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Policy Vision of eRegions – the Case of EU and non-EU Countries

Positive political, economic, and social implications make the eRegion concept attractive for a wide spectrum of stakeholders and players. We are focusing on eRegions created from EU and non-EU countries. We introduce wider definition of eRegion and assess some benefits and obstacles for implementation. An extension of e-Regions concept from geographically neighboring countries to Virtual eRegions with engaging countries that are not necessary geographically neighboring opens up new views and possibilities. The concept could be easily extended to Eastern Europe and Mediterranean countries. We could foresee similar development that has been already seen in business world introducing virtual organizations.

1 Introduction

A universal character of Information and Knowledge Society makes national strategies interdependent on a global scale, as well as regionally. The EU Information Society policy is an example of search for synergy at the European level. However, even Europe is too diverse for unified approach, so the European Commission also promotes regional cooperation. This policy has already proved to be efficient for old and new EU member states. Evidence shows that some regions are more enthusiastic and ready to cooperate than others. Obviously, it all depends on economic, political, and even historical causes.

Nordic countries [9] [20] are very successful and are seen as champions in this area. The Gothenburg Ministerial Conference in 2005, organized by DG INFSO and DG REGIO in co-operation with West Sweden, was an opportunity to share Nordic experience with others [4]. They presented an efficient public private partnership, set up in co-operation between enterprises, academia, and public authorities, based on ICT development, eGovernment [14], and innovative clusters. Can this approach be equally efficient for all regions? Is their experience limited only to EU member states and EU regions? What about regions that are crossing EU borders? These are some questions and dilemmas that we address in the paper.

Should EU extend its regional cooperation on Information Society on regions that are crossing its borders? Such areas are occasionally a source of instability that harms much wider geographical area. Whatever brings cooperation is politically welcome. It would be interesting to discuss eRegions from a political point of view, but in this article we will concentrate on more practical issues. Our view of eRegions will be general. We will limit our interest to the countries that are politically and economically less bonded to EU than candidate countries. We could mention Western Balkan [1], Eastern Europe [11] [15], or even Mediterranean countries [17]. How to promote and impose regional cooperation in such cases? What benefits could there be from eRegions for EU and non-EU countries? Many ideas are already in place, but there is still much room for new ideas and approaches.

Present activities dealing with e-Regions are mainly politically and academia initiated and driven [5]. Their effect is limited and often even academically naïve. Author can illustrate this issue through his two years of involvement in advising one of the Governments in the Balkan region on Information Society strategies and eGovernment projects. EU strategies that have proved to be efficient in new member states were not appealing to their political and economic environment. Their motivation for cross-border cooperation was low. At the end it was obvious that we could convince mainly our academic partners. Similar experience has forced many international consultant groups to retreat from this region, which was not a wanted outcome for the country, international community or the EU. Can we do better?

2 What could be an eRegion?

A view of eRegion is still pragmatic with ambiguous understanding of basic definitions. How could we describe eRegion? For example, from official EU documents and academic papers we could deduct an indirect definition: "In the eRegion, engaging countries or local communities share some common ICT applications and services". This definition could be good enough for practical use, but it is also misleading. Many countries could qualify for eRegions just because they use e-commerce applications or Internet shopping. At the end, the whole World could be seen as one eRegion. It is obviously that we have to limit this term to something less ambiguous.

We could try with the following definition: "In the eRegion, engaging countries or regions within countries share coordinated design, development, promotion and application of selected ICT services or data". It means that eRegion is more proactive and it shares common and coordinated efforts.

This definition indirectly implies that we do not need to build eRegions with countries in a continuous geographical space - with countries neighboring to each another. Technology can provide all means needed to extend eRegions over a wider geographical area, including geographically scattered non-bordering countries. The "glue" that bonds countries into one eRegion would be common interest and common effort to develop and implement selected ICT services. Physical vicinity could be just one of benefits. Of course, there are many applications that have rationale only for neighboring countries. That is the reason we

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always assume that countries in the eRegion are neighboring. However, it is not necessary.

To distinguish contiguous and noncontiguous eRegions we could introduce a "Virtual eRegion" which implies all that we understand under fashionable term "virtual". In the broadest sense we are forming regions in the Cyber Space. How far can we go with so extensive definition is another question.

Virtual eRegions could bring many benefits. As analogy, we could compare benefits of virtual organizations in comparison to traditional organizations. In Virtual eRegions it would be significantly easier to:

- find a critical mass of motivated partners;
- focus on common benefits and relevant issues;
- build cooperation between partners with different core competences;
- find experts regardless of their geographical location;
- introduce flexible organizational forms;
- include new partners.

Virtual eRegions are generalization of the current idea of eRegions and open new possibilities, but they also bring new challenges and complications. We have to keep in mind the EU regional policy is based on common interests that are direct result of "neighborhoodness". Partners know one another and usually share some common history and common economical and social interests. These motivations could be lost in virtual eRegions spreading over larger geographical area. The mutual trust would be lower, while less direct contacts could even bring political and personal alienation. We have to balance pros and cons carefully.

What we favor in this paper is a wider and open-minded view of e-Regions. As we see, even virtual e-Regions could fit well into EU regional policy and even wider EU policy.

3 Opportunities, benefits, and challenges

Setting up a regional cooperation could be difficult. It is rather easy and cost-effective to attract EU regions, even EU funds are there. Introduction of eRegion idea in politically and economically diverse regions like Balkan or Eastern Europe is a much greater challenge. Armed with broader understanding of eRegion we could try to identify and assess some challenges, opportunities and possible benefits. Based on these definitions we could set up some hypotheses about effects of eRegions:

- E-cooperation contains strong political, economical, and social cohesion force, going far beyond e-business (we would appreciate a more holistic approach and assessment criteria which considers wide range of issues);
- It is easier, more cost-effective and less risky to start e-cooperation than a "real world" cooperation (eRegions projects could be very flexible, extendible and open to new partners);
- Procedures are more flexible and could be based on "just try it" approach (prototyping), seizing benefits of flexible organization and project management based on ICT;
- It offers an access to human expertise in countries or regions that would be otherwise difficult to notice (for example, ICT and business expertise from economically less developed regions);
- eRegions could dramatically improve networking on personal and organizational level increasing Social capital and Trust in the region (higher Social Capital has positive effects on social life, economy and development potentials);
- If we extend the idea to Virtual eRegions we could integrate countries with similar challenges, regardless of their geographical position (concept of eRegions spreading over Eastern Europe and Mediterranean countries could be very appealing).

It is difficult to discuss opportunities offered by eRegion in general. We described potential benefits in the previous chapters; what we can add is an effect of networking and consecutively on the rise of Social Capital. This issue is almost always overlooked. Social Capital is at the same time a generator and a result of political stability, economic development and democracy in general. Regions with higher Social Capital are more opened for cooperation and will introduce business and technological innovations faster and more efficiently. We should not be surprised to see how successful Nordic region is. Their Social Capital is among the highest, if not the highest in the World.

Influence of Social Capital on e-Region projects and vice versa could be a matter of academic discussions, but we can easily set up a hypothesis that e-projects significantly raise Social Capital in the eRegion because they:

- promote and stimulate regional networking on personal and institutional levels;
- increase Trust (interpersonal trust and trust into institutions) and decrease social tensions;
- stimulate exchange of ideas and common values, making regions more open to new ideas and innovations.

High Social Capital "greases" cooperation that is needed in all innovative and particularly eRegion projects. There is no doubt that Social Capital in academic community is already higher than in surrounding societies and we can count on leading role of academia. Universities are nearly always the first involved in regional cooperation because they are by definition neutral and they have access to human resources. Another group of motivated and networked persons are experts from less developed regions. For them, e-Region projects offer a unique personal opportunity which is highly motivating.

Other rarely discussed issues are consequences of combination of partners with different motivations, goals, and commitments. If we add unavoidable cultural and economic differences, such as significant differences in salaries of participating experts, than we face serious managerial challenges. We could argue that project management issues are always underestimated. From the aut-

hor's experience, many projects fail because of the inability to manage projects with participants from different cultural and economic environments. To successfully run eRegion projects, we have to recognize these differences and find a way to cohabitation. This is nothing new for multinational companies operating in these regions, but for many others it is a new challenge.

4 Where to start?

There are many reasons, possible approaches and scenarios how to implement eRegion projects. We will conclude this brief reflection on challenges and opportunities of e-Region concepts with some comments on potential applications. Our basic assumption remains that partners are coming from EU member states and non-EU countries.

Many applications and services are suitable for cross-border cooperation and bring value-added to regional, national and EU efforts. Some applications are business oriented, but there are many others that have strong international dimension [10]. Business oriented e-Region application could count on EU and government support, but they will be left to entrepreneurial initiatives and even self-investments. We can already see successful business project running on the EU borders, driven by different motivations – for example, lower cost of skilled professionals from neighboring non-EU countries.

Bigger challenges are non-business applications that serve wider national and local interests. It is unlikely that such projects would start without significant EU or governments push and support. There are many ways to finance and implement eRegion cooperation. Nordic experience shows that main players are local and state governments, SME's and universities. We could assume that this will be true in other regions as well. All three groups of players have their own mechanisms for international and cross-border cooperation. A challenge for eRegion projects lies in a search for synergy between different EU and national programs and funding possibilities (EU Structural funds, EU Framework programs, national and local budgets, private resources).

There are some interesting and exciting initiatives and start-ups, one of them being LivingLabs [5] initiative in Slovenia. Is not a surprise that Slovenia initiated many ideas on e-Regions, because it lies on an EU border with Western Balkan region, which has many characteristics described in previous chapters. From Slovenian perspective, potential and benefits of eRegion approach are clear.

5 Conclusions

Regional cooperation in building Information Society has many advantages which are going far beyond implementation of ICT and innovative services [7] [16] [17] [18]. It has positive political, economic, and social implications that make this concept attractive for a wide spectrum of stakeholders and players. For the EU, it is a captivating possibility for a wider implementation of eRegion concepts with countries that are politically and economically less bonded to the EU and are geographically positioned in its vicinity. There are many regions that are good candidates; for example Balkans, Eastern Europe and Mediterranean countries. But it needs careful planning and implementation, customized for every single situation.

Rationale behind eRegions is a common interest which would easily lead to a win-win situation for all. The EU could solve many problems in its bordering regions and neighboring countries. These countries could benefit from the EU financial support, expertise, and even political push to solve problems that affect both sides. Cost of e-cooperation could be low enough to attract local communities and small businesses, offering excellent start-up business possibilities.

Another important issue, often overlooked in eRegion concepts, is a role of Social Capital in development of Information Society [3] [6]. Social values, trust, and networking are crucial ingredients and enablers of Information Society and thus e-Region projects.

An extension of eRegions concept from geographically neighboring countries to Virtual eRegions with engaging countries that are not necessary geographically neighboring offers new and exiting opportunities. The virtual regions could be easily extended to many countries surrounding Europe and Mediterranean, and even to regions that EU is not considering at the moment. We could foresee similar development that is already seen in business world, which is an introduction of virtual organizations on global scale [2] [13].

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ALADIN - ALpe ADria INitiative Universities' Network: Cooperation in e-Integration Research & Teaching in the Region

Letter of Intent

Karl-Franzens University Graz (Austria), University of Rijeka (Croatia), University BW München (Germany), Corvinus University of Budapest (Hungary), University of Trieste (Italy), Novi Sad Business School (Serbia & Montenegro), Technical University of Košice (Slovakia) and University of Maribor (Slovenia), desiring to strengthen the friendship and cooperation between them, recognising the importance of developments in e-Integration, particularly in e-Business, e-Geomatics, e-Government, e-Health, e-Learning and e-Logistics, and in all the applications of the Information & Communication Technology (ICT) for the benefits of the European Citizens, have reached the following understandings:

- ALADIN – the "ALpe ADria INitiative" Universities' Network,
- created in Ljubljana the 23rd October 2002 by Karl-Franzens University Graz (Austria), University of Rijeka (Croatia), University of Trieste (Italy) and University of Maribor (Slovenia) as an international network working at regional level to share common ideas and knowledge in teaching and research activities in the field of e-Commerce and to cooperate creating mobility of students and professors, offering common lectures, creating virtual teams of students from different Universities and professors lecturing at different Universities, in order to harmonize with global and international activities of e-Commerce,
- extended in Bled the 8th June 2003 to Novi Sad Business School (Serbia & Montenegro) and to the cooperation fields of e-Geomatics, e-Logistics and e-Medicine,
- recognized in Bled the 20th June of 2004 by the Medical University of Graz, created from the Medical Faculty of the Karl-Franzens University,
- will extend to University BW München (Germany), Corvinus University of Budapest (Hungary) and Technical University of Košice (Slovakia), to cooperate in the ICT fields which are crucial for the development of the Enlarged Europe, particularly e-Business, e-Geomatics, e-Government, e-Health, e-Learning and e-Logistics and the interactions among them (e-Integration).

As already successfully experimented in the ALADIN network, common ideas and knowledge in teaching and research activities will be shared, cooperating to create mobility of students and professors, offering common lectures and educational programmes, creating virtual teams of students from different Universities and professors lecturing at different Universities, promoting research cooperation with SMEs and Governments, in order to harmonize with global and international activities of ICT in the Enlarged Europe.

In order to coordinate the cooperating activities, each University will designate an ALADIN delegate to be part of the ALADIN Coordinating Committee. Each Delegate will also designate up to two members of the Steering Committee for each branch (e-Business, E-Health, etc.) activated by his/her University.

In Bled, 5th June 2005