR][52] as a result of the 1996 elections. The Romanian hopes were soon crushed under a rigid policy of austerity, that was necessary in order to satisfy requirements by the IMF, the EU and Nato. Additionally, a slow process of decision making and the denied EU accession negotiations in 1997[53] soon discredited the new government. The programme to save the national economy led to an inflation rate of 150% and the purchasing power was reduced to half of what it had been in 1989 (OPFER-KLINGER 2007; 138). In the end of 1999 in Helsinki the EU finally agreed to start negotiations with Romania and Bulgaria. However, the incentive for the positive decision was the critical situation on the Balkans rather than the fulfilment of social, economic and political criteria. In that same year a first economic consolidation was achieved and finally foreign investments started to come in. Additional support was provided by the European Development Bank, which invested in the reformation of the bank sector and the rehabilitation of infrastructure.

Still state aid, i.e. unemployment benefit, vocational retraining, rents etc. were diminishing and several crises in 2000, such as the Baia Mare dam break, the underfinanced educational system and the bank crash, paved the way for the re-election of Ion Iliescu in 2001. The FSN changed into the Social Democratic Party [Partidul Social Democratic PSD] and presented a

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[52] The CDR was an electoral alliance founded in 1991 by the Christian Democratic National Peasants' Party (PNŢCD), the National Liberal Party (PNL), the National Liberal Party - Democratic Convention (PNL-CD), the The Alternative of Romania Party (PAR), the Ecologist Party of Romania (PER) and the Romanian Ecologist Federation (FER).

[53] Due to the early advances towards the European Community (1974 and 1980 under Ceauşescu) and in the early 1990s by the FSN, who negotiated the first trade agreements, Romania was then one of the foremost candidates for accession.

modified and EU-oriented programme. Indeed it readily undid all improvements made so far in terms of corruption and freedom of the press and despite the new orientation, the old post-communist nomenklatura returned with all its repressive and dubious political practices (e.g. censorship, corruption). Increasing cases of corruption and slow or failing reforms within the administrative structures were reason for the EU to disconnect Romania and Bulgaria from the 2004 enlargement group.

While throughout the 1990s the border regimes between Romania and its neighbours can be described as quite penetrable, the relations between the countries were staggering regularly. In the early 1990s cross-border relations were restricted to informal local trade and personal contacts. From the mid-1990s on international organisations started to support the emerging regional and national NGOs, who established the first cross-border contacts. Only in the late 1990s also EU funds were directly allocated to the border regions. However, throughout the 1990s the correct and efficient distribution of most of the EU funding[54] could not be guaranteed. Indeed, rumour has it that most of it disappeared in dark holes.

While the visa regimes at Romanian borders were up to the country's relations with its neighbours until 2003, in 2004 due to EU accession a visa regime had to be installed with all non-EU neighbours except for the Republic of Moldova.

4.1.2 Romania's Border Regions – Romania's Euroregions

The Romanian-Hungarian border region: The Romanian-Hungarian border region is characterised by its youth, only divided by a national border since after World War I, and by the Hungarian-Romanian ethnical conflict that is going on until today especially on the Romanian side of the border region. However, in recent years cooperation became more and more fruitful, especially the EU accession of Hungary and then Romania seemed to have a positive effect. By now the CBC programme is managed under the Territorial Cooperation Objective of the Structural Funds. Common Euroregions are the Carpathian Euroregion known as Carpathian Foundation, whose success is ever so often disputed, the Bihor-Euroregion and the Danube-Kris-Mures-Tizsa (q.v. chapter 5.4).

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[54] Romania received various (not CBC related) funding throughout the 1990s from programmes such as PHARE, ISPA, SAPARD and also TACIS.

The Romanian-Bulgarian border region: Except for the Dobrudja the Romanian-Bulgarian border region has the longest lasting frontier in Romania's history. Informal as well as formal cross-border contacts had been scarce for a long time, the biggest challenge being the river Danube itself and the lacking opportunities to cross it. The situation nowadays is only slightly better, next to the bridge connecting the twin cities Giurgiu and Rousse a second bridge is supposed to be finished in 2010 connecting Vidin (Bulgaria) and Calafat (Romania). Five Euroregions were founded across the Romanian-Bulgarian border:

Euroregion Middle Danube-Iron Gates + Euroregion Danube 21 (includes also parts of Serbia), Euroregion Danube South, Euroregion Rousse-Giurgiu, Euroregion Danubius and Inferior Danube Euroregion.

The Romanian-Ukrainian border region: Romania and Ukraine share a total of 625.4 km of border. This frontier was topic to several disputes, which influenced the relations until most recently. One conflict was caused by the Iliescu presidency (1990-1996), questioning the borders established in 1961 (PAVLIUK 2000); the quarrel concerninc Serpent Island and its supposed gas and oil resources was resolved by UN decision only in February 2009 (BBC 02/09). Informal cross-border contacts presumably exist, considering the Ukrainian and Romanian minorities living on the respective other side of the border, a fact resulting from the varying affiliation of the Bukovina. For the programming period 2007-2013 Ukraine together with Moldova and Romania form a joint border region under the European Neighbourhood and Partnership Instrument. Ukraine is part of the Carpathian Euroregion as well as the Euroregions Upper Prut and Lower Danube together with Romania and Moldova.

The Romanian-Moldovan border region: Romania and the Republic of Moldova have a long lasting common history, since the historically so called Bessarabia was originally part of the Moldovan Principality under Ottoman rule. The relations between the two countries have been oscillating depending on the governing party's political orientation. Especially local informal cross-border trade was very prominent and the population in the border

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region hit the worst when a new visa-regime was reintroduced with Romania's EU accession in 2007[55]. Romania and Moldova share the Siret-Prut-Nistru Euroregion.

The Black Sea region: The sea borders of Romania are 247.4 km. Together with regions from Bulgaria, Greece, Russia and Turkey as well as the entire countries of Armenia, Azerbaijan, Georgia and the Republic of Moldova they constitute one programming region under the ENPI. This CBC programme seems rather far-fetched considering that many of these countries do not share the Black Sea coast. It is probably a way to include certain countries and give them access to rather limited EU funding.

The Romanian-Serbian border region (q.v. chapter 5)

4.1.3 Research Conducted

This sub-chapter shall provide a brief overview on some research that has been done in Romania's border regions. In general no evenly distributed, homogenous research interest can be detected; however, the Carpathian Euroregion is a well-liked topic as well as Euroregions in general. The Romanian-Hungarian border region is mostly covered by Hungarian researchers and thus more difficult to access for the author in terms of language.

The Romanian-Ukrainian and the Romanian-Moldovan border regions are favoured in terms of EU-funded research projects such as EXLINEA and EUDIMENSIONS under the coordination of James SCOTT. In the framework of these projects as well as on other occasions some interest in the topic was shown by Eiki BERG and Julia BOMAN. Romanian researchers are e.g. Gabriel POPESCU, Alexandru ILIEŞ (Universitatea din Oradea), also the Ioan Cuza University in Iaşi has been involved in reasearch especiall at the Romanian-Moldovan border. The German project "Geographies at the edges of the European. Spatial orientation and peripheralization at the external borders of the expanded European Union" initiated by the *Leibniz-Institut für Länderkunde* also reunites several CBC-researchers such as Christoph WAACK (University of Kassel), Joszef BENEDEK (Universitatea Babeş-Bolyai din Cluj) and Martin HEINTEL (University of Vienna), to name only those with a Romanian focus.

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[55] Due to the special relationship status between the countries the implementation of the visa regulations was postponed from 2004 to 2007 (OPFER-KLINGER 2007).

Romania's western and southern borders are hardly covered by research; some aspects concerning both these regions were picked up by Christoph WAACK. Hans-Heinrich RIESER (University of Tübingen) and Nicolae POPA (Universitatea din Vest Timişoara) did some work on the Romanian-Serbian border.

4.1.4. Implementing EU Regulations on CBC

After the rocky way to the implementation of the EU regulations concerning regional policy in general (q.v. 4.1.2), implementing CBC structures can be seen as a sub-chapter that still faced similar administrative problems and challenges in terms of institution and resource building. However, a few specifications shall be made at this point.

In Romania the first PHARE CBC Programme was launched in 1999 (RO/BG and RO/HU) with an overall budget of EUR 10 million. Priorities were put on the energy and transport sector including TEN as well as in the ecological sector. At that time Romania was not bordering any EU country. In 2001 more money was allocated for the Romanian-Bulgarian border and an additional priority launched – socio-economic development. The Hungarian border dealt with a smaller budget (EUR 5 million) even though technical assistance was introduced as a fourth priority that was not yet granted to Romania. In 2003 The External Border Initiative Programme for Romania was launched and for the first time EU funding for CBC reached the Romanian-Serbian border (more detailed in chapter 5.2.1)

Until then these programmes were either coordinated by the respective ministry or the Regional Development Agencies. Only in the end of 2005 under coordination of the regional development agencies offices for cross-border cooperation [Biroul Regional pentru Cooperare Transfrontalieră BRCT] were implemented for each border region (Regulation Nr. 1485/2007 [sic!][56]). At that time still PHARE CBC funding was allocated for the period 2004-2006, while at the same time the IPA programme had to be prepared for launching.

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[56] In November 2005 an urgent directive (ordonanţa de urgenţă 111/2004) on cross-border cooperation was issued in order to complement law 315. The Regional Offices for Cross-border Cooperation received their legal basis only in 2007.

4.2 Spatial Planning and Regional Policy

Before 1989 sustainability was an unknown objective to the centrally planned system of economic and territorial development in Romania. Quantity displaced quality and while agriculture and industry were granted priority, infrastructure and housing were widely neglected (UNECE 2001). After 1989 spatial planning was subject to far reaching reforms; especially the legal basis underwent several adaptation phases until today (BENEDEK 2006; 105). Right after 1989 Romania's geopolitical orientation was uncertain; the approximation to the European Union was only confirmed in 1995 with the official application for accession (BUZA & SCHREIBER 2006; 36), which lead to several further changes within spatial planning and regional policy.

4.2.1 Spatial Planning after 1989

In South East Europe centralism as a political and administrative principle dates back to the Roman Empire. After the fall of the Empire Western Europe turned towards the idea of subsidiarity, while in the South East the Roman heritage was continued by the East Roman Empire, Byzantium and then the Ottoman Empire. Also in the 19th and 20th century at the emergence of the young nation states, the system was one similar to the unitaristic and centralistic French model. Half a century of communism strengthened centralism as fundamental administrative idea. Combined with the endangerment of the national unity by big national/ethnical and cultural minorities that rather young governments often feel, such a historical development is the core argumentation of BENEDEK & JORDAN (2007, 83-85) when explaining the difficulties of decentralisation in the post-communist European countries.

4.2.1.1 The new Spatial Planning System

The first law including aspects of spatial planning in Romania after 1989 was law 50, which was adopted in 1991. Based on French planning[57] habits (UNECE 2001; 27) which allowed a still rather centralised approach, the Romanian spatial planning system then was neither tangible nor efficient (BENEDEK 2006; 105). Soon the most relevant objectives of the work programmes on spatial planning were its alignment with EU directives and norms. As soon as the application for EU accession was out in June 1995 the reforms necessary to adapt to

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[57] Q.v. HUMER 2007 on European planning traditions including Central Europe.

the aquis communautaire and prepare for reception of structural funding were initiated. In 2001 law 350 was introduced, showing by then the signs of EU accession in its structure, concrete objectives and attempts of decentralising competences. According to the ministry of regional development and housing the law implements:

- spatial planning objectives, which are (1) a balanced economic and social regional development, in observance of the specific natures of regions and sites; (2) improving the quality of life for people and communes; (3) accountable management of natural resources and environmental protection; (4) sound land management.

- the compulsory nature of carrying out spatial planning activities, so that spatial management can be conducted on a continuous and long term basis, in the interest of the people using the territory, in accordance with the values and aspirations of society and with requirements related to European integration.

- the institutional structure and the duties of the central, county and local public administration in the field.

- the categories of spatial and urban planning documentations, responsibilities for endorsing and approving them.

Several indicative plans are intended by law 350:

The Spatial Plan for Territorial Management [Planul de Amenajare a Teritoriului Național PATN] is a synthesis of sectoral plans (transport networks, water, protected areas, settlement networks, natural risk areas[58]) and of an indicative nature. It is superior to all following spatial plans, which have to be aligned with its contents.

The Zonal Spatial Plan [Planul de Amenajare a Teritoriul Zonal PATZ] as well inidicates and seeks solutions for specific, territorially confined problems, and might address either regional, inter/intra-county, inter-communal, inter-city or metropolitan areas.

The County Spatial Plan [Planul de Amenajare a Teritoriul Județean PATJ] is a socio-economic development concept on the county level and has to be coordinated with all other

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[58] The law also addresses tourism and rural areas; however, there are now separate laws such as for the other sectoral plans.

existing development programmes. Its provisions are compulsory for all other spatial planning documents on a lower level. Every county has to set up a PATJ and update it once in every five to ten years.

4.2.1.2 Territorial Organisation

While the post-communist constitution and the law on local administration of 1991 provided the basis for self-administration on two tiers, the basic territorial structure was kept. The regional level comprises 41 counties [judeţi] as well as the city of Bucharest, which has also the status of a county, and the local level comprises 2686 villages and 265 cities and municipalities. The organs of self-administration are elected for a four year term and consist of a council [consiliul judeţean] and its executive committee, which is chaired by a president [preşedinte]. The organ of the decentralised state administration is, as it was in communist times the prefect, who is nominated by the government in Bucharest[59]. He/she is in charge of the compliance with state laws on the county level. Since the president is elected directly by the people his/her position is usually stronger (BENEDEK & JORDAN 2007; 91). On the local level the organs of administration are a council and a mayor, both elected for a four year term.

Legislative competences are gathered at the national level, whereas far reaching executive capacities lie with the counties and local communities and have been extended in 1994, 1998 and 2001: within the respective scope e.g. sovereignty in terms of budget, participation in national and cross-border development programmes; the establishment of taxes (within a certain frame), public services, subsidised housing, environmental protection and more (BENEDEK & JORDAN 2007; 93).

In 2001, transfer payments to the counties in order to ease up on regional disparities made up 30% of all government expenditure. The financial law of 1998 raised the share of the counties own revenue from an average of 15% in 1998 to 82% in 1999, which could be seen as a turning point from centralism to the principle of subsidiarity. BENEDEK & JORDAN (2007; 93-94), however, subtend that this decentralisation and regionalisation only happens on a micro

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[59] The government has to accept the suggestion made by the political party, which won the last county elections.

scale, the structures are too small in order to make a stand against the centre and do not comply with spatially defined historical and cultural identities that exist all over the country.

4.2.1.3 Land Restitution[60]

During the communist regime land was state property; between 1949 and 1962[61] large portions of land were expropriated. Only within the Carpathians small and hardly accessible farm land was left to its owners. The restitution process was started in 1991 and deeply affected spatial planning. 4.7 million claimants or 41% of the rural population were entitled to receive their land back. Ownership that dates back up to 50 years was included in the restitution of the formerly collective territory. Therefore, many of the claimants were senior citizens, urbanised and lacked an agricultural background. They neither had the ability nor the interest in cultivating their land. Also the government gave little to no incentives to sell the land for commercial agricultural exploitation (UNECE 2001). Failing to do so, the country is now confronted with fertile land though no system to exploit it effectively.

In 1996 a modern general cadastre was implemented (law nr. 7). Its inefficiency, a lack of adequate staff and financial and technical resources slowed down land registration and accurate geodetic surveying. Until 2007 this cadastre was the focal point of negotiations due to its defectiveness and put the EU accession of Romania at stake.

4.2.2 Implementing Regional Policy According to European Regulations

As indicated several times, EU accession comes with a whole set of requirements that need to be applied to national legislation, planning and programmes in many spheres. Some of these requirements have been and are quite challenging also for Romania. Implementing laws, structures and competences on regional policies has been on schedule and has not been one of the very much disputed aspects (e.g. corruption) that were broadcasted and debated all over Europe until the eve of Romania's accession; still, some rather remarkable changes had to be made in order to get to that point.

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[60] The restitution process already started in 1991, however, efforts were intensified to finalise it after 1995.
[61] Collectivisation of the agricultural sector encountered severe resistance from the farmers, which caused the time span until the finalisation of the collectivisation process (SCHASER & VOLKMER 2006; 299).

4.2.2.1 New Regions without Regionalisation

The creation of the new NUTS II level has provoked manifold discussions in Romania and amongst regional researchers all over Europe. However, when implementing this new regional level in 1998, decisions were made fast and with little complaints. Only afterwards more and more questioning voices were raised that found numerous arguments against the aggregation of counties to NUTS II regions. However, going back and taking another road would be quite difficult and require to an enormous effort.

The new regional level is not an administrative entity, the regions designed by merging several counties on the basis of various criteria are merely planning and development regions. The character und purpose of these development regions are defined by law 315 adopted in 2004[62], which also defines the institutional background and competences of regional policy.

The objectives as defined in law 315 are to be realised in accordance with EU principles, of which subsidiarity, decentralisation and partnership are explicitly named.

- reducing the existing regional disparities, especially by stimulating the well-balanced development and the revitalisation of the disadvantaged areas and by preventing the emergence of new imbalances;

- preparing the institutional framework in order to comply with the integration criteria and to ensure access to the financial assistance instruments (the Structural Funds and the Cohesion Fund of the EU);

- correlating the governmental sector development policies and activities at the level of regions by stimulating the inter-regional, internal and international cross-border cooperation which contributes to the economic development (www.mdlpl.ro).

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[62] Law 151 from 1998 had to be revised and adapted in the course of EU integration.
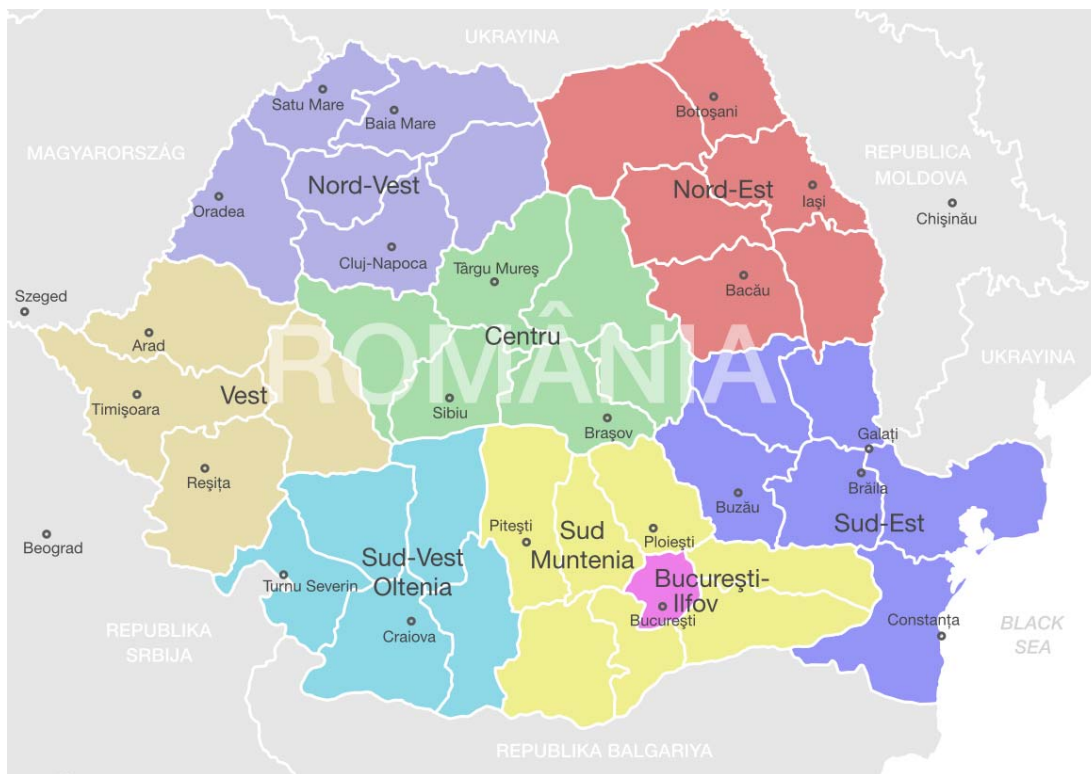
Map 3: Romanian Development Regions. Source GADM(2008): Global Administrative Areas (version 0.9). - http://biogeo.berkeley.edu/gadm/, 05.03.09.

Each development region is represented by a Regional Development Council [Consiliul Dezvoltare Regională] (RDC) which is made up of political representatives of the local and county levels[63]. The Regional Development Council has a president and a vice-president, elected for one year, from different counties in the region. In accordance with the regional development objectives, the RDC has the following main responsibilities (www.mdlpl.ro):

- analysation and approval of regional development strategy and programmes;
- support of the creation of the National Development Plan according to the partnership principle;
- approval of the regional development projects, selected at regional level, in accordance with the respective criteria, priorities and methodology
- submission of the proposed project portfolio for which a national selection procedure is applied for approval to the National Regional Development Council;

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[63] The presidents of the county councils as well as one representative per municipality, city or village councils.

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- approval of the criteria, priorities, allocation and destination of the resources from the Regional Development Fund and monitoring of the use of these funds;

- approval of the organisation and functioning status of the Regional Development Agency, the organizational chart, as well as the bi-annual activity reports drafted by the RDAs;

- coordination and support of the development of regional partnerships;

- coordination of the publicity of regional development policies and objectives at regional level, of regional programmes financed by the European Union, as well as the activities regarding the use of funds at regional level, ensuring transparency and correct, swift and information in due time for citizens and especially for entrepreneurs.

- appointment following a contest and release from duty of the director of the Regional Development Agency.

The Regional Development Agencies [Agenția Dezvoltare Regională] (RDA) are the legal implementation bodies for all matters concerning regional development from the regional level down. They are non-profit, non-governmental and independent organisations, which are contracted by the Ministry of Regional Development and Housing in its position as managing authority. Their main function is to prepare and implement a regional development strategy, regional development programmes and plans as well as a budget.

Both the RDC and the RDA answer to the National Council for Regional Development [Consiliul Național de Dezvoltare Regională] (NCRD), an institution based on the partnership principle responsible for the development and implementation of the objectives of regional development policies. The NCRD is chaired by the Ministry of Regional Development and Housing and several more of its members are also appointed by the Ministry. Aside from the criteria and priorities for the allocation of the funds and various other overall issues the NCRD decides upon the projects that are suggested by the RDA (legea 315/2004).

According to the principle of additionality the funding is provided to up to 85% by the EU as well as by the Romanian regional development fund as private donors and investors.

All of the eight development regions have a GDP smaller than 75% of the EU average and are therefore eligible for funding under the convergence objective.

BENEDEK & JORDAN (2007; 98-99) summarise various questionable aspects about the development regions: The three main criteria that were used to create the regions were similar population, similar area and functional interconnections (q.v. table 3). The outcome is eight regions of almost the same size and with almost the same socio-economic development level (exceptions are Bucharest-Ilfov as the most developed and the North East Region as the least developed regions). The similarities of these average indicators cover for the large internal socio-economic disparities.

Region	Area Km²	Population (Census 2002)	Urban-isation 2002 (%)	Socio-economic Development 2004	Cars per 1000 inhab. 1994	Poverty 2001 (%)	Infant mortality 1999 (‰)
North East	36,850	3,685,393	40,6	40	44	42,8	20,9
South East	35,762	2,852,480	54,6	49	47	35,3	20,1
South	34,453	3,380,516	39,7	45	75	35,7	19,6
South West	29,212	2,332,194	43,8	49	73	31,4	17,2
West	32,034	1,959,985	60,9	62	100	30,0	16,0
North West	34,159	2,744,008	51,1	56	88	30,1	19,7
Centre	34,100	2,521,745	58,3	64	110	23,1	12,9
Bucharest	1,821	2,221,860	87,9	-	137	23,1	12,9
Romania	**238,391**	**21,698,181**	**52,7**	**51**	**85**	**34,0**	**18,6**

Table 3: Basic data on the Development Regions. Quelle: BENEDEK & JORDAN 2007, 99

Compared to the EU average the Romanian Development Regions are rather large. Of course the lack in decision-making possibilities due to the missing legal position of the regions and the resulting financial dependency makes them rather disadvantaged compared to other European regions.

4.2.2.2 Regional Development Plans

With the secured prospect of EU accession a National Development Plan [Planul Național de Dezvoltare] was implemented. It concerns strategic development priorities on the regional level as well as for different sectors. The PND is set up on the basis of Regional Development Plans [Planul Regional de Dezvoltare] and reflects the national development strategy as well as the Operational Programmes. Coordinator of the PND is the Ministry of Finance which is

the overall coordinator for the Structural Funds in Romania. The first two plans were set up for the periods 2000-2002 and 2002-2005[64] (IER www.ier.ro), the latter of which overlaps with the PND 2004-2006. The current PND is set out for the period 2007-2013, it should not be confused with the National Strategic Reference Framework (NSRF), which defines the use of EU structure funding for the current programming period. Six core priorities have been defined in the PND:

- to foster growth of economic competitiveness and knowledge-based economic development

- To develop and modernise transport infrastructure

- To protect the environment and improve its quality

- To develop human resources, promote social inclusion and enforce administrative capacities

- To develop rural economies and foster the productivity in the agricultural sector

- To reduce disparities between the regions

Like the NSRF the PND is not legally binding but has only an indicative character. It is an essential part of the National Strategy for Economic Development [Strategie Națională de Dezvoltare Economică][65] and is handled as an instrument to prioritise internal and external funds.

Other than the national plan the above-mentioned PRD are set up by the Regional development agencies in cooperation with the regional authorities and the private sector. The PRD is not to be confused with the regional sub-programmes of the Regional Operational Programme that is part of the NSRF. Furthermore there are also development plans also on county level and the Joint Programming Documents for the border regions.

Unfortunately there is no clearly structurised information that could shed light on the interdependencies of these different plans.

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[64] These first two PND have been criticised in their quality by the European Commission and questioned as to their fitness to serve as a basis for a future development plan (European Commission Regular Report 2002).

[65] This strategy was submitted to the European Commission in 2000 and is the most important part of the official National Sustainable Development Strategy of Romania.

4.2.2.3 Difficulties on the Way (EU Regular Reports and Monitoring Reports)

From 1998 until 2004 Regular Reports on Romanian EU accession were issued by the European Commission. In 2005 and 2006 after the Accession Treaty was signed they were replaced by Monitoring Reports. Starting in 2000, the aquis communautaire was divided into chapters for better handling, the reports were structured accordingly and gave explicit information on the progress made in the field of regional policy and cohesion. The actual EU accession process started in 1998. Advances were made slowly at first but constantly until 2006.

Even though the first structural steps towards implementing EU requirements in the area of regional policy were made already in 1998, many important legal action were only taken last minute, i.e. in 2004, at the eve of finalising the accession date. An example would be the law on regional development legaly establishing the Development Regions or the regulations explicitly distributing the management and implementation competencies (hotărâre nr. 497/2004). Thus, 2004 and 2005 were crucial years in terms of EU accession. Also the monitoring and evaluation instruments that were a big aspect of critieque according to the reports in previous years were implemented only then.

The main issues that were found by the Commission and were stated in the reports are also important to understand the status quo of regional policy and cross-border cooperation:

- Malfunctioning communication between ministries and between the regional and national levels
- Need for capacity building
- Lack of reliable statistics
- Lack of experience
- Little co-financing capacity on the local level

For quite some time the financial management and control system were a source of concern and led to limited absorbtion rates of EU money.

However, Romania acceded without transitional regulations in the field of regional policy and any criticism should be seen in the light of long policical instability also after 1989.

For example, since 1998, four different Ministries have been responsible for Regional Policy and thus for CBC in Romania: The Ministry of Development and Prognosis, the Ministry of Integration, the Ministry of Development, Public Works and Housing and after the last elections in 2008 the Ministry of Regional Development and Housing.

The following chapter will highlight the historical and policitcal context of Romania and thus, some of the developments that affected the implementation of Romanian Regional Policy.

Romania and Governance – Intermittent Résumé III

"*The situation of post-communist states and their transformation context need to be seen in the light of their historical development*" (KAHL 2009). The first part of chapter 4 shows the development and historically formed character of Romania's borders, which have a strong influence on the constitution of the respective border regions and its inhabitants. At the same time important aspects of the political development of the country are shown, most of which are integral factors of path dependences in Romanian institutions. Part two of this chapter is dedicated to spatial planning and regional policy issues. The difuse structure of planning instruments and processes also relates to the afore-mentioned political developments. The centralist tendencies that have not yet been overcome are probably the strongest path dependent trend Romania has inherited; together with hierarchic decision-making structures they often overlay the multi-level governance approach propagated by the EU and affect thus, the way EU regulations are implemented: The need to create transparent as well as efficient and un-bureaucratic institutions; to give up central competences to the regional and local levels and to regain trust, when corruption took it. NGOs, which are often initiators of networks, have only slowly been gaining ground over the last 20 years and negotiation mechanisms have to be established between the actors on different levels. Political competition changes because of increasing transparency and has also arrived on the international levels in terms of the competition for funding and foreign investments. Path dependences in their traditionally negative meaning are visible also on smaller scales than centralism (bureaucracy; opacity of processes and structures; etc.). The fact that they are still part of governance processes and influence them substantially raises the question whether forms of governance as described in chapter 2.3 can be applied on the Romanian national

level as of now. Romanian institutions went through complex transformation processes many of which are still not completed. The above mentioned path dependences are exposed to strong pressure from the outside; if their total erosion will be achieved cannot be said yet. It is difficult to look for other governance mechanisms because many coordination processes are opaque. However, when it comes to regional policy it is clear that negotiations end somewhere below the national level, where final decisions are made (e.g. the National Council of Regional Development).

The following chapter will show that many developments described on the previous pages are similar to or influence governance processes on the regional level.

5 The Romanian-Serbian Border Region

Chapter 5 will zoom in on one selected border region in order to unfold the specific challenges and perspectives. Different governance mechanisms that are elementary to CBC can be distinguished more easily on the basis of a case study that comprises as major components a digest version of the border region, its development and characteristics; the implementation and organisation of CBC as well as an insight on the actors and their projects; and finally the DKMT Euroregion as an integral part to the constitution of CBC in the region shall be scrutinised and presented as an example for the inherent potentials and problems of the border region.

5.1 Introducing the Region

The Romanian-Serbian border region consists of the counties that directly abut on the border between the two countries. The core of the region is identical to the historic region of Banat, which is an important source of regional consciousness and identity even though it does not exactly coincide with any current territorial entity. The following pages will show aspects that are relevant as well to the functioning of CBC as to its core priorities.

5.1.1 Banat – the History of a Multi-Ethnic Region[66]

5.1.1.1 Borders and Development

The historical region of Banat was formed in 1699 in the Treaty of Karlowitz, when the rivers Tisza and Maroş as well as the western part of the southern Carpathians were defined as the new borders between the House of Habsburg and the Ottoman Empire (RIESER 1998; 40). It remained the last bridgehead of the Sublime Port until 1718, when it went to Habsburg in the Treaty of Passarowitz and became known as Banatul Timişoarei with the main city of Timişoara. The distinct rectangular area, naturally bound by the rivers Maroş, Tisza and Danube as well as the south-western foothills of the Carpathians, was not returned to Hungarian control but directly subordinated to the Military Council (Hofkriegsrat) in Vienna, a result of its vital strategic position as a defence against the continuing Ottoman

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[66] The history of Banat will be told standing for the whole border region.

threat (BATT 2002; 180). In 1867 Banat was returned to Hungary and was split up into several political entities and thereby lost its administrative boundaries (POPA 2007; 30). Still the area was identified by the term Banat and the privileged position throughout the last decades must have had a sustainable influence on the territorial consciousness of its inhabitants. By the end of the 18th century Romanians, Serbs and Germans must have used the term "Banatians" or "Banater" when asked for their origin (WOLF 2006; 907).

Only after World War I the borders in the region were again succumbed to considerable changes. Hungary, Serbia and Romania all claimed Banat for themselves, a dispute which was solved in a compromise according to the power-political constellations in 1920 (RIESER 1998; 40). The Tisza River lost its function as a border entirely, the river Maroş to a large extent. The former Hungarian external border became an internal Romanian border[67] and the western part of the Danube River lost its frontier function as well. In the end Romania ended up with the lion's share of the region (around 19.000 km²), Serbia received ca. 9000 km² and Hungary was left with only a little over 200 km² (q.v. POPA 2007; 27)[68].

The new border's permeability oscillated regularly for about 70 years. While the Hungarian borders were tightly shut for most of the time because of the permanent conflict between Hungarians and Romanians, the frontiers to Yugoslavia were not as impenetrable until Tito left Stalin's union and the borders were fiercely shut. During the 1970s the border to the Yugoslavian neighbours became more permeable and allowed petty trade on a local level. However, the change in border functions after 1920 had mostly negative effects such as the progressing destruction of formerly excellent local and regional infrastructures such as the first train line between Timişoara, Jimbolia and Szeged or the direct road between Timişoara and Szeged (RIESER 1998; 42).

5.1.1.2 The Ethnic Groups

As a result of its location, Banat was always predestined to be a multi-ethnic region. In the beginning of the 18th century however, it suffered severely from the Austro-Hungarian Ottoman war as well as several waves of the plague. It was therefore essential to the House

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[67] However until today the Carpathians are dividing two very different cultural areas.
[68] No coherent data on the territorial expansion of Banat could be found, there seems to be no unanimity among researchers.

of Habsburg to repopulate the widely vacated areas throughout that century (BATT 2002; 180). The quite elaborate colonisation system laid the basis of today's "multi-cultural" society. Serbs and Vlachs had been coming and going long before; when after 1730 catholic Hungarians were allowed to return to their ancestral lands[69]. But only outside the Empire the necessary number of suitable and willing recruits could be found; these were mostly catholic German peasants (Swabians) who were convinced by free transport, land grants, start-up capital and tax breaks and entered the region in three organised settlement waves (BATT 2002; 181). At that time also catholic Bulgarians, orthodox Russians as well as smaller groups of Italians, Catalans and French-speaking Belgians and Luxembourgers complemented the German settlers. In the progress of the 18th century the region flourished under Austro-Hungarian influence and thereby attracted more immigrants; among them Jews along with more Hungarians, Czechs, Slovaks and Roma. The persistence of these different ethnicities with their individual traditions over such a long period[70] suggests a history of little contact and no intermingling of ethnic groups (BATT 2002; 182). The Germans were the dominant ethnic community, which introduced innovative farming methods and brought work ethic as well as a commitment to education with them (BATT 2002; 185). Timişoara became a prosperous city, a modern centre of industry and commerce with a dense communication structure that set it apart from the rest of Hungary. The rise of nationalism in the 19th century put the heterogeneous region to a test and lead to severe disputes. The Hungarian Kingdom, which declared independence in 1848 in the end received self-government in 1867, succeeded and in spite of Romanian and Serbian claims, received the whole of Banat including Vojvodina. Nevertheless it lost almost all those territories in 1920 (q.v. 5.1.1.1).

5.1.1.3 The Banat of the 20th Century

In Serbia, Banat became part of the Vojvodina, which, supported by the strong influence of close-by Belgrade, hardly allowed a strong Banatian identity. Hungary ended up with only a fraction of what used to be its territory, not enough for the population south of Szeged to form a consciousness for the former homeland. In Romania, however, who was left with a

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[69] Hungarians had populated the area before the Ottoman invasion, but most of them fled during the occupation.
[70] The then four main ethnic groups can still be found in the region, but also the representatives of smaller groups can be detected until today.

remarkable part, Banat was reinvented after 1989 and is now more popular than ever, being a "multi-cultural" and quintessentially "Central European" region (BATT 2002; 178). WOLF (2006; 918) suggests that traditional regional consciousness has been reactivated by the fact that between 1960 and 1968 the region Timişoara, which then comprised also the county of Arad, was renamed to Banat. Its history and several incidents (e.g. the start of the revolution in 1989) have given the region and its population the reputation of being more distanced if not opposed to any centralistic government, of striving for autonomy and having stronger regionalist tendencies than other Romanian regions. A reputation that is mostly self-made in the former Banatian territories. The multi-culturalism promoted today by scientists as well as public figures and others and supposedly based on its multi-ethnic past however, does not coincide very well with the historic documentation.

The ethnic structures have changed significantly throughout the 20th century, when especially Germans and Hungarians as well as smaller ethnic groups left the region or were forcefully removed. Most of the Jewish population had been either killed cruelly or were sold to Israel and other states under the Antonescu Regime.

The intercultural coexistence that is promoted nowadays is difficult to reconstruct when looking at the strict ethnical division of villages and city districts.

Even though there are some irregularities concerning the sources from which the newly invented Romanian Banatian identity is drawn, it is to be questioned if it is wise to dismantle it. For the development of the region as well as for the relations with the Serbian neighbours this strong sense of a common past can be seen only as a positive and supporting factor, which helps deconstructing political and mental barriers unlike many other border regions that fail to find common ground on which to build a common future.

5.1.2 The Border Region Today

Today the border region comprises the Romanian counties Timiş, Caraş-Severin and Mehedinți[71] and the Serbian districts North-, Central- and South Banat as well as Braničevo and Bor, it is thus exceeding the former borders of Banat. The different dimensions of the administrative units on either side of the border already hint at the difficulties that occur

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[71] Mehedinți county is not part of ADR Vest but of the Regional Development Agency South West Oltenia.

when trying to compare them to each other. The data situation was described in the introductory chapter, thus only a slim version of a demographic and economic analysis of the border region will follow in the sup-chapters. A few general characteristics shall give an overview right away, while in chapter 5.1.3 the SWOT analysis conducted for the Neighbourhood programme 2004-2006 will be scrutinised and help getting an idea of what real issues IPA CBC addresses in the region (weaknesses and threats) and why there is so much potential for success (strengths and opportunities). Considerable disparities within the border region are reflected in demographic as well as economic numbers, which makes it difficult to draw an overall picture of the region that is not homogenous at all.

Map 4: The Romanian-Serbian cross-border region = PHARE CBC and IPA programming area; Source GADM (2008): Global Administrative Areas (version 0.9). - http://biogeo.berkeley.edu/gadm/, 05.03.09.

5.1.2.1 A Demographic Sketch

While Timiş County and especially the city of Timişoara are prosperous growth poles, most of the rural areas but also the centres of Caraş-Severin and the districts in Serbia are marked by population losses due to migration and a negative natural population development.

There is no important Serbian centre within the border region, though Novi Sad as well as Belgrade are close, the border region has a negative migration balance. According to the respective censuses in 2002 the entire border area is inhabited by 2,353,205 people, of which 56% live on the Romanian and 44% on the Serbian side of the border. The population development before 1989 has been marked by growth in most Communist countries due to more (e.g. Romania) or less (e.g. Serbia) strict population policies. The growing population and questionable social services inevitably led to a relatively young population, a trend that changed soon after 1989. By now the tendencies are approximating those of the old EU Member States.

5.1.2.2 An Economic Sketch

Economic data is even scarcer than demographic numbers, thus only impressions of the economic situation in the border region can be given. The demographic image of the region is reflected in the regional economic settings and vice versa. Districts such as Caraş-Severin in Romania and Bor in Serbia, which have high industrialisation rates dating back to the communist regime, cannot keep up with more modern production methods in other countries and thus, facing high unemployment rates (and finally high emigration rates). Still, those two districts are residence of important national industries, which is steel in Reşiţa and copper in Bor[72].

Research and development is hardly present compared to other European regions, also in booming Timişoara the share is irrelevant yet. However, quite some potential is expected in that area, even though the Serbian side has to refer to close-by centres that are not actually part of the region (Novi Sad, Subotica).

While in Romania foreign direct investment has kicked in at the turn of the millennium, Serbia has shown little progress in that field, a fact that might change in the course of EU accession (q.v. OPFER-KLINGER 2007).

5.1.2.3 Environmental Issues

Environmental pollution but also natural hazards, especial regular flooding of the border region, require common planning for emergencies as well as for a sustainable future. While

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[72] Bor has the larges copper mining area in Europe.

well preserved areas exist on both sides, pollution of rivers and unused former heavy industry sites are areas of concern.

The foremost issues in the border region are waste management, extraction of fossil fuels, mines, heavy industry, chemical processing, metallurgy and animal breeding. The foremost form of pollution is the drainage of polluted water into the many canals and tributaries (IPA CBC Programme, 15).

The big flood in 2005, which was only an extreme version of an annual event, again showed the need for common approaches and solutions to natural events that are inconsiderate of political border drawing. Several recently improved flood prevention facilities have proven to be still insufficient (IPA CBC Programme, 15).

5.1.2.4 Cross-border Contacts

Before 1990 there was much unofficial cross-border activity especially by Serbian traders bringing goods unobtainable in Romania to markets in Caraş-Severin and Mehedinţi counties. According to the small traffic rules, people living close to the border were allowed to cross it with a special permit in order to trade goods within a limit of 20 km from the frontier. Throughout the 1990s the roles changed and Romanians were smuggling rare goods into Serbia.

The relations between Romania and Serbia and the situation in the border region have been influenced strongly by the war and the international sanctions that Serbia had to face. A softened border regime after the war facilitated cooperation until a visa-regime had to be introduced due to EU accession on Juli 1st 2007. Ironically a free-trade agreement between Romannia and Serbia went into action on that same day, but already then its end could be foreseen because of the progress of Romanian EU accession. Only since 2008, when the Serbian attempts towards EU membership, became more decisive, a more low-key visa regulation has been an option again. The current visa situation requires no visa (only a valid passport) for Romanians traveling to Serbia and a five Euro document processing tax in order to receive the visa, which is issued within a day.

5.1.3 In a Nutshell – a SWOT Analysis

The SWOT analysis (Annex I) was withdrawn from the first Neighbourhood Programme Romania-Serbia. It was conducted by the Ministry for Integration in close cooperation with the Regional Development Agency West on the basis of questionnaires that were distributed among actors in the region. It draws a quite accurate picture of the border region. The analysis was structured in six areas – population, economy, employment, education/health, infrastructure and environment. Some essential conclusions can be derived from the analysis:

- The ethnically mixed population and the cultural heritage are a major strength.

- A large potential for tourism is an important opportunity.

- Restructuring, privatisation and re-training combined with foreign investments will improve the economic and employment situation.

- Transport infrastructure exists but needs sanitation

- The biggest weakness lies in environmental pollution of all kinds and insufficient waste management.

- The cross-border cooperation is an opportunity to realise necessary projects with joint forces.

Most projects funded by the CBC programme in the region address the issues and opportunities brought up in the SWOT analysis (q.v. 5.3.3).

5.2 Implementing CBC

The implementation of the CBC programme should be seen in the context of the precedent information on the border region, since the economic, social and environmental character of the region should be defining the priorities of CBC. Also the aftermath of communism and its effect on processes and procedures should not be underestimated when analysing CBC at the Romanian-Serbian border.

5.2.1 Implementation Phases of CBC at the Romanian-Serbian Borders

5.2.1.1 2003 External Border Initiative Programme for Romania (EBI)

The EBI was based on a financing memorandum between the European Commission and the Romanian Government. The allocation of the funds was decided on the national level. While the first project[73] was specific to the Romanian-Serbian borders (EUR 3.71 million) the Joint Small Project Fund (JSPF; EUR 1.5 million) and the Technical Assistance (TA)[74] (EUR 1.35 million) were applicable for the Serbian, the Moldovan as well as the Ukrainian border. This one year funding line with a duration span until 2005 intended to literally pave the way for the Neighbourhood Programmes that were to be launched in 2004. Especially the TA was i.a. intended to prepare a Joint Programming Document 2004-2006 for each of the three borders,

The coordination was subject to the PHARE Cross-border Cooperation Directorate in the Ministry of Integration. The decisions made on the national level were submitted to the ADR Vest that only had the responsibility of monitoring.

5.2.1.2 2004-2006 PHARE CBC

For the programming period 2004-2006 the Regional Office for CBC[75] in Timişoara established in 2005 took over several competences as the new intermediary body between the national and the local level (q.v. 5.2.2). While it was the agency's responsibility to set up the regional CBC offices, the employees there were a group of newcomers (growing with the years from six to 15 persons), who had no experience with neither EU funding lines nor CBC. When starting their work in September 2005, the Joint Programming Document had already been submitted to the European Commission.

The time needed to settle in this new work as well as the lack of experience can be safely considered as the main reasons why the further implementation steps were delayed. However, the two months information campaign that was started right after the first call for projects in April 2006[76] was not only essential for the future beneficiaries to know about and

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[73] „Rehabilitation of National Road NR 59, the sector between km 36+500 – km 63+428 at Voiteg and the border crossing point with Serbia & Montenegro at Moraviţa" this project was defined in great detail and was part of a global project, which aims at improving road conditions from Belgrade to Timişoara.

[74] full term: Technical Assistance for multi-annual programming and implementation of future cross-border neighbourhood programmes with Serbia (and Montenegro until 2006), Ukraine and Moldova.

[75] Ordonanţa de Urgenţă nr. 111 din 16 noiembrie 2004 privind modificarea şi completarea Legii nr. 315/2004

[76] This call concerned the 2004 funds.

understand the complex application process, but also very important for the employees at the regional office in order to understand better their responsibilities and the expectations of the applicants.

On the Serbian side, the implementation process proved no less difficult. On the contrary, the administrative structures for CBC were not legally backed up and the coordination was entirely in the hand of the Ministry of International Economic Relations (MIER), as a result of which there was no equivalent to the regional CBC office in Timişoara. While around 15 people worked on the Romanian CBC programme they were mirrored by one to two persons on the part of the Serbian border region. In addition, the Serbian employees were paid by the United Nations Development Programme (UNDP) before the current programming period. Now that everything is handled by Serbian authorities, the structures have to be fully functional in order to work fluently and without delays.

5.2.1.3 2007-2013 Instrument for Pre-Accession

The implementation of the IPA started in 2006 at the same time as the last calls for the PHARE CBC programme. It is thus, the first programme that involves the team from the regional cross-border office from the beginning and can make use from the experiences made during 2005 and 2006. The office in Timişoara and most other administrative components had to extend their teams. A Joint Technical Secretariat was established within the local office to comply with EU regulations (q.v. chapter 5.2.2). Also the Managing Authority can make use of the first lessons-learned from the PHARE CBC programme 2004-2006. The fact that new employees still were coming from different and little related backgrounds was perhaps inevitable, however, some additional internal redistribution might put previous experiences to a better use.

The programming period for IPA took until the end of 2008; first calls are expected to be launched in spring 2009. The process for setting up the programme document based on the partnership principle is documented very thoroughly (5.2.3).

5.2.2 Administrative Organisation

The different status of both Romania and Serbia in respect to the EU as well as the far reaching changes of the CBC programmes previous to the new programming period
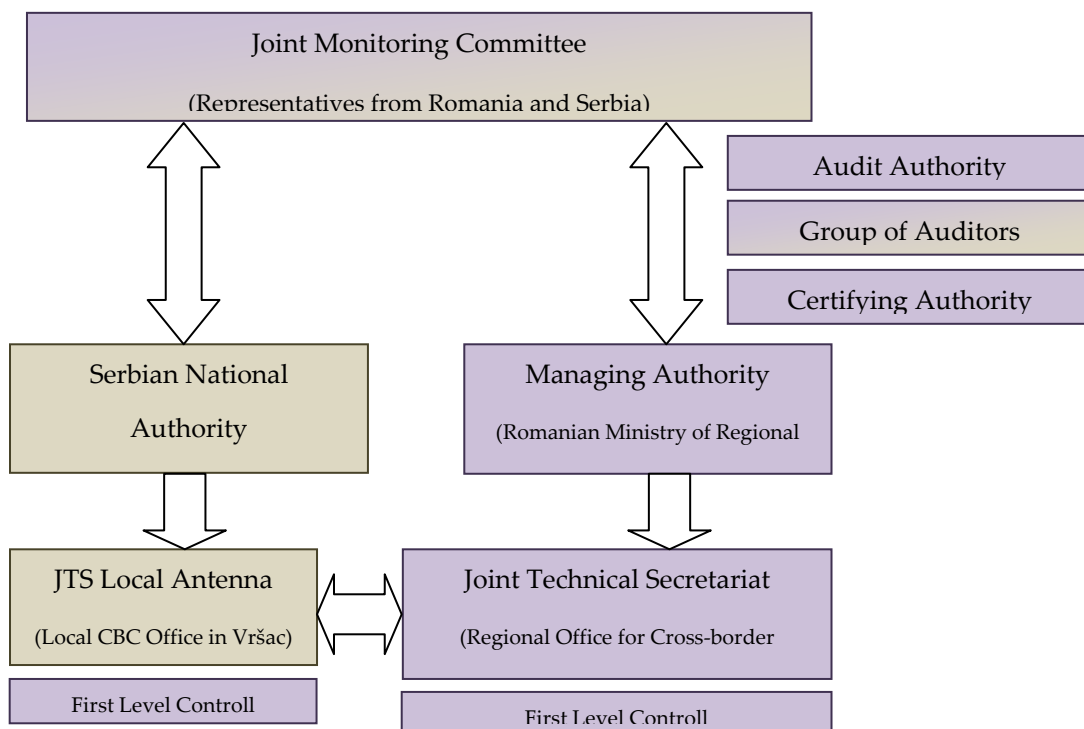
Figure 3: CBC organisational chart. Source: www.romania-serbia.net; adapted by the author.

required adaptations of the administrative organisation. The principles and key elements underwent no fundamental changes. The joint programming process as well as the joint management structures, the joint call for projects and the joint selection process are still central objectives of the programme. While in the 2004-2006 period the added challenge was the combination of PHARE CBC (decentralised ex-ante control) and CARDS (centralised control, delegated to the European Agency for Reconstruction) funds, for 2007-2013 most of these aspects could be facilitated by the implementation of IPA for both parties in the border region.

The management structures for 2004-2006 included the national authorities responsible for programme coordination (Implementing Agency (IA) in Romania[77], Programme Co-ordination Unit (PUC) in Serbia & Montenegro[78]), a Joint Cooperation Committee, a Joint Steering Committee[79] and a Joint Technical Secretariat (q.v. Neighbourhood Programme

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[77] Ministry of European Integration Cross-border Cooperation Directorate

[78] Ministry of International Economic Relations (MIER) of the Republic of Serbia Department of Donor Co-ordination and Programme Development

[79] The JSC was the operational body of the Neighbourhood Programme. Its main role was to draft the project fiches (bottom-up approach) and oversee the project selection process and project implementation. The JSC consisted of: Representatives of national, regional and local authorities. Given its specific "local" scope, the participation of national authorities were limited. Representatives of the European Commission were acting as observers. The JCC

2005). While on the national level primarily names were changed on the regional level only the Joint Technical Secretariat remained the same and the Joint Cooperation Committee as well as the Joint Steering Committee were given up on account of a simplified and optimised structure. Important improvements were made in terms of monitoring, evaluation and auditing, which beforehand were integrated duties of the IA and only were divested for the current programming period.

The Managing Authority (MA, located at the Ministry of Regional Development and Housing MRDH) is the overall management authority on the Romanian side. Its main task is to ensure that the programme is implemented according to EU regulations and intervention principles. Therefore, it is responsible to ensure computerised data storage of accounting records and other facts necessary for financial management, monitoring, verifications, audits and evaluation. Indeed, according to article 103 of Commission Regulation (EC) No 718/2007 it is the financial and reporting aspects that are primarily subject to the MA's duties.

The Serbian complementary body is the **National Authority (NA)** located at the Ministry of Finance. It is to be treated with equal rights and positions e.g in the Joint Monitoring Committee, but effectively it is subordinated to the MA in various aspects. The NA as such is not explicitly mentioned in the regulations on the IPA. It comprises most of the responsibilities that are assigned to all participating countries, such as ensuring national co-financing and operating the according payment systems; taking part in JMC meetings and contributing on behalf of Serbia to the programme planning and implementation process (IPA programming document 2008, 50).

The Joint Technical Secretariat (JTS, located at the Regional Office for Cross-border Cooperation in Timişoara) is in charge of the day-to-day administrative work of the CBC programme. It is an implementation body, putting into practice the instructions given by the MA. Its positions should be filled with Romanian as well as Serbian employees. The delegation of tasks from the MA to the JTS is conducted via contracts and monitored by the MA. "*This reflects the fact that the Managing Authority remains solely responsible for ensuring that*

on the other hand was the strategic body adopting and approving the outcome of the JSC with a strong participation of national authorities (Joint Programming Document 2004-2006).

the programme is implemented in line with the relevant regulation." (IPA programming document 2008, 50).

According to the Commission Regulation, the tasks of the JTS are not defined in detail and thus also depending on the MA located on the national level. An Antenna of the Joint Technical Secretariat is located at the regional office in Vršac on the Serbian side of the border.

The Certifying Authority (CA) that was integrated in the IA before 2007 is now an autonomous body at the Ministry of Economy and Finance, it receives the Commission payments and is responsible for the overall financial handling of the programme, such as the submission of expenditure forecasts as well as statements of expenditure and applications for payments, certifying their accuracy. For that purpose the audits carried out by the Audit Authority need to be taken into account.

The Audit Authority (AA) for the "Romania-Serbia" CBC programme is the Audit Authority at the Romanian Court of Accounts. It carries out audits on a regular basis to ensure the effective function of the management and control systems in action, assuring that transactions are legal and regular, thereupon issuing an opinion to the Commission giving reasons and estimating the scale of the problem and its financial impact. The audit authority may delegate its duties to a group of auditors, whose necessary functional independence needs to be assured; they set up their own rules of procedure but are chaired by the AA (Commission Regulation (EC) No 718/2007). A representative of each participating country will be part of this group.

The Joint Monitoring Committee (JMC) comprises representatives from both Romania and Serbia; it is set up within three months after the approval of the programming document by the Commission. Its task is to approve the effectiveness and quality of the implementation process of the programme, it therefore has to approve the selection criteria for projects, review the progress made on the targets set out in the programming document, approve annual and final reports, propose and approve changes made to the content of the CBC programme. The JMC is also responsible for selecting the projects to be financed, but is able to delegate this task to a steering committee.

The JMC is composed by a limited number of actors from the national, regional and local levels from both participating countries, including advisors from the European Commission as well as the CA and, where appropriate, the AA.

5.2.3 Relevant Documents

The two most relevant documents shall be discussed shortly, since they are essential to a smooth implementation and working process. They are not only defining the priorities of the programme but also its structures, lines of communication and evaluation. Both programmes are set up by the MA, though input from multi-level working groups is an elementary basis upon which they are drafted.

5.2.3.1 The CBC Programming Document

So far, there were two CBC programmes concerning the Romanian-Serbian border region, thus, two documents will be scrutinised as follows:

The programmes are both similarly structured, differences occur due to the different funding contexts. Between 2004 and 2006 the structure was much more complex because of the different instruments on either side of the border. The most important chapters of the programmes are:

- The description and analysis of the programme area including a SWOT analysis

- The programme strategy including the priorities, measures and result indicators

- The implementation provisions (down to a detailed description of the procedures)

- The financial allocation

While a general improvement of such a programme should be expected, this anticipation is met in most aspects. Especially the inclusion of an ex-ante evaluation as well as a detailed description of the programming process and an overall clearer structure speak in favour of the latest IPA programming document. It is, however, enigmatic why a perfectly fine and well designed SWOT analysis was given up in favour of an unstructured table. The SWOT analysis could have made up for the poor description of the border region, which can be blamed mostly on the still insufficient comparable data for the cross-border region.

The detailed description of the priority axes that have been extended from three to four is an integral part of the programme:

Priority	2004-2006[80] (Million Euro)	2007-2009 (Million Euro)
Economic and Social Development	5.707	9.780
Environment and Emergency Preparedness	1.133	5.085
Promoting "people to people" Exchanges	-	2.738
Technical Assistance	0.270	1.956

Table 4: Priorities and allocation of funds Romania-Serbia.

According to the priorities and the respective measures eligible, indicators were defined in order to evaluate the success of the programme. These indicators are mostly a certain number of projects that need to be realised under a priority axis in time as well as the absorption rate of the funds, both of which are easily measurable.

5.2.3.2 The Applicants Guide

The applicant's guides are an important means of communication to the applicants and thus to many regional and local actors. Therefore, their character can be crucial to the perception of the programme. The guidelines communicate all necessary aspects in order to apply for EU funding of CBC projects. Since the Regional Cross-border Office is not designed to be an advisory body, the most useful help they can provide is a clearly structured and explicit manual for applicants.

While for the Neighbourhood Programme one guide was issued with each call for proposals but usually for both axes, for IPA-CBC different guidelines for each priority (except technical assistance) were set up.

The content of the application guidelines consisted and consists of a summary of the programme, a delineation of eligibility (area, applicants, projects and expenditures), detailed instructions on how to apply as well as a description of the evaluation process of the projects handed in. The applicant's guide is written based on a suggestion by the Commission and negotiations between MA and EC as well as input from the JMC and JTS.

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[80] In the 2004-2006 period there were two different budgets that are already combined in this table; for the current programming period there is only one joint budget.

5.3 Actors and Projects

Elementary to contemporary cross-border cooperation[81] are the regional and local actors, who make CBC the driving force of regional development. In this sub-chapter the roles and positions of the biggest group of actors, the beneficiaries shall be laid out and the projects that actually make CBC happen shall be characterised as far as possible at this stage of CBC.

5.3.1 The Beneficiaries

Beneficiaries are organisations and institutions that are able to receive CBC funding. Beneficiaries can be regional and local authorities; non-governmental and non-profit organisations; representative associations and organisations; universities, research institutes and education and training organisations. They constitute the biggest group of actors in local and regional CBC but are a very diverse group in itself.

Regional authorities (counties and cities) are important beneficiaries especially in terms of infrastructure projects, their resources are usually equipped well enough or were extended to fit the requirements applications for extensive projects request. These authorities soon adapted to the possibility of EU funding and in general have a positive attitude towards the procedures and handling of the programme on all levels. A similar status is obtained by public organisations such as the chambers of commerce.

Local authorities (villages) like in many other countries, depend very much on the respective mayors and their ambitions and openness for such opportunities. Thus a great disparity can be found between different villages and their engagement in EU-funded and especially EU funded CBC projects. A local promoter project was initiated by the Centre for Rural Assistance Timişoara under the umbrella of the Civitas Foundation, but is neither documented nor visible.

The co-financing aspect that needs to be fulfilled on both regional and local levels for all EU funded projects according to the principle of additionality is often an issue due to lacking financial resources.

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[81] As opposed to cross-border cooperation agreements between governments, that are either large scale projects or no more than written arrangements, which are easily established but rarely involve other administrative levels.

In terms of **non-governmental and non-profit organisations** their quite recent existence has to be taken into account[82]. Those well established in the 1990s were pioneers in pre-EU cross-border cooperation themselves and are thus well aware of the bureaucratic maze that an application for EU funding in Romania can turn out to be. However, the necessary skills and experiences in order to apply for funding exist and have been proven very useful. On the other hand, younger NGOs are often overwhelmed by the considerable administrative efforts and resources that applications require.

Less light could be shed on the actual involvement of universities, research institutes as well as education and training organisations, even though they regularly appear in the first few published lists of projects.

Next to the beneficiaries and the administrative and management body of CBC another relevant group of actors has found fruitful ground for business. Consulting and project writing have become a lucrative business for several small enterprises, who seize the chance that on the one hand 1% of funding can be spent on external help for writing the project application and that on the other hand especially for newcomers project writing is a difficult and complex task. The various county councils on the Romanian side of the border have their own project production within the respective development agencies[83] set up together with chambers of commerce and the local communities.

5.3.2 The Interviews

As described in chapter 1.2, the methodology chosen has only partly proven to be fitting and thus, successful. The three main sections of the interview guidelines were the border region, administration of CBC, projects and implementation (Annex III). The questions within these sections were adapted to the interviewees depending on the type of actor (administration, beneficiary and consultant). Unfortunately, the idea of also interviewing on the international level had to be given up.

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[82] Non-existent throughout the communist regime, Romanian NGOs only started to emerge in the first half of the 1990s and started to flourish in the second half of the decade mostly because of the support of international foundations and institutions such as the CoE.

[83] ADETIM - Economic Development Agency of Timiş County, ADECS – Socio-economic development Agency of Caraş-Severin and Agency of Regional Development of South West Oltenia.

In terms of first response the interview process was easier than expected; however, I soon realised that certain questions could not be asked and certain answers would not be given or simply remain vague. One must keep in mind that at the time of the interviews the beneficiaries had only experiences with the PHARE CBC programme for 2004-2006. The IPA CBC programme was available as a draft; however, the applicant's guides where just about to be set up. The improvements intended by the IPA programme were therefore not yet perceived. Still all the interviews were quite insightful and some general conclusions can be drawn from them:

- The openness and experience of NGOs and their representatives is greater than those of officials from public institutions
- From the latter there is often a hint of mistrust towards questions from outsiders
- Communication in all its aspects seems to be the major problem
- Experiences are difficult to compare, probably because not enough have been made yet, so they are still very different
- Opinions are very incoherent
- Most actors involved, especially the administration of the CBC programme as well as local beneficiaries, are only learning-by-doing since the CBC programmes are still at a very early stage.
- During the application and evaluation processes of projects only the financial aspects seem important, the actual projects disappear in a bureaucratic jungle.

5.3.3 Projects Implemented

The information on implemented projects is scarce, only the projects contracted for the 2005 and 2006 calls for proposal[84] were published so far in lists with not much more information than the title of the project and the beneficiary as well as the contracting dates and the amount allocated. There is no central organ that would feel responsible to give the projects funded a certain visibility additional to what they can generate themselves. Thus it occurs that several projects with similar objectives and themes (e.g. cultural tourism) take place

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[84] for the budgets of 2004 and 2005.

neither being connected nor able to benefit from each other. Some information on projects can be obtained at project websites, if they exist or at the websites of the respective beneficiary, if provided. Also the opinions on the quality of the projects are vague, which might be because even though projects have been realised, it has been only a first few rounds and still these funding opportunities are new and have not yet become an integrated part of otherwise ever-day activities for the beneficiaries. These hardly disguised comments on CBC projects are clearly only assumptions made by the author on the basis of what has been seen and heard on the spot, no systematic approach has been used so far.

Due to the different budgets available fewer projects were granted on the Serbian side than on the Romanian. Unfortunately the Serbian projects cannot be clearly assigned to a priority, it seems however, that most Serbian projects have been realised under the small-project fund. 90 projects were granted funding on the Romanian side, while 32 cards applications have succeeded in Serbia. More than a third of the projects were conducted by local and regional public institutions, but the overall distribution in terms of content as well as area seems to be balanced.

An essential shortcoming of the projects under PHARE CBC was the lack of actual cross-border activity within the projects.

5.4 The Danube-Kris-Mureş-Tisza Euroregion

Euroregions are claimed to be the institutionalised form of cross-border regions. 185 of these cross-border regions all over Europe were counted by the AEBRE in 2007. The first emerged in the end of the 1950s (EUREGIO) at the German-Dutch borders, but only in the 1990s Euroregions they appeared all over the continent (q.v. PERKMANN 2002). These first Euroregions were bottom-up initiatives, based on subsidiarity and on the idea that local authorities are better positioned to address the needs of the population than central governments (LOUGHLIN 2001, quoted in: POPESCU 2006; 37). Currently 11 Euroregions can be found at Romania's borders, most of which merely exist on paper. Various critical voices were raised concerning the inflationary use of Euroregions. In the case of Romania Vasile SURD (2005; 49) rendered a scathing judgement:

"As far as our country is concerned, Euroregions will only unite poverty. They are more likely virtual regions, "wishful thinking" regions. [...] The territories proposed for these regions reject rather then [sic!] attract one another in order to make a whole. Reality contradicts the theory that the regional connecting element is the national minorities that live in the cross-border regions. In all this [sic!] territories there are small chances for regional collaboration. [...] They look good only statistically and cartographically. They take shape only on maps." This might be correct for many of Romania's Euroregions, the case of the Danube-Kris-Mureş-Tisza Euroregion will however, show, that the situation is not all bad.
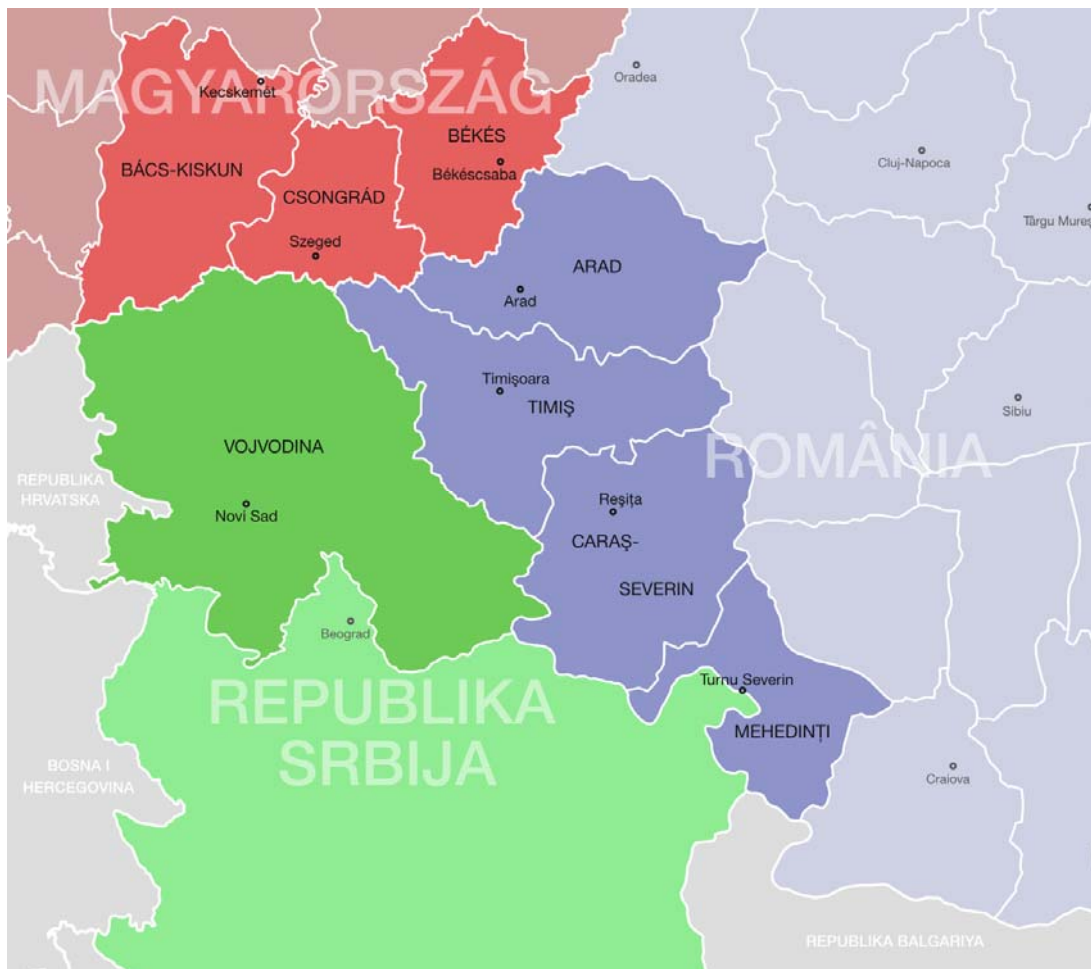
Map 5: The DKMT Euroregion. Source GADM (2008): Global Administrative Areas (version 0.9). - http://biogeo.berkeley.edu/gadm/, 05.03.09.

5.4.1 The History

The first official agreements for cross-border cooperation were signed between the counties of Timiş and Csongrad as well as Arad and Békés in 1992. In 1994, the autonomous province Vojvodina joined. In that same year a first partnership protocol between the counties of Arad, Timiş, Csongrad and Békés was realised (POPA 2006; 202). However, neither of the central governments acknowledged these agreements, which were even considered illegal in Romania (RIESER 2005; 30)[85]. The politically exploited antipathy between Romania and Hungary was not resolved then and the UN embargo towards war beaten Yugoslavia was another obstacle. Thus the years between 1994 and 1997 were marked by attempts in all three countries to receive an institutional framework for their endeavour. In 1996 Hungary and Romania signed a treaty of good neighbourliness, which was an important step towards establishing a Euroregion. Also in 1996 Vojvodina, Bács-Kiskun and Jász-Nagykun-Szolnok[86] officially became part of the trilateral cooperation protocol.

In the end of 1997, the nine participating counties as well as the major cities signed the protocol establishing the DKMT Euroregion. In 1998 the respective chambers of commerce declared their support and willingness to cooperate. On May 30th 1998 a significant project of the Euroregion succeeded when at the meeting point of the three frontiers, the "triplex confinum", the borders were opened for two days during a youth meeting[87]. In 1999 a first common budget and a joint office were created and in the following years the first strategic concepts were developed. In 2003 a private limited company was founded with head quarters in Szeged (DKMT Development Agency) and the Euroregion received a legal personality (www.dkmt.net). In 2005 the first of now annual meetings of the foreign ministers of the three countries took place, an important event considering the initial difficulties with the governments. In the same year a comprehensive development strategy was published.

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[85] In formerly communist countries the perspective of Euroregions was often seen as a threat to national integrity (POPESCU 2006; 42).

[86] Jász-Nagykun-Szolnok, a very active partner, left the cooperation in 2003 in order to focus on only one regional cooperation in another Euroregion.

[87] This project has been repeated annually since 1998.

5.4.2 The Structure and Administration

Currently DKMT consists of four Romanian counties (Arad, Caraş-Severin, Hunedoara and Timiş), three of Hungary (Bács-Kiskun, Békés and Csongrad) and the autonomous province of Vojvodina in Serbia. It has about 5.3 Million inhabitants in an area of 71,867 km². A comprehensive analysis is available in the strategy document of 2005, another rather extensive chapter to DKMT has been contributed by POPA (2006).

Since 2003 the Euroregion has not only had an office and a legal personality, but also a new operating structure. The office in Szeged coordinates the projects and activities within the Euroregion and its organs: The Forum of Presidents is formed by the heads of the county councils and acts as a consulting organ. It delegates from among its members a president for a year. The secretariat as the second organ is set up at the seat of the president elected. Working groups constitute the third organ and are established according to specific projects and cooperation programmes, which are established by the forum of presidents (POPA 2006; 202-203). Meetings of the forum happen at least four times a year. Even though the representatives of the Euroregion are quite prominent it is difficult to gather a proper budget and enough employees to cope with the daily business of DKMT. This is also the reason why the website is not always up-to-date[88]. Still a constant output of projects can be provided, be it in the area of strategic development for the region, in the form of cultural exchange, cooperation and development or the improvement of cross-border infrastructure. An essential project was the setting up of a border crossing at Cenad, which took ten years of intensive lobby work to be realised, another impressive endeavour was the ERIC a Euro Regional Information Centre, which has actually been working for several years now providing tri-lingual news from the Euroregion. Also projects promoting the common cultural heritage and tourism are fostered steadily.

5.4.3 The Perspectives

DKMT is one of the few Euroregions at a Romanian border that presents itself as an active and succeeding project. The fact that regular problems and challenges have to be faced and overcome shall not be denied. On the Serbian side the relations between local

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[88] Many Euroregions with Romanian participation do not even have a website.

administrations and Belgrade are still tense, hence, interfering with cooperation processes, while the Hungarian counties are known as the most active ones. The different status relating to EU membership and the resulting economic and social disparities influence the share of contribution even though also Romania is now a member and also Serbia is by now a potential candidate.

Many aims and projects pursued on the regional level are actually a national competence and thus require exhausting lobby work. Thus, the by now annual meeting of the Foreign Ministers must be seen as a big success and a sign of acceptance of the efforts made within the Euroregion.

Unlike other cross-border regions (e.g. German-Czech-Polish Euroregion) the language barrier is a insignificant issue to cooperation in the area. Here the multi-ethnic history proves helpful, since by now the Romanian-Hungarian aversions don't seem to be an issue anymore. Other communication issues throughout the Euroregion but also within the participating structures, however, do hinder cooperation processes. RIESER (2005; 33) attributes this to the dissipation in many administrative or private institutions, which often work quite isolated and with narrow competences given to different agents. He misses a broader and more open flow of information.

Despite all problems the perspectives for the DKMT Euroregion are positive and its developments worth to be followed in the future.

The historical region vs. the programming region vs. the Euroregion

At this point of the thesis, knowing now three different specifications of the Romanian-Serbian border region (the IPA programming region, the historic region of Banat and the DKMT Euroregion); the question obtrudes, what is now the actual cross-border region? With a little bit of pondering, there is no single answer. The programming region is just a recent product based on the common Romanian-Serbian border and the necessity to create a funding area. The historic Banat is too ancient. DKMT has probably the most potential with the identity-causing Banat at its core and the programming region as a financial source.

The Border Region and Governance – Intermittent Résumé IV

Already before the EU accession of Romania the Romanian-Serbian border region has been included in the multi-level context of European Cohesion Policy. Thus, the first prerequisite for cross-border governance seems to be fulfilled. However, as was shown in chapter 4, while the necessary levels were identified, in the end most competences were still located on the national level. The question arises, whether the existing multi-level processes (e.g. the joint working processes on programming documents) lose their value in the light of the still centralist decision-making? Another characteristic of cross-border governance are transfrontier networks. Having many different projects with a more or less strong cross-border character does not necessarily imply the existence of functioning networks. On the one hand the incentives given by EU funding find response, on the other hand the few initiatives before and those now (hindered by path dependent centralist tendencies) were and are still not able to lay the ground for actual self-steering attempts. The DKMT Euroregion can be seen as possible exception, however its network character can still be questioned due to the steep hierarchical structures in the regional administrations, that are difficult to overcome, the topic-related working groups, however, could be a step towards lower thresholds leading to a more network-like way of operating.

6 Résumé

6.1 Clarifying the Use of Terms: Cross-border Regional Development

When reading the thesis the title "Romania and Cross-border Regional Development at the External EU Borders – including a case study from the Romanian-Serbian border" must soon seem chosen wrongly. Indeed, in a certain way this is the case. Soon after the title had been handed in and the actual research work had started the author realised that cross-border regional development as indicated on page 22 does not yet happen at the external EU borders. However, cross-border governance as an initiator and driving force of cross-border regional development is what must be focused on before transfrontier regional development can be addressed properly. While cross-border cooperation can be scrutinised from the first project and also measured in terms of existing projects and relations, cross-border regional development is more difficult to grasp and needs statistical indicators of all kinds in order to be measured.

Because by the means of successful CBC cross-border regional development can be accomplished it seemed justified to keep the title of the thesis.

6.2 Cross-border Governance vs. Cross-border Cooperation

In chapter 2 the author showed that not many attempts have been made so far to answer the first research question:

"*How can CBC at the external borders be analysed in a comprehensive and yet scientific manner?*"

According to the presented hypothesis, governance concepts in general and cross-border governance in particular are fit to provide an analytical background for CBC. According to BENZ et al. (2007a), the combination of different governance mechanisms constitutes different governance regimes. Several of these mechanisms were presented in this thesis. Many of which can be found throughout the previous three chapters when presenting the structures and processes constituting CBC on all levels;

Negotiation as a governance mechanism appears in different contexts of CBC: Between the European Commission and the Managing Authority (e.g. applicant's guide), between national authorities and the leading organ of the Euroregion, on the regional level among the county representatives in the context of DKMT as well as within the Joint Monitoring Committee. As described in chapter 2.3.2 negotiation may be present in different governance mechanisms and thus display different characteristics and grades of effectiveness. In hierarchic structures, a superior authority is able to take over a decision when no consensus is reached, however, chances are also that fruitful negotiation processes between different levels are impeded. Within networks, on the other hand, difficult blocking situations might arise, when no common denominator can be found, which easily occurs when negotiating across borders and thus different national jurisdictions.

Networks as a governance structure are closely related to negotiation. On the European level they have been established successfully in all kinds of areas. However, in Romanian border regions networks are rare. Under the umbrella of DKMT the first steps are taken towards cross-border regional networks, also the Joint Monitoring Committee shows network characteristics. While many organisations and institutions are part of international networks, regional networks do not (yet) exist and are difficult to set up.

Instead **hierarchy** is a mechanism maintained in many CBC-related structures in Romania. The multi-level approach of the EU Structural Funds is implemented in terms of levels but not in terms of delegation of competences. In the sense of governance, hierarchy was reduced to a subordinate (though still necessary) factor in many EU structures (which include also the national and sub-national levels) especially when it comes to Regional Policy.

When talking about maintaining hierarchy but also centralised structures the **path dependence** mechanism comes to mind. The retention of institutions, of habits and values, even though their inefficiency can be assumed, applies to various aspects in Romanian administrational structures. PIERSON & MAHONEY (chapter 2.3.2.4) opted for the possibility to change path dependent institutions, by means of learning processes, change of values etc. Including this option for change path dependence seems to be an attractive option to explain

different processes (centralism, bureaucracy, attitude etc.). Whether they are named path dependent or not[89], it was highlighted throughout the thesis that their origin does not lie in the recent past but can be traced back decades, centuries and even millennia (in the case of centralism).

Policy transfer in its different specifications is an almost inevitable side effect of EU accession and membership. However, also international networks give incentives and serve as communication agents to try and experiment with approaches that have been tested somewhere else. The copying of Euroregions is a good example.

The strong presence of certain mechanisms (path dependence and hierarchy) is connected to the political past of the region. On the other hand, it is not them but negotiation and networks that seem to be the keys to the multi-level and cross-border character of governance.

We can conclude that the multi-level context proposed by BENZ 2007d is in fact is elementary to CBC, while its essential characteristics are similar to those of regional governance. In the Romanian case, however, the multi-level context seems only given as an international aspect. Since essential competences are not relocated, coordination between the national, regional and local levels is not necessary (thus centralism impedes multi-level governance). Regional governance in the sense of FÜRST does not even exist (q.v. chapter 6.5).

CBC requires a minimum degree of institutionalisation in order to be considered *cross-border governance.* By simply translating CBC into cross-border governance the latter would be used as an empirical concept. However, in order to compare and evaluate empirical approaches, the analytical governance concept is necessary. Thus, in general, cross-border governance is applicable in order to analyse cross-border cooperation; however, in the Romanian case certain amendments must be taken into consideration (q.v. chapter 6.5).

Proceeding research would have to involve a systematisation of governance mechanisms, on the basis of which a model for comparison could be created for different governance regimes in different stages of progress. Only then a sustainable argument can be found that clearly distinguishes cross-border governance from regional governance.

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[89] The author is aware of the critique on the concept of path dependence and suggests BEYER UND WIELGOHS 2001 for further reading

6.3 CBC at the Romanian – Serbian Border

What is the status quo of CBC at the Romanian-Serbian border after two years of EU membership and where does it go (challenges and perspectives)?

In terms of institutionalised cross-border cooperation Romania is basically a virgin. As mentioned in chapter 1, it was the last of the recent Member States to access EU CBC funds. Before this source of capital opened up, only incomparably smaller amounts had been available through other donors, while national funds were hardly ever brought up for such peripheral endeavours. Signed in the beginning of the 1990s, the first formal cooperation agreements on the regional level remained unfulfilled commitments – with a few exceptions such as DKMT.

If we consider EU-initiated and EU-supported CBC a separate form of institutionalisation of transfrontier cooperation, two general strands of institutionalised development at the Romanian-Serbian border can be distinguished:

- The bottom-up approach by means of the Euroregion DKMT, which has so far proven to be successful in spite of all challenges.

- The ongoing institutionalisation based on EU requirements for CBC. This form can be seen as a combination of a large top-down incentive with many smaller bottom-up initiatives.

At the moment both development strands are interconnected. Even though the Euroregion has existed for much longer than the EU supported national structures, EU funds have been essential for the positive development of DKMT since the late 1990s. However, in the end it has to be the Euroregion which needs to last and prove to be sustainable, because subsidiarity is the essence of Euroregions in their principal idea as well as an aim of all EU funding missions.

In terms of challenges the actors of CBC in Romania face the same as those everywhere at Europe's external borders.

- The harmonisation of EU and national law in their own country

- Different legal contexts on either side of the border

- Time-consuming and complex application and evaluation procedures

- Dependency on and lack of political commitment

- Restrictive visa regimes

- Lack of experience/exhausting learning-by-doing processes

Still, there is a significant heritage from the recent communist past e.g. corruption, the fear of corruption, dysfunctional communication among different levels but also among sections of one level, inexperienced approach and handling of new principles such as transparency, etc.

This is not intended to be an offense to Romanian work methods[90]. It is however, an observation made that is considered an inevitable result of decades of questionable politics under communist and post-communist governments. This heritage leads to redundancy, inefficiency and bureaucracy. It is the reason that the competences at the regional level are very limited and thus innovation and flexibility are impeded. For example, there is no institution or office that supports communication among funded projects and provides them with additional visibility. It is also the reason why documentation of early attempts to organise CBC is mostly not available. These issues will be dealt with at one point or another. GUALINI 2003 would refer to them as youth diseases, such as the lack of local experience or the novelty of the tasks involved.

The perspectives of CBC at the Romanian-Serbian border are not particularly exciting but by all means positive. Not only the promising Euroregion, but the respectable efforts that were made in a short period of time must be acknowledged. Especially the fact that many structures have been created from scratch in terms of qualified human resources and infrastructure needs to be considered. New ground was broken towards cross-border regional development at any rate and institutionalisation brought the progress.

The better its organisation, the bigger the demand and the better the absorption rate of funds, the greater the outcome. Even though no instrument was found to measure the quality and degree of institutionalisation, in the Romanian and especially in the Romanian-Serbian case it is crucial for successful CBC. The pioneer work was done by others, but only EU funds allowed for visible CBC.

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[90] According to my own experience and that of others, there are many Romanians who react defensively and offended when confronted with such critique.

The here presented region is privileged to a certain extent compared to other Romanian border regions. The West Region especially Timiş County have prosperous centres, are free of conflict and bordering another EU Member as well as a potential candidate for EU accession. For example the Romanian-Ukrainian-Moldovan border region encompasses Romania's poorest regions, which are bordering two similarly poor countries with unstable economic conditions and slim chances to ever access the EU. In addition, the eligible areas were changed again after the 2004-2006 transition period, when two independent programming areas (Romania-Moldova, Romania-Ukraine) were joined.

The efforts to keep up with the fast-paced EU requirements are honest and ambitious. It will, however, take considerable time in order to optimise and harmonise processes and adjust the collective consciousness to the European ideas of CBC.

Other than a transformation of the collective consciousness more specific requirements for sustainable CBC will be discussed on the basis of cross-border governance in chapter 6.5.

6.4 The European Union and its Approach to CBC

Every day the EU is confronted with a lot of critique. Its methods are questioned and judged to be over-bureaucratic. At this point it is important to the author to clarify that it is not such blind disparagement that encouraged the hypothesis stated in chapter 1, which shall be repeated as follows:

EU regional policy is not fit to match realities in post-communist border regions.

This hypothesis is the result of a very simple train of thought that occurred to the author a few years ago. When first studying Romanian history and first getting to know the country and its people, many prejudices were disproved, probably as many confirmed and many were explained. Until then university had taught the author predominantly about CBC at the former external borders of the EU 15. Finding out about the political, social and economic situation of regions at the external EU borders the author simply concluded that it *must be impossible to achieve the same CBC that was realised in other European border regions at the Eastern margins of the EU*. The author soon realised that this approach was probably too naive and not thought-out. However, she decided to keep the issue as a side aspect of the thesis; for the simple reason that enough people agreed with her that this would be an interesting question.

EU regulations vs. regional and local reality, to what extent do European visions coincide with the regional and local needs and expectations at the Romanian external borders?

There can only be a common European vision, otherwise, who would need a union? Thus, the aim must be to have one set of laws and regulations (the aquis communautaire) for all EU Member States (the countries which decided to share the European vision). All these countries have more or less advanced starting positions from which to join the cohesion process (which is part of the European vision).

The aquis communautaire is more or less difficult to implement depending on the respective chapters. It is strict on procedures but flexible in the adaptation to national structures. Regional Policy is tricky (e.g. establishing new regions); however, in terms of CBC the situation is easier because concerning CBC the required structures usually have to be newly implemented und do not coincide with existing institutions. The definition of priorities is conducted via a multi-level process; hence, the expectations on the regional level tend to coincide with the overall expectations defined by the EU.

It is also important to acknowledge the steady improvements that the European Commission has been achieving for the past 20 years in terms of programming, evaluation and communication within the context of the Structural Funds.

Still, there are edges in the multi-level structures of European CBC implementation.

- Especially in the peripheries of the Union the European vision has not yet arrived – communication and information problems that are well known on the European level.

- EU regulations have a strong focus on the financial aspects of implementation; this focus is being transferred then to the implementing structures, where the bureaucratic maze is extended due to fear of corruption. In the end it seems the projects themselves are missing out in favour of finances, which leads to

- the still existing possibility of phantom projects

- Federalism can be discussed, but the general decentralisation of competences cannot, considering that key terms, such as "Europe of the Regions" and "Think Global Act Local" are part of the European vision. However, it is still possible to safeguard all actual decision-making competences on the national level.

Concerning governance structures the EU is flexible in terms of their implementation. There are not many explicit requirements on the implementation or obligatory use of specific coordination mechanisms. Therefore, the governance approaches promoted by the European Commission do not necessarily coincide with the regional and local realities.

6.5 Summarising the Résumé – Governance throughout the Thesis

In the end of chapters 3 to 5, short intermittent résumés were constructed in order to perceive the different occurrences and qualities of governance mechanisms and the train of thought that – in theory – lead to the concept of cross-border governance. Finally this allows us to connect the research questions "1" and "2", by analysing the status quo of CBC at the Romanian-Serbian border in terms of cross-border governance. To accomplish this, it is important to recapitulate the governance context, which is – being a multi-level context – part of cross-border governance.

The EU and its Cohesion Policy constitute most of the multi-level governance context that cross-border governance is embedded in. It requires the involvement of different actors on different levels on the basis of the partnership principle. Thus, paying tribute to the fact that in order to successfully and sustainably develop peripheral regions and achieve cohesion, all available expertise needs to be considered. Regions shall be empowered in order to use their endogenous potential and in the end take care of their own development. Therefore competences need to be relocated from national to regional and even local levels. However, the latter is not a requirement consolidated by the aquis communautaire; thus, while the partnership principle can be managed without compromising competences on the national level, the latter is easily able to hoard all the decision-making power.

Considering multi-level governance, Romania is evidently included in the European Union and therefore part of a multi-level system; however, within the country it was highlighted throughout this thesis that the required tiers are implemented only superficially. Thus, the Romanian national level can be considered as the lowest level, while the others are mere sublevels, which do play significant roles in implementation of regional policies but lack relevant decision-making competences. Seemingly, path dependent structures that

historically developed the deficits mentioned in chapter 6.3 have prevailed. They only slowly succumb to the changes initiated by exogenous shocks (e.g. transformation, EU accession) and learning-processes (e.g. through policy transfer).

When it comes to Romania and regional governance the same path dependences impeded and still impede the creation of regional self-steering attempts. As described in chapter four, the county level is too small to permit serious initiatives, even though some competences were delegated to that level. This is the reason why Romanian regions (county-level) have the right to decide whether to participate in cross-border initiatives. Beyond that the independent decision-making already reached its limits, as was highlighted in the case of DKMT. Many projects were significantly delayed or even suppressed because they or some of their aspects are located in sectors of national competence.

Regional governance as suggested by FÜRST does not yet exist in Romania. The co-creation of Euroregions may somehow be seen as an attempt, but in the case of this thesis has to be attributed to cross-border governance at the Romanian-Serbian border.

Using the characteristics of cross-border governance as defined in chapter 2.3.5, shows that the prerequisites for such a governance regime are hardly given. Chapter 5 (in combination with chapter 4) already highlighted the fact that so far no functional cross-border regional networks exist, which might be result of historically caused general mistrust in post-communist countries (KAHL 2009). On the other hand the strong Romanian regional identity and the positive basic attitude towards the neighbours (q.v. GUALINI'S third dimension) is an important bonus for the further development of cross-border cooperation.

Driving forces of the present approaches to cross-border governance were and are early policy transfer of some kind (e.g. Euroregions) and the multi-level governance setting of EU Cohesion Policy. Somehow these factors have enabled cross-border governance, where no regional governance does yet exist.

The questions that arise are:

- In terms of the Romanian-Serbian border region, can we already speak of cross-border governance?

- Or is it necessary to create a special governance regime for the transformation context, where regional as multi-level governance as we know it from the Western European examples are difficult to achieve?

While economic, social and political (democratisation) transformation seem to progress constantly, underlying structures (bureaucratisation, attitudes of the Romanian population towards the state and public institutions, etc.) by far cannot be transformed at this rate. Using governance concepts, these circumstances could be revealed in terms of regional policy and cross-border cooperation. While the inclusion in international institutions and networks allow for certain governance aspects to develop, a "traditional" approach[91] as known from long-standing examples in Western Europe is missing.

Therefore, the cross-border cooperation that is achieved at the moment cannot be analysed in terms of cross-border governance (yet?), because the necessary prerequisites are not yet existing or enough developed.

6.6 New Questions and Perspectives on Further Research

The presented thesis addressed a wide-ranging topic; a topic that was hardly covered so far and thus requires a broad first approach. Thereby it shall inspire more detailed qualitative and quantitative research in the field of cross-border regional development. Because of the limited possibilities in the framework of a master thesis many interesting aspects could not be covered. Hence, many ideas and approaches had to be left out and questions that were raised throughout the working process had to be left unanswered. Some, however, will just take time in order to get answered.

Scrutinising cross-border regional development – a quantitative approach

The next step after analysing and defining the motor of cross-border regional development would be to focus on the regional development aspect itself. In order to do so, at least three prerequisites need to be met:

- Cross-border cooperation structures have to prove sustainable

- The availability of comparable statistical data needs to be improved

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[91] Autonomous local and regional bottom-up attempts that can be described with regional governance, that then integrate into a multi-level context and develop also cross-border approaches.

- Time needs to pass in order to have an adequate period of time over which comparative studies can be conducted

Furthermore regional development indicators would have to be defined in order to measure progress in development processes.

The transformation context

Another intriguing approach would be to put a stronger and more explicit focal point on transformation processes and their influence on the quality of institutionalisation and on path dependent structures and processes. It is apparent that the effects of transformation are only just now surfacing.

A bilateral approach

In this thesis, the starting point of the research endeavours was Romania with a focus more on vertical multi-level structures than on horizontal ones; thus, the Serbian point of view was widely neglected. Trying to approach both parties with an equally distributed research intensity could have brought revealing insights; especially on the differences and qualities of coordination structures and mechanisms, which are considered by many Romanians as to be more efficient in Serbia.

The trilateral solution

It seems as if the trilateral cooperation between Hungary, Romania and Serbia has a promising future. As mentioned in chapters 5 and 6, of the different cross-border regions that are overlapping in the area, DKMT is the one that has true potential, because it is more than a programming region and includes a lot of the positive aspects that a Banatian identity can still provide. A stronger legal background would be helpful; however, it seems very unlikely that the new format EGTC (q.v. chapter 3.2.3) will soon be an option for the DKMT Euroregion. It would be very interesting to scrutinise the possibilities a trilateral solution might provide.

Valuable results by comparison

This approach refers to the necessity to apply the cross-border governance concept to a traditional western cross-border region and then to work out the similarities and differences between the internal (EU 15) and the old and new external borders.

For the author continuing with a quantitative approach would be most interesting. It could cumulate in the creation of an instrument to measure and compare cross-border regional development. However, the regions at the external EU borders are not yet in a position where cross-border regional development can be achieved right away and CBC has not reached a level where it works as a driving force of regional development. It will take several more years until this topic will become crucial. In the end cross-border cooperation can only be a long-term means to enhance cohesion.

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Annex I – SWOT Analysis

SWOT analysis from the Joint Programming Document for the Neighbourhood Programme Romania-Serbia 2004-2006

	Strength	**Weaknesses**
Population/ Culture/ Society	▪ Ethnically mixed population ▪ Wide variety of cultures and a mixture of languages of border area population ▪ Balanced industrial and agriculturally oriented population in North	▪ Low birth rate and a high level of migration of youth ▪ Declining income ▪ Refugees and IDP population concentration in the area ▪ Aging agricultural workforce in South
Economy	▪ High agricultural potential, especially Vojvodina ▪ Broad industrial base (manufacturing, mining, forestry, power generation, ▪ chemical and pharmaceutical industry) ▪ Strong raw material base e.g. copper, building materials (clay, sand, timber etc) ▪ abundance of arable land ▪ High potential of Spa-tourism	▪ Most manufacturing industry uncompetitive in international markets ▪ SME sector weak ▪ Service sector not developed in border region ▪ Incomplete privatisation processes hinder investment decisions (SCG) ▪ Low co-operation among public services across the border.
Employment/ Equal opportunities	▪ Skilled workforce uniformly distributed in the border region ▪ Wide variety of skills and expertise immediately available ▪ Building materials industry in expansion phase	▪ High unemployment especially in heavy industry ▪ Lack of retraining facilities for redundant workers ▪ Labour market generally dominated by male
Education / Health	▪ Good education system ▪ Uniformly distributed school and school networks	▪ Reduced effectiveness of healthcare system after conflict period (SCG) ▪ Lack of reforms and poor adaptability of healthcare and education systems
Infrastructure	▪ Extensive road and rail network ▪ Satisfactory public transportation ▪ Well developed local train and bus transportation system in Serbia ▪ Existing Bega/Begij canal infrastructure ▪ DTD irrigation network	▪ Most infrastructure in border area is in need of modernising or upgrading ▪ (including roads); ▪ Lack of availability of funds hinders existing modernisation plans ▪ Railway network needs particular attention due to outdated rolling stock and ▪ signalling equipment
Environment	▪ Well preserved natural parks, forests and areas of outstanding natural beauty ▪ Generally low levels of industrial pollution in areas of scenic beauty ▪ Environmental protection important issue for both countries	▪ Industrial pollution from heavy industry feeds into Danube ▪ Groundwater pollution from closed and derelict factories and mines and agriculture ▪ Resolving environmental issues has relatively low priority ▪ Growing pollution from mining and ore extraction needs urgent attention ▪ Waste water treatment and sewage facilities in rural areas inadequate for requirements of population ▪ Waste disposal is an overall problem ▪ Saline soil in some areas

	Opportunities	Threats
Population/ Culture/ Society	- Resourceful society oriented towards economic development of both counties - Emphasising strong cultural and historical links will stimulate regional integrity and favour tourism from neighbouring countries - Repairing and rehabilitation of many historic sites will increase attraction of area to neighbouring and foreign tourists	- Large scale emigration of working age population - Effects of post–conflict recovery remain, however in Vojvodina the growth is - higher than in the rest of Serbia (SCG) - Long-term isolation from mainstream Europe could create resentment in population (SCG) - Introducing visa requirements between the two countries
Economy	- Restructuring of industry to create modern economic base and foreign investment - Skilled management capable of developing competitive companies - Improving economic ties between Romania and Serbia - Privatisation creates excellent opportunities for entrepreneurs and foreign investment - High tourism potential will stimulate employment and job creation	- Existing industrial base largely unattractive to foreign investment - Lack of investment will delay growth and lead to stagnation of economy
Employment/ Equal opportunities	- New businesses have access to large skilled HR pool - Re-training will re-orient redundant workers to new work opportunities - New business sectors such as services, tourism will reduce unemployment - Industrial reconstruction will create short and long term employment	- Lack of new long-term work will encourage further emigration from region - Existing industry and agriculture will no longer provide sufficient employment to - maintain population at the current level
Education / Health	- Opportunities for creating cross border networks to enhance education and research co-operation - Specialist educational establishments develop programmes and curricula to adapt to market needs	- High commitment needed to regional education and human resources development programmes needed to retain workforce in area - Insufficient resources for state education and health systems to develop new approaches
Infrastructure	- River systems have some potential for transport corridors (Corridor VII – Danube) - Selected improvements to road networks near border area will facilitate tourism and local activities - Upgrading border crossings will lead to stimulation of better contacts - Further integration of road/rail/river transport systems - Opportunities for sharing cross border public services	- Infrastructure improvement programmes will not serve border area equally causing disparities in progress - Lack of modern infrastructure will reduce competitiveness of local industries and reduce attractiveness of area to tourists
Environment	- Preserving and protecting the integrity and biodiversity of national parks - Great potential for environmental and eco-tourism in areas of natural beauty - Opportunities for joint projects for management of waste and sewage disposal	- Decline in species and biodiversity if air and ground pollution increases - Decrease in tourist potential if management of national parks and areas of outstanding natural beauty is insufficient - Health risks to local population if waste water pollution increases

Annex II – Interviews Conducted

Anca Lolescu, director

Biroul Regional pentru Cooperare Transfrontaliera Timişoara

16 August 2008, Timişoara

Christina Imbri, Operational Programme and CBC Department

Biroul Regional pentru Cooperare Transfrontaliera Timişoara

05 August 2008, Timişoara

Adrian Mariciuc, Head of Regional Policy Office

Agenţia de Dezvoltare Regională Regiunea Vest

08 August 2008, Timişoara

Ruxandra Adam, European Integration Consultant

Agenţia de Dezvoltare Timişoara

08 August 2008, Timişoara

Ilona Mihaies, executive president

Regional Centre for Democracy

07 August 2008, Timişoara

Agneta Kardos, Interregional Cooperation (European Integration Office)

Consiliul Judeţean Timiş (Timiş County Council)

21 July 2008, Timişoara

Calin Rus, director

Institutul Intercultural Timişoara

31 July 2008, Timişoara

Zorislav Stojanović, consultant for Serbia

Joint Technical Secretariat

19 July 2008, Timişoara

Georgeta Dumitrescu, project manager

Comună Dumbravița

13 August 2008, Dumbravița

Szilagyi Geza, mayor

Comună Dumbravița

13 August 2008, Dumbravița

Danieal Craciun, project coordinator

Asociația Pro Democrația (Pro Democracy Organisation)

20 July 2008, Timişoara

Ruxandra Savonea, IPA coordinator

Ministerul Dezvoltării Regionale şi Locuinței

13 February 2009, Bucureşti

Simona Petcu, INTERACT contact point

Ministerul Dezvoltării Regionale şi Locuinței

04 July 2008, Bucureşti

Annex III – Interview Guidelines

Introduction

Personal Positioning

How is your organisation/institution/department involved in CBC?

What are your duties/what is your involvement related to CBC?

The border region

Do people here perceive themselves as inhabitants of a border region?

How would you estimate the relations between the people on each side of the border?

How would you rank the border region in terms of development compared to other Romanian border regions

Implementing CBC

How is the information on CBC in the region?

What are the advantages of CBC in the region?

What are the challenges and difficulties of CBC in the region?

What are the difficulties in implementing CBC programmes/projects?

Projects

Who is applying?

How would you estimate the quality of the projects?

How do you perceive the application process?

How do you perceive the selection process?

Curriculum Vitae (Auszug)

Susanne Hanger

* 24.02.1983

Große Pfarrgasse 26/1
1020 Wien

Ausbildung

seit 01.10.03	Studium der Romanistik (Portugiesisch und seit Sommer 06 Rumänisch)
	Voraussichtlicher Abschluss September 2009 (Bachelor of Arts)
seit 01.10.02	**Studium Theoretische und Angewandte Geographie** (Schwerpunkt Regionalentwicklung; Wahlfächer: Regionalpolitik Österreich und EU; Transformationsländer Ost- Südosteuropa), voraussichtlicher Abschluss Mai 2009 (Magistra rer. nat.)
1993 – 2001	**Bundesgymnasium** Steyr: Matura im Juni 2001
1989 – 1993	**Volksschule** Wolfern

Berufserfahrung

16.09.08 – 30.09.09	**Koordinatorin des Initiativkolleg Kulturen der Differenz**
	Universität Wien
15.07.08 – 15.08.08	**Praktikum**
	Biroul Regional pentru Cooperare Transfrontaliera Timişoara
01.07.07 – 10.08.07	**Praktikum**
	Institutul Intercultural Timişoara
01.01.07 – 13.02.08	**Projektassistentin** (Thede Kahl)
	Forschungsstelle Josefsplatz (ehemaliges OSI)
01.07.06 – 14.09.06	**Praktikum** (Peter Jordan)
	Österreichisches Ost- Südosteuropa Institut (OSI)
01.03.06 – 30.06.08	**Tutorin** an der Universität Wien
	(Institut für Geographie und Regionalentwicklung jeweils im Sommersemester)
	Betreuung der Übungen Ländlicher Raum (SS06), Betreuung eines Projektseminars aus Angewandter Geographie und Raumforschung (SS07), Betreuung des Proseminars zur Rumänienexkursion im Juli 2008

Ehrenamtliche Tätigkeit

seit Herbst 05	**EGEA** (European Geography Association): Mitarbeit Entity Wien
seit 01.05.04	**European Youth Press**: Projektkoordination und externe Kommunikation; Vorstandsmitglied bis August 2008
seit 20.04.04	**Österreichische Jugendpresse**: Gründung der Organisation, Sprecherin (bis Juni 2008), HR, Projektkonzeption, Förderungen, Organisation von Vorträgen und Workshops

Sprachen

Deutsch, Englisch, Portugiesisch, Niederländisch, Spanisch, Rumänisch

ERKLÄRUNG

Ich versichere

- dass ich die Diplomarbeit selbstständig verfasst, andere als die angegebenen Quellen und Hilfsmittel nicht benutzt und mich auch sonst keiner unerlaubten Hilfe bedient habe,

- dass ich dieses Diplomarbeitsthema bisher weder im In- noch im Ausland (einer Beurteilerin/einem Beurteiler zur Begutachtung) in irgendeiner Form als Prüfungsarbeit vorgelegt habe und

- dass diese Arbeit mit der vom Begutachter beurteilten Arbeit übereinstimmt.

Wien, am 31. März 2009

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