

METROPOLITAN DEVELOPMENT AND COOPERATION IN SOUTH-EASTERN EUROPE

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***Abstract** - This paper explores the role and importance of the four, close-located, metropolises of south-eastern Europe (Skopje, Sofia, Thessaloniki and Tirana) and proposes a strategy that promotes metropolitan growth and development, maximizes spread effects to national hinterlands, and advances cross-country cooperation between cities in the area. These metropolitan centres play a significant role within both their respective countries and the whole region, because of their function as political/administrative centres and economic/growth poles and their dominance over the other national urban centres. In addition, their relative proximity permits the development of networks of cooperation and the gradual formation of a polycentric regional structure in south-eastern Europe, which will progressively embrace all the important cities, to increasing regional integration and enhancing economic development.*

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1. INTRODUCTION

Over the last two decades a large number of theoretical and empirical studies has been published discussing the evolutionary trends, underlying forces and emerging outcomes of urban transformation in Europe (e.g. Cheshire, 1990, 1995; Castells, 1993; Hall, 1993; Lever and Bailly, 1996; Moulaert *et al.*, 2003; Arvanitidis and Petrakos, 2006). These studies report that during the last two decades a number of metropolitan areas seem to regain their past dynamism, increasing their population base and their influence on the national and international urban systems that they belong. A key determinant of this dynamism is deemed to be the structural reorganisation of the economy, which favours spatial concentration of activities in metropolitan areas, due to the existence of substantial agglomeration economies (Fujita and Thisse, 1996; Moomaw and Shatter, 1996; Fujita *et al.*, 1999; Guimaraes *et al.*, 2000).

Similarly to their western-European counterparts, urban areas of Southeastern Europe (SEE) have undergone, over the last twenty years or so, a remarkable structural transformation under the influence of the interacting forces of 'integration' and 'transition' which are shaping the politico-economic landscape in Europe (Anagnostou *et al.*, 2006). Old structures of internal organisation and external relations are being abandoned and new politico-economic institutions are being developed, giving rise to a new economic geography in the area. Although there are still open questions with regard to the outcomes of these processes, it is clear that the Region has to reinforce existing advantages, to build on new qualities and to develop suitable strategies, in order to successfully address problems of structural adjustment and to attain a secure basis for economic development (Hall and Danta, 1996; Petrakos, 1997, 2000, 2001; Petrakos and Totev, 2000, 2001; Petrakos and Economou, 2002, 2004; Anagnostou *et al.*, 2006).

There are a number of factors that determine structural adjustments in SEE and call for a development strategy. First, there are increased regional inequalities in the SEE countries (Petrakos, 2001; Minassian, 2002; Petrakos and Economou, 2002, 2004). This seems to be the unavoidable outcome of internationalization, political transformation, economic restructuring, demographic pressures as well as the policies that have been adopted at various national and inter-national levels. The process of internationalisation, coupled with the transition to capitalism, is known to be associated with efficiency gains, but also with unequally distributed wealth across peoples or places. In a parallel and interacting mode, unprecedented structural changes have seriously affected local and regional production structures. The decline of traditional industry and the rise of the tertiary sector have a strong geographical element that affects substantially economic structures and the allocation of activities within, as well as between, cities and regions (Petrakos and Totev, 2000, 2001; Arvanitidis and Petrakos, 2006).

Second, the economic space of SEE is a highly fragmented one. Historic developments and recent events in the 1990s have resulted in national or even sub-national markets with limited interaction with each other. Moreover,

existing national axes of development and centres of growth are not connected in a trans-national network of activities (Petraikos, 1996, 1997, 2001; Jackson and Petraikos, 2001; Petraikos and Economou, 2002, 2004). As a consequence, trade and investment relations among neighbouring countries have been very limited, resulting in serious efficiency losses at the economic level (Petraikos and Totev, 2000, 2001; Petraikos, 2001).

Third, the Region had until recently, the worse experience in terms of economic performance during the period of transition. The shock of transition was stronger and longer in SEE than everywhere else in Europe, resulting in serious losses in GDP, an abrupt contraction of its economic base, high unemployment levels and adverse effects on its productive structure (Petraikos and Totev, 2001; Kotios and Petraikos, 2002).

Fourth, these changes take place in a landscape where metropolitan areas dominate in terms of population and economic activities, especially due to the fact that there are no other large (or even medium) size cities in most countries in SEE (Anagnostou *et al.*, 2006; Dimou and Schaffar, 2007). On the one hand, metropolitan centres tend to grow faster and diverge from the national average due to the twin action of agglomeration economies and the tertiarisation of activities (Anagnostou *et al.*, 2006). On the other hand, the small size of the other cities do not allow them to play the role of balancing force in the urban system (Petraikos and Economou, 2002, 2004). As a result, the metropolitan centres in the Balkan region operate to a large extent as growth poles and development drivers for the entire area.

Overall, the SEE region is characterized by serious – and in many cases unsuccessful – economic transformations, increasing spatial inequalities, high geographical and economic fragmentation and limited number of large or medium sized cities, all of which contribute to limited economic dynamism. One feasible reaction to this problematic situation is to promote a strategy of metropolitan development that will meet two important conditions: It will be based on inter-metropolitan cooperation and will pay special attention to metropolitan spread effects. This strategy will allow for the benefits of agglomeration economies, since the focus of development policies will be in the metropolitan areas. At the same time, however, it will reduce fragmentation and spatial inequalities and increase integration and cohesion in South-eastern Europe.

The goal of this study is to contribute to the actual formulation of this strategy. The paper explores the role and importance of the four, close-located, metropolises of Skopje, Sofia, Thessaloniki and Tirana to lay down a development strategy for the area that pays due attention to metropolitan dynamics and local needs, and attempts to deal with the problems of fragmentation and inequality. The study utilizes secondary demographic and economic data to assess the growth dynamics of the aforementioned metropolises, and primary data, collected through structured interviews, to determine appropriate and realistic development policies.

The paper is structured as follows. The next section explores the demographic changes that took place in the four SEE metropolises under study over the last couple of decades, in comparison to those of their respective countries. Section three examines issues of metropolitan dominance discussing the relations of metropolises with their hinterlands and the other cities in their national system. The fourth section outlines the socio-economic characteristics of the four cities, whereas section five deploys the development strategy proposed for the area. Finally, the last section concludes the paper by summarising the key findings.

2. DEMOGRAPHIC DYNAMICS

The sequence of political and socio-economic changes in Albania over the last twenty years have had an impact on the demographic structure of the country. Population movements have occurred primarily on two fronts: across the border to Greece and Italy, and internally, from rural to urban areas¹. Internally, migration has favored the capital, Tirana, and the coastal cities, at the expense of the peripheral ones. Table 1 below, provides some evidence of population movements and demographic structure in Tirana, compared to those of the country as a whole. National population growth has slowed to 4,9% over the last decade or so, from 23,2% in the previous decade, whereas the overall population of the country stands in 2001 at about 3450.000 inhabitants. In contrast, the population of Tirana has grown an amazing 83,1% during the period 1989-2001 (compared to 25,2% in the previous decade); in 2001 it had about 436.016 inhabitants or 14,2% of the population of the country. The average density of the city is about 8.161 inhabitants per sq km, almost 80 times the average for the country as a whole.

Table 1. Population evolution of Tirana and Albania

	1969	1979	1989	2001
Tirana	152 700	189 000	238 100	436 016
Albania	2 352 000	2 671 000	3 290 000	3 450 000
Tirana/Albania (%)	6.5	7.1	7.2	12.6

Source: own elaboration (SEED database).

Although both Bulgaria and Albania have undergone similar pressures and processes marking their transition from socialism to free market economies, their patterns of population evolution and demographic structure are quite different. Thus, in contrast to Albania, the population of Bulgaria has substantially and steadily declined over the last two decades. In particular, the rate of national population shrinkage almost tripled from 2,6% to 7,7% for the periods 1980-1990 and 1990-2001 respectively, leaving a total population of

¹ Note that before 1990 immigration was illegal (from 1945) and urbanization was restricted (from 1961). As a result, the rural population was about 66% of the total in 1980 (World Bank, 2004) and the figure that remained almost unchanged ten years later -to 64%, according to Black *et al.* (2005). Across Europe as a whole, the respective figure in 1990 was at 27% of the total population.

about 7.973.671 inhabitants in 2001 (see Table 2). Sofia city has not shown a similar demographic trend. Although during the decade 1980-1990 its population grew by about 8,0%, over the last decade (1990-2001) the trend has been reversed and the city started marginally losing population at 0,2%, reaching 1.138.950 inhabitants in 2001, or about 14,3% of the population of the country. This rate of population loss can be characterized as quite small, given that Bulgaria's urban centres as a whole declined by an average of around 9,4% during the same time period (RIMED, 2005). The average density of the city is about 97 persons per sq km, almost 12,5 times greater than the country's average.

Table 2. Population evolution of Sofia and Bulgaria

	1980	1990	2001
Sofia	1 056 945	1 141 142	1 138 950
Bulgaria	8 862 000	8 636 000	7 973 671
Sofia/Bulgaria (%)	11.9	13.2	14.3

Source: own elaboration (SEED database).

The establishment of FYROM as an independent state after the dismantling of former Yugoslavia and its transition from socialism to capitalism have had significant effects on the demographic structure of the country. Table 3 provides evidence of the demographic change of the capital city and the country. Over the last decade (1991-2001) national population growth has slowed down to 7,1%, from the 18,8% of the previous decade (1981-1991), whereas the overall population of FYROM in 2001 was about 2.284.000 inhabitants. Skopje, the capital city, shows a clear population increase over the period examined. From 1991-2001 the city grew at a rate of 10,6% (compared to 2,5% in the previous time period), and in 2001 its population stood at 462.570, or 20,3% of the population of the country. The average population density of the city is about 255 per sq km, or about 2,9 times the country's average.

Table 3. Population evolution of FYROM and Skopje

	1981	1991	2001
Skopje	408 143	418 351	462 570
FYROM	1 795 000	2 132 000	2 284 000
Skopje / FYROM (%)	22.7	19.6	20.3

Source: own elaboration (SEED database).

Unlike the other three countries under examination, Greece has not been a transition country; on the contrary, it has been a member of the European Union (EU) since 1980. The country's population over the last three decades has been constantly increasing, with a growth rate reaching 6,9% during 1991-2001 (compared to 5,3% in 1981-1991, and 11,1% in 1971-1981); its population in 2001 stood at about 10.964.020 (see Table 4). Thessaloniki, the 'capital of northern Greece' and the country's second largest city after Athens, has exhibited an increasing growth over the period; its population has doubled since

1951 as a result of internal migration from rural areas and economic development. Moreover, during the last decade or so, it has been one of the main destinations for economic immigrants coming from SEE, resulting in a population increasing by about 6,1% from 1981 to 1991 and 6,0% from 1991 to 2001. Its population in 2001 is 794.330 inhabitants, or about 7,2% of the population of the country. The average density of the city is over 2.500 inhabitants per sq km.

Table 4. Population evolution of Greece and Thessaloniki

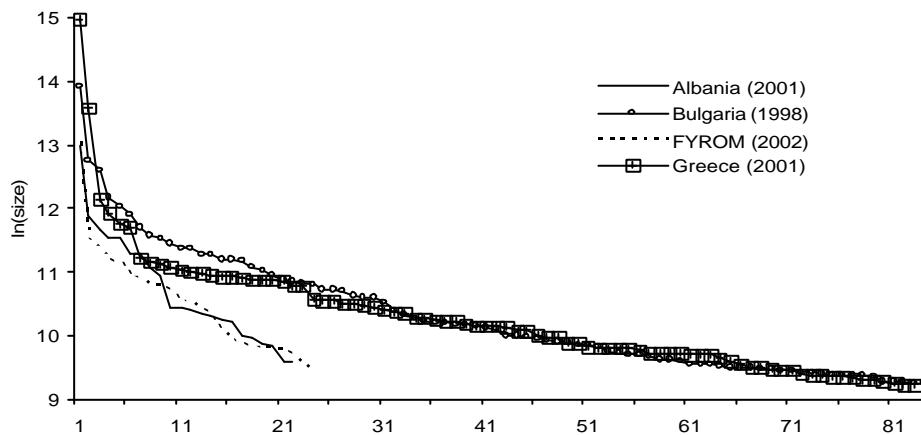
	1971	1981	1991	2001
Thessaloniki	557 360	706 180	749 048	794 330
Greece	8 768 372	9 739 589	10 259 900	10 964 020
Thessaloniki/Greece (%)	6.4	7.3	7.3	7.2

Source: own elaboration (SEED database).

3. NATIONAL URBAN SYSTEMS AND METROPOLITAN DOMINANCE

This section explores the importance of the four metropolitan areas in each country's urban system. First we examine the national urban systems to comment on their structure and the role of the metropolises and then we measure the degree of metropolitan dominance with references to the overall national population, the size of the next-in-rank cities and the metropolises' hinterlands².

Figure 1 : National rank-size distributions of the SEE urban systems (last available year)



Source: own elaboration (SEED database).

² Hinterland refers here to the wider area or sphere of influence which a city has outside its official boundaries. Following Anagnostou *et al* (2006), it includes all urban centres (over 10.000 residents) located near the metropolises within a maximum radius of 200 km. These urban centres are expected to exhibit a degree of economic, administrative and functional dependency, or even to develop close or complementary economic relations, with their respective metropolises.

In Figure 1 we present, in a logarithmic form, the national rank-size distributions of the four national urban systems for the latest year with available information. As becomes evident, all four countries are characterized, to some degree, by a prime city distribution of urban settlements.

This is because after the first city, the rank-size curve drops significantly and abruptly until it meets the second city, which is usually disproportionately smaller in size. It becomes evident that, with the exception of the prime cities, all four urban systems are comprised mainly of small or very small urban settlements, indicating that there is an obvious lack of medium-size cities. Note that in both Albania and FYROM, the second largest city is, in fact, a small city of less than 150.000 inhabitants.

It also becomes apparent in Figure 1 that the rank-size distributions have a hierarchical structure, not only within countries, but also between countries. In general it is expected that a country with a smaller national population to have a rank-size curve that is below and on the left of the curve of a country with a larger national population, as smaller markets are expected to generate smaller and fewer cities compared to larger ones³.

In general terms, this is observed here, since the rank-size curves of Albania and FYROM are below and on the left of the curves of Bulgaria and Greece. This means that Albania and FYROM have smaller and fewer cities compared to Bulgaria and Greece. The Greek urban system, however, does not follow this rule when compared to the Bulgarian system. Although the national population of Greece is greater than that of Bulgaria, the Greek cities (except the first and the second) are smaller than the cities of Bulgaria having the same rank. This is the outcome of the concentration of more than 60% of the urban population of Greece in Athens and Thessaloniki, which unavoidably generates a restriction in the size of the other cities.

Table 5 indicates the number of cities per size class for each urban system examined. It becomes evident that with the exception of Athens, which has a population of over three million people, all large metropolitan centres in the countries examined are relatively small by European standards. Note, for instance, that the largest urban centres in Albania and FYROM (Tirana and Skopje respectively) are, in fact, medium-size cities of less than half a million people.

Also, all countries examined have some short of flaw in continuity or disruption in their urban system, since all of them lack cities in at least one size class after the size class of the first city (shaded cells in Table 5). This is an indication that national urban systems have evolved in a way that did not favour the development of medium sized urban centres.

³ This rule is useful as it allows us to have a better understanding of the relation between the size of the city and the size of the national market in an urban system.

The lack of medium-sized or large cities in transition countries in the Balkans is attributed to three reasons. The first is related to the close and inward looking character of the pre-1989 economic system, which did not allow for the development of significant economic relations on the basis of existing or created comparative advantages. This lack of specialization in international markets did not allow for the realization of agglomeration economies beyond the level required by domestic demand, and as a result, did not allow for the development of significant urban concentrations. The second reason is related to the fact that, *ceteris paribus*, planning as a system had a greater preference for a balanced distribution of activities compared to markets. Practically, this was achieved through the distribution of investment in the five-year plans and the control of population flows through public employment and housing. The third reason is related to the fact that with the collapse of Yugoslavia there are now many more countries in the Region than before. The Former Yugoslavia, which had an economy that was relatively open to the West, had several medium-sized cities (Skopje, Sarajevo, Zagreb, Ljubljana) that became the capitals of the new independent states in the 1990s.

Table 5: Number of cities in size classes

	<i>Size distribution of cities (million people, last available year)</i>						
<i>Country</i>	<i>>3</i>	<i>3 > 2</i>	<i>2 > 1</i>	<i>1 > 0,5</i>	<i>0,5 > 0,2</i>	<i>0,2 > 0,1</i>	<i>0,1 > 0,05</i>
Albania					1		5
Bulgaria			1		2	6	14
FYROM					1		4
Greece	1			1		4	10
TOTAL	1		1	1	4	10	33

Source: own elaboration (SEED database).

The degree of importance (in terms of population) of the four metropolises is estimated in Table 6 with the use of a number of indicators of concentration. Note that S1 is the size of the first city in the urban hierarchy and S2 - S6 the sizes of the second – sixth city in the hierarchy respectively. It becomes clear that during the last decade Tirana has increased its dominance in its national urban system. Up to 1990, the growth of the city was successfully controlled by the previous regime and its share in the national population was constant (at about 7%). Since then, metropolitan concentration has doubled, reaching 14% of the total population in 2001. A similar trend is observed in the other indicators, meaning that up to 1990 growth in the population of Tirana corresponded with growth taking place in both the second, the third and the fourth largest urban centres of the country. However, since 1990, Tirana has started to grow disproportionately, indicating a strong urbanization tendency and concentration of the population in the capital.

In the case of Sofia, we observe a slight increase in the ratio of population to that of the country over the three periods examined, which indicates that Sofia has shown signs of increased metropolitan dominance. The remaining ratios (with the exception of a slight decline in the 1980 – 1990 period) tend also to verify the increasing importance of Sofia in the Bulgarian urban system.

Table 6 : Measures of Metropolitan dominance for Skopje, Sofia, Thessaloniki and Tirana

Tirana				
	1969	1979	1989	2001
<i>S1</i> / Albanian population	0,06	0,07	0,07	0,14
<i>S1</i> / <i>S2</i>	2,93	2,85	2,88	3,06
<i>S1</i> / <i>S2</i> + <i>S3</i> + <i>S4</i> + <i>S5</i>	0,80	0,76	0,76	0,93
Sofia				
		1980	1990	1998
<i>S1</i> / Bulgarian population		0,12	0,13	0,14
<i>S1</i> / <i>S2</i>		3,02	3,01	3,28
<i>S1</i> / <i>S2</i> + <i>S3</i> + <i>S4</i> + <i>S5</i>		1,08	1,05	1,12
Skopje				
		1981	1991	2002
<i>S1</i> / FYROM population		0,23	0,20	0,20
<i>S1</i> / <i>S2</i>		5,20	4,92	4,48
<i>S1</i> / <i>S2</i> + <i>S3</i> + <i>S4</i> + <i>S5</i>		1,66	1,63	1,39
Thessaloniki				
	1971	1981	1991	2001
<i>S2</i> / Greek population	0,06	0,07	0,07	0,07
<i>S2</i> / <i>S3</i>	4,61	4,57	4,39	4,24
<i>S2</i> / <i>S3</i> + <i>S4</i> + <i>S5</i> + <i>S6</i>	1,52	1,49	1,42	1,35

Source: own elaboration (SEED database).

The case of Skopje is different. Although the city has shown substantial population increase over the period 1991-2001 (with 10,6% growth rate), its metropolitan dominance shows signs of decline. The ratio of the city's national population seems to stabilize at a level of 20%, after a decrease over the period 1981-1991. However, the declining trend in the following two ratios, during the whole period, highlights the growing importance of the other large urban centres in FYROM. This decline in dominance of Skopje depicts to a large extent demographic differences in fertility rates among the two main national groups of the country: Albanians and Slavo-Macedonians. It is interesting to note here that the Albanian minority dominated in the second and fourth largest cities of the country (Kumanovo and Tetovo), which are the fastest growing cities.

The figures for Thessaloniki⁴ indicate that the city has maintained over time a constant share of the Greek national population. However, the declining figures in the next two ratios highlight the rising importance of the following cities in the hierarchy (Patra, Irakleio, Larisa, Volos), which is a sign of

⁴ Note that *S2* is used to denote the population of Thessaloniki, Thessaloniki being the second largest city of the country.

declining metropolitan dominance for Thessaloniki. Nevertheless, the city maintains a dominant position in Central and Northern Greece and has important metropolitan functions, despite the fact that it is neither the capital city, nor the largest city of Greece.

Overall, the four close-located Balkan metropolises have either maintained or increased their importance in their urban national systems. Some have a significant share of national population (Skopje), while some others an increasing one (Tirana, Sofia). Two of them (Sofia and Thessaloniki) have a size and functions that potentially compare with the small European metropolises, while the other two (Tirana and Skopje) are in fact medium-size cities with administrative functions resembling a metropolis. Nevertheless, each one of these cities plays an important role in the national scale and all of them have the potential to play a significant role in the wider region, especially if their strengths are combined.

The socio-economic profiles of the four cities reinforce their dominance in the national urban systems and their importance in the Balkan Region. Table 7⁵ provides information for GDP per capita for the four countries under examination and the four metropolitan areas for the years 1990 and 2001. It also provides information for the annual rates of GDP growth in the period 1990-2001. We observe that the capital regions have a GDP per capita that is greater than the average figure of the respective country in both periods. We also observe that over time, GDP per capita growth has been higher in the metropolitan level than in the national level. As a result in 2001 Tirana had a GDP per capita that is 39% higher than the Albanian figure, Sofia had a GDP per capita that was 87% higher than the Bulgarian figure, Skopje had a GDP per capita that was 57% higher than the figure of FYROM and Thessaloniki had a GDP per capita that was 17% higher than the Greek figure. The most developed city in the group is clearly Thessaloniki, while the fastest growing in terms of GDP per capita is Sofia. Thessaloniki is closer to the national average than any other city, while Sofia has the greatest distance from the national average.

Overall, the four cities have undergone significant restructuring over the last two decades, due to the drastic reduction of industry and the rising importance of the tertiary sector. Tirana has benefited from the openness of the economy and the inflow of mainly Italian and Greek FDI that have contributed significantly, along with migrant remittances, to the restructuring of the economy. Sofia seems to retain a highly skilled labor force, sound institutional background for research and technology, and still-low wages and operating costs. Although the tertiary sector is the leading one, the presence of heavy industry is significant. Since 1990 the city has seen a substantial increase in private businesses as well as of foreign capital investments (Anagnostou *et al*, 2006).

⁵ Please note that the data refers to regional statistics (NUTS III level) and include not just the city but also the wider area around it.

Table 7: GDP per capita (in euros)

	1990		2001		Annual rates of GDP growth
	GDP per capita	GDP per capita (100)	GDP per capita	GDP per capita (100)	
ALBANIA	637	100	1.340	100	7,0%
Tirana	818	128	1.857	139	7,7%
BULGARIA	1.192	100	1.844	100	4,0%
Sofia	1.306	110	3.440	187	9,2%
FYROM	1.205	100	1.769	100	3,5%
Skopje	1.854	154	2.782	157	3,8%
GREECE	7.903	100	12.894	100	4,6%
Thessaloniki	8.828	112	15.141	117	5,0%

Source: own elaboration (SEED database).

Although FDI have boosted the economy of Skopje, progress was slower than expected as a result of the UN sanctions on Serbia, internal ethnic tensions and the Greek embargo over the dispute about the country's constitutional name. Although a large part of the labor force is still employed in the public sector, foreign enterprises gradually emerge as major employers.

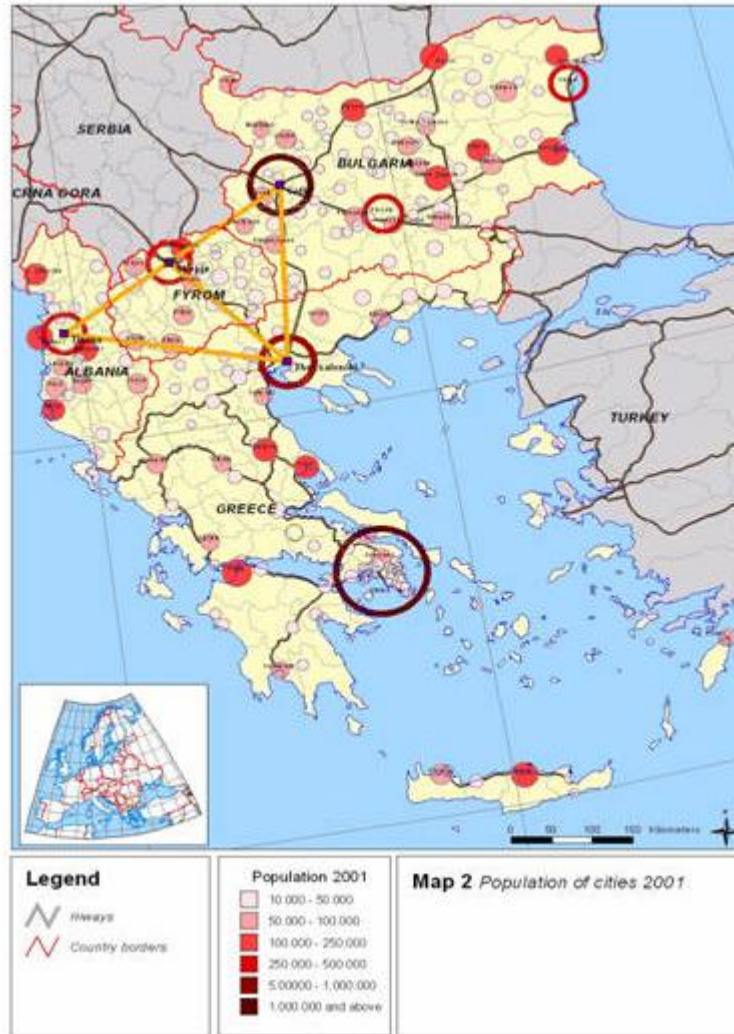
Finally, Thessaloniki has a long established position as the second most important industrial, commercial and logistics center of Greece. In addition to its domestic significance, the city has become the focal point of Balkan businesses initiatives and one of the most important communication and transportation hubs in the Mediterranean. The inflow of about two hundred thousand economic immigrants, the decline in the manufacturing sector, and the growing importance of service and construction sectors, are also important elements of the local economy (Anagnostou *et al.*, 2006).

4. A STRATEGY OF METROPOLITAN DEVELOPMENT IN SOUTH-EASTERN EUROPE

This section proposes a development strategy with specific goals and development policies for the metropolitan areas of Tirana, Sofia, Skopje and Thessaloniki, which is based on the real conditions prevailing in the area and the characteristics of the cities.

The goal of the development strategy is to increase growth and prosperity in the four cities, while at the same time promoting polycentric urban development based on networks of cooperation among cities, which will have strong spread effects. Trans-national cooperation is a key element in this strategy in order to deal with fragmentation in the Balkan region, which truncates markets and generates inefficiencies.

Map 1. Metropolitan development and cooperation in Southeastern Europe



Given existing conditions and background factors, the proposed strategy is necessary in order to promote urban development, market de-fragmentation and regional integration for a number of reasons. First, in South-eastern Europe there are not enough cities sufficient in size (with the exception of capital cities) that can facilitate the role of a growth pole. As a result, a minimum threshold is not always available for agglomeration economies and an economic take off to be realized (Krugman, 1995). This condition leaves no room for alternative strategies and makes the selection of regional metropolises an inevitable task for any development strategy in the region. Second, the fragmentation of economic

space, especially in the post 1989 period, has resulted to small national markets that restrict the efficiency and diversity of the economic base of each country (Petraikos, 2001). Given that long distance economic relations with advanced countries often have an “inter-industry” character and may result to a contraction of important elements of the economic base (Petraikos, 2003), a feasible strategy of development in SEE seeking to secure larger markets and greater efficiency has to promote dense economic relations among neighbouring countries. Recent studies have shown that proximity and geography play an important role in trade relations and trade-induced growth (Petraikos, 1999, 2001). Besides the obvious advantages of reduced transport costs, trade relations among neighbours tend to take an “intra-industry” character, which preserves better variety in local and national production bases. This interaction with neighbouring markets will be facilitated to a large extent by the metropolitan centres of each country, which host a large and dynamic share of the respective national productive base (Map 1).

Having outlined the goals of the development strategy, the critical issue now is to define the actions and policies that each city needs to implement in order to improve its potential and take advantage of emerging opportunities, while at the same time effectively confront problems and threads. The following two sections deal with these issues drawing upon research conducted for RIMED 2005 (“Regional Integration and Metropolitan Development in Southeastern Europe”), an EU funded project (by INTERREG IIIB CADSES) aimed to promote economic development and regional integration in SEE through cooperation and synergic action between the four close-located metropolises (Skopje, Sofia, Thessaloniki and Tirana).

5. POLICIES OF METROPOLITAN DEVELOPMENT IN SOUTH-EASTERN EUROPE

In order to determine the appropriate development policies in the four metropolitan cities under study, structured interviews were conducted with key local actors in each city. These interviews were based on a set of questions translated into the native languages spoken in the cities under study. Interviews were held during the first half of 2005. In each city the interviews were conducted with key individuals that are involved in policy making: high-ranked officials of local authorities and NGOs, businesspersons and academics living in the cities. The views of these people may or may not be close to the average citizen, but they have a special weight, as they are knowledgeable responses to complex issues and questions that cannot easily be addressed by random sampling.

The total number of people interviewed was 261 individuals: 60 from Skopje (23,0% of the total sample), 69 from Sofia (26,4%), 67 from Thessaloniki (25,7%) and 75 from Tirana (24,9%) (Table 8). The majority (67,4%) of them are males, while the average age is around 50 years old. Most

respondents (55%) have completed postgraduate studies, while 66,6% of them are speaking two or more foreign languages.

Table 8 : Characteristics of the respondents

	Tirana	Sofia	Skopje	Thessaloniki	TOTAL
NUMBER	65 24,9%	69 26,4%	60 23,0%	67 25,7%	261
GENDER					
<i>male</i>	62,9%	54,7%	78,8%	75,0%	67,4%
<i>female</i>	37,1%	45,3%	21,2%	25,0%	32,6%
AGE					
<i>25 - 34</i>	31,6%	16,7%	31,0%	23,1%	25,2%
<i>35 - 44</i>	17,5%	21,2%	32,8%	32,3%	26,0%
<i>45 - 54</i>	21,1%	39,4%	29,3%	32,3%	30,9%
<i>55 - 64</i>	19,3%	19,7%	6,9%	10,8%	14,2%
<i>> 65</i>	10,5%	3,0%	0,0%	1,5%	3,7%
EDUCATION					
<i>less than 12 years</i>	6,8%	0,0%	0,0%	0,0%	1,7%
<i>high-school</i>	16,9%	0,0%	7,1%	7,8%	7,9%
<i>university</i>	20,3%	63,5%	21,4%	34,4%	35,5%
<i>postgraduate</i>	55,9%	36,5%	71,4%	57,8%	55,0%
FOREIGN LANGUAGES					
<i>none</i>	26,2%	7,5%	6,7%	13,0%	13,4%
<i>one</i>	18,5%	9,0%	30,0%	23,2%	19,9%
<i>two</i>	20,0%	50,7%	40,0%	47,8%	39,8%
<i>three or more</i>	35,4%	32,8%	23,3%	15,9%	26,8%

Source: RIMED (2005).

This section presents the results of the survey with respect to the policies that are considered to be important for the development of the four metropolitan areas. Table 9 presents the share of the sample in each city that considers a policy as important for development. The average share of the total sample is also presented. Note that each interviewee had the option to identify up to 3 different policies as important. The results are presented by descending order.

We observe that the most frequently selected (66,7%) policy that is considered to be important for the development of the four cities is related to technical infrastructure. Policies for unemployment, poverty and social education are second in terms of priority (54,0%), while policies to attract foreign direct investment are third (44,1%). Other policies, which are considered to be important, are: social infrastructure policies (such as schools, hospitals, etc.) (32,6%), policies for the development of human capital (education, vocational training) (24,1%), and urban planning, land uses, urban renewal, restoration and city marketing policies (24,1%).

Table 9: Important policies of development in the four metropolitan areas

	Tirana	Sofia	Skopje	Thessaloniki	Average
Technical infrastructure policies (roads, water, sewage, energy, telecommunications)	87,7	80,6	35,0	60,9	66,7
Policies for unemployment, poverty and social exclusion	73,8	25,4	70,0	49,3	54,0
Policies to attract Foreign Investment	40,0	37,3	70,0	31,9	44,1
Social infrastructure policies (schools, hospitals, etc)	41,5	28,4	16,7	42,0	32,6
Policies for the development of human capital (education, vocational training)	12,3	38,8	28,3	17,4	24,1
Urban planning, land uses, urban renewal, restoration and city marketing	7,7	40,3	6,7	39,1	24,1
Policies to support SMEs development (finance, know-how transfer, cooperation)	4,6	13,4	16,7	23,2	14,6
Policies of reorganization and modernization of city management	4,6	19,4	15,0	13,0	13,0
Policies for the restructuring and modernization of the private sector	12,3	7,5	16,7	2,9	9,6
Policies for culture, tourism, amusement, entertainment and free time	4,6	9,0	11,7	11,6	9,2
Privatization policies	10,8	0,0	13,3	0,0	5,7

Source: RIMED (2005).

We further observe that the people of each city have a different ranking of policies that they consider as more important for the development of their city. Those in Tirana for example, believe that technical infrastructure (87,7%), policies of unemployment (73,8%) and social infrastructure policies (41,5%) are more important, while in Sofia they regard that that technical infrastructure policies (80,6%), policies for urban planning, land uses, urban renewal, restoration and city marketing (40,3%) and policies for the development of human capital are more important for the development of Sofia. Interviewees in Skopje give top priority to policies of combating unemployment, poverty and social exclusion (70,0%), as well as to policies attracting foreign investment (70,0%). These two along with technical infrastructure projects (35,0%) are the more important ones for the development of Skopje. Finally, the experts from Thessaloniki believe that technical infrastructure policies (60,9%), policies for unemployment, poverty, and social exclusion (49,3%) and social infrastructure policies (42,0%) are more important for the development of their city. As we see, experts in Skopje focus on economic issues, while experts living in Sofia focus on planning issues. People in Thessaloniki have a mixed view, which is closer to planning issues, while people in Tirana have also a mixed view, which is closer to economic issues policies.

The first general observation is that policy priorities tend to respond to the specific conditions prevailing in each city. Skopje, for example, gives more emphasis to policies dealing with unemployment, because unemployment is quite high in the city. The second observation is that in all cities the proposed policy mix includes both 'hard' and 'soft' measures in proportions and ranking that corresponds to specific needs and capabilities. The three most popular measures include infrastructure, social protection and attraction of foreign capital. Interestingly, policies attracting foreign capital are much more popular than policies supporting the local economic base. This expectation for externally driven growth is explained by the economic conditions of these countries that still impose serious limitations to endogenous development strategies.

6. POLICIES OF COOPERATION AMONG METROPOLITAN AREAS IN SOUTH-EASTERN EUROPE

Cooperation among metropolitan centres in SEE is an important pillar of the development strategy. Although at the conceptual level cooperation receives significant support, the critical question refers to the appropriate policies that will make cooperation feasible and effective. We used our sample in order to investigate this issue by setting a number of questions about the possible fields of cooperation. The questions were asked in such a way, that each city could set up a different agenda of cooperation for each one of the other cities.

Table 10 presents the findings with the views of the experts living in Tirana. The most frequently selected policies considered by the people in Tirana as important for their cooperation with the other metropolitan areas are: the development of trade relations in exports, the organization of joint international events, the development of joint ventures by private firms, the cooperation in EU programs and finally the development of a scientific cooperation among the universities from other cities. There is some slight differentiation in the way people in Tirana perceive the cooperation of their city with the other cities. From their point of view, Skopje is the most preferred partner for exports, joint organization of events and administrative and scientific cooperation. Sofia is mostly preferred for imports, while Thessaloniki is preferred for cooperation in EU programs and migration issues. It is interesting that from the point of view of Tirana, Thessaloniki is the ideal place to receive immigrants from Tirana, but also the ideal origin of return-migration!

People living in Sofia believe that cooperation in EU programs, the organization of joint international events, the cooperation in administration, the scientific cooperation among universities and the trade relations in exports are the most appropriate policies of cooperation (Table 11). From the Sofia's point of view, Tirana is the most favoured destination for exports, Thessaloniki is preferred for joint international events and cooperation in EU programs and Skopje is preferred for joint ventures by private firms. In some activities, like administrative cooperation, preferences are equally divided among the other cities.

Table 10 : Policies of metropolitan cooperation: the view from Tirana

	Skopje	Sofia	Thessaloniki	Average
Trade relations (mainly exports)	55,38	38,46	32,31	35,38
Trade relations (mainly imports)	30,77	35,38	0,00	17,69
Organize joint international events	35,38	26,15	33,85	30,00
Receive FDI	12,31	15,38	13,85	14,62
Send FDI	6,15	12,31	4,62	8,46
Receive immigrants	6,15	4,62	30,77	17,69
Send emigrants	7,69	4,62	47,69	26,15
Joint ventures by private firms	36,92	36,92	26,15	31,54
Administrative cooperation	30,77	18,46	27,69	23,08
Cooperation in vocational training	23,08	30,77	29,23	30,00
Cooperation in EU programs	33,85	29,23	40,00	34,62
Administrative staff exchange and training	13,85	12,31	12,31	12,31
Scientific cooperation among Universities	38,46	33,85	33,85	33,85
Joint promotion of cities to attract FDI	23,08	21,54	18,46	20,00

Source: RIMED (2005).

Table 11 : Policies of metropolitan cooperation: the view from Sofia

	Skopje	Thessaloniki	Tirana	Average
Trade relations (mainly exports)	41,79	32,84	47,76	40,30
Trade relations (mainly imports)	16,42	29,85	19,40	24,63
Organize joint international events	52,24	62,69	38,81	50,75
Receive FDI	2,99	16,42	2,99	9,70
Send FDI	14,93	5,97	16,42	11,19
Receive immigrants	4,48	0,00	0,00	0,00
Send emigrants	2,99	2,99	0,00	1,49
Joint ventures by private firms	49,25	46,27	28,36	37,31
Administrative cooperation	44,78	43,28	43,28	43,28
Cooperation in vocational training	22,39	10,45	16,42	13,43
Cooperation in EU programs	61,19	73,13	41,79	57,46
Administrative staff exchange and training	7,46	5,97	7,46	6,72
Scientific cooperation among Universities	46,27	47,76	37,31	42,54
Joint promotion of cities to attract FDI	43,28	32,84	35,82	34,33

Source: RIMED (2005).

Table 12 presents the opinion of the people living in Skopje. As becomes evident, the most appropriate policies of cooperation are: the development of the joint venture by private firms, cooperation in EU programs, the development of trade relations mainly in exports, scientific cooperation among Universities, joint promotion of cities to attract FDI, and the organization of joint

international events with the other cities. From Skopje's view point, there is comparatively more room for exports and joint city promotion policies with Tirana, more room for cooperation among Universities, the organization of international events and joint entrepreneurial ventures with Thessaloniki and more room for scientific cooperation with Sofia and Thessaloniki.

Table 12 : Policies of metropolitan cooperation: the view from Skopje

	Sofia	Thessaloniki	Tirana	Average
Trade relations (mainly exports)	40,00	46,67	50,00	45,56
Trade relations (mainly imports)	23,33	30,00	23,33	25,56
Organize joint international events	31,67	35,00	28,33	31,67
Receive FDI	8,33	36,67	8,33	17,78
Send FDI	3,33	6,67	6,67	5,56
Receive immigrants	3,33	0,00	5,00	2,78
Send emigrants	3,33	6,67	0,00	3,33
Joint ventures by private firms	55,00	70,00	45,00	56,67
Administrative cooperation	21,67	18,33	18,33	19,44
Cooperation in vocational training	20,00	23,33	23,33	22,22
Cooperation in EU programs	50,00	58,33	45,00	51,11
Administrative staff exchange and training	13,33	10,00	3,33	8,89
Scientific cooperation among Universities	46,67	46,67	40,00	44,44
Joint promotion of cities to attract FDI	33,33	23,33	38,33	31,67

Source: RIMED (2005).

Similar views with the other respondents share the people in Thessaloniki (Table 13). Again, the respondents consider important to develop trade relations in exports, to develop joint ventures by private firms, to cooperate in EU programs, to develop a scientific cooperation among the universities and finally to send FDI to the other metropolitan areas. From the Thessaloniki's point of view, Skopje and Sofia are the most preferred partners for most activities. It is interesting to note that the grading is in all significant cases similar. The only exception is in scientific cooperation among universities, where Sofia has a clear lead. It appears that Skopje have the potential to be a good partner for Thessaloniki due to its proximity and relatively good connection, while Sofia has a similar potential due to its market size and capacity. Tirana is coming in the third place primarily due to the difficulties in transportation.

In general, there are interesting similarities, but also differences, in the perception of efficient and appropriate cooperation policies among the four cities. In Table 14 we can have a synoptic view of the ways in which the other cities as a whole (total sample) would like to cooperate with each specific city. This Table allows reveals the most popular policies of cooperation.

Table 13 : Policies of metropolitan cooperation : the view from Thessaloniki

	Skopje	Sofia	Tirana	Average
Trade relations (mainly exports)	65,22	62,32	53,62	57,97
Trade relations (mainly imports)	18,84	30,43	10,14	20,29
Organize joint international events	28,99	28,99	17,39	23,19
Receive FDI	13,04	13,04	5,80	9,42
Send FDI	28,99	27,54	21,74	24,64
Receive immigrants	0,00	1,45	4,35	2,90
Send emigrants	2,90	2,90	4,35	3,62
Joint ventures by private firms	40,58	43,48	20,29	31,88
Administrative cooperation	27,54	23,19	23,19	23,19
Cooperation in vocational training	7,25	7,25	10,14	8,70
Cooperation in EU programs	44,93	43,48	36,23	39,86
Administrative staff exchange and training	5,80	17,39	8,70	13,04
Scientific cooperation among Universities	26,09	44,93	18,84	31,88
Joint promotion of cities to attract FDI	7,25	15,94	5,80	10,87

Source: RIMED (2005).

Starting from the later, we see that the most popular policies are in a descending order: cooperation in EU programs, exports, joint ventures by private firms, scientific cooperation among Universities and the organization of joint international events. Comparing Tables 10-13, we see that these policies are more or less proposed by all cities, although with different intensity. It is interesting to observe that a number of activities, such as imports, or FDI and a number of policies related to migration or human capital are low in the list of the most preferred areas of cooperation. The standing of the interviewees on imports can be, on the one hand, the expression of a neo-mercantilistic view in international economic relations claiming that only exports contribute to a nation's wealth and, on the other hand, the recognition of the advanced European and international market as a more suitable import partner. A similar explanation may be for the low interest in FDI cooperation. On the one hand, with the exception of Thessaloniki, the cities have a rather weak economic base and cannot be the origin of significant FDI outflows. On the other hand, the cities recognize that in terms of FDI inflows the best partners are the advanced European countries.

Returning to the first question we raised, it is interesting to see in what areas each city is mostly preferred by the other cities for cooperation. To put it in another way, it is interesting to see in which areas there is the highest demand for cooperation for each city. This preference appears when the share of the specific city is significantly higher than the share of the average sample in the last row. We observe that Skopje, compared to other cities, is mostly preferred

for cooperation in exports, joint organization of international events and administrative cooperation.

Among the top ranking policies, Sofia seems to be relatively more preferred by the other cities as a partner in joint ventures by private firms and exports. Sofia is considered a good choice for imports, FDI destination and cooperation in administrative staff training. Thessaloniki seems to be an attractive partner in the fields of joint organization of international events, entrepreneurial joint ventures, EU programs and scientific cooperation. Finally, Tirana receives attention for cooperation in exports and in EU programs.

Table 14 : Policies of metropolitan cooperation: the average view from the four cities

	Skopje	Sofia	Thessaloniki	Tirana	Average
Trade relations (mainly exports)	41,76	35,25	27,20	37,93	33,46
Trade relations (mainly imports)	16,86	22,22	14,56	13,03	16,60
Organize joint international events	29,89	21,46	32,57	21,07	25,03
Receive FDI	7,28	9,20	16,09	4,21	9,83
Send FDI	13,03	11,11	4,21	11,49	8,94
Receive immigrants	2,68	2,30	7,66	2,30	4,09
Send emigrants	3,45	2,68	14,18	1,15	6,00
Joint ventures by private firms	32,57	33,33	34,48	22,99	30,27
Administrative cooperation	26,44	15,71	22,22	21,46	19,80
Cooperation in vocational training	13,41	14,18	15,33	12,26	13,92
Cooperation in EU programs	36,02	30,27	42,15	30,65	34,36
Administrative staff exchange and training	6,90	10,73	6,90	4,98	7,54
Scientific cooperation among Universities	28,35	31,03	31,42	23,75	28,74
Joint promotion of cities to attract FDI	18,77	17,24	18,39	19,54	18,39

Source: RIMED (2005).

In general, it can be claimed that the final picture is affected by the specific advantages and characteristics of the four cities, which produce some variability in the cooperation patterns. For example, it is interesting that capital and labour movement (FDI and migration) are more intensive and efficient from the economic point of view only along the old east-west frontier.

7. DEVELOPMENT POLICIES WITH STRONG SPREAD EFFECTS

One of the basic pillars of the development strategy is the provision that economic growth in the metropolitan centers will be characterized by strong spread effects to the periphery. This is a necessary provision in order to promote cohesion in a period that regional inequalities tend to increase. In this section

we discuss policy options that promote regional integration and regional convergence without reducing the dynamism of the metropolis.

As part of our survey, we provided the respondents in our sample with a set of policy options and asked them to select those policies that in their opinion have the greatest possible impact on the periphery of the country.

Table 15 presents the view of the experts about the development policies most suitable to spread metropolitan growth and promote polycentric development. The table presents policies in a descending order. At the top of the table we present the most frequently selected policies, while at the bottom the least frequently selected ones.

We observe that the most frequently selected (68 % of the respondents) policy is the construction of highways linking metropolitan cities with other important cities. Controls and incentives for relocation of firms outside the metropolis is second in terms of frequency (48 %), while networking and contractual agriculture is third (46 %). Other popular measures include joint ventures among metropolitan and peripheral firms (39 %), networks of cooperation among local administration for transfer of know-how (35 %), train connections among all important cities in the country (34 %) and networks of cooperation among firms (34 %).

Less frequently selected by the respondents policies include labor commuting to the metropolis (29 %), expansion of residential areas in nearby resorts serving as vacation place for the residents of the metropolis (27 %), efficient public transportation service connecting cities with the metropolis (26 %), weekend tourism activities (26 %), triangular relations among local firms, metropolitan firms and international markets (24 %), subcontracting (20 %) and franchising (16 %).

Although respondents from each city have a different ranking of policies that consider as more appropriate for the spread of metropolitan growth, they all seem to agree that a mix of infrastructure or 'hard' policies and economic or 'soft' policies are necessary for this goal to be achieved. Transport infrastructure is considered as the most important policy that will improve overall accessibility and allow for the realization of spread effects. Although the relevant literature maintains some reservations about the ability of roads to generate cohesion or convergence, our sample is strongly convinced that this is the best policy in order to stimulate spread effects. Interpreted in a certain way, this strongly expressed view makes sense because it has a simple logic: 'if spread effects are going to take place, then we must have road and train connections'. It does not mean that roads will definitely lead to convergence. It means that this is one of the required preconditions.

It is also interesting that out of the seven top measures, five refer to actions taken in the real economy. With the exception of land use policies aiming to discourage industrial location in metropolitan areas, the rest of the measures are related to incentives to develop different types of core-periphery

partnerships. Land use restrictions are typical in most developed countries. They require that industrial activities are located in designated areas and do not interfere or cause negative externalities to other urban activities, such as housing and services.

Table 15 : Policies spreading metropolitan growth to other cities and promoting polycentric development

	Skopje	Sofia	Thessaloniki	Tirana	Average
<i>Most Popular Measures (>30 percent of respondents)</i>					
Highways connecting the metropolis with other important cities of the country	53.3	83.6	69.6	66.2	68.6
Controls in the establishment of new industrial firms in the metropolis and incentives for the relocation of existing firms outside the metropolis	58.3	46.3	47.8	41.5	48.3
Supply networks in agricultural and food products (farmers and small firms in the periphery have contracts with department stores)	36.7	47.8	29.0	70.8	46.0
Joint ventures among metropolitan and peripheral firms	46.7	32.8	24.6	53.8	39.1
Transfer of know-how and learning through networks of cooperation among local administrations	25.0	44.8	46.4	23.1	35.2
Train connection with all important cities of the country	38.3	14.9	47.8	35.4	34.1
Transfer of know-how and learning through networks of cooperation among firms	41.7	29.9	46.4	18.5	34.1
<i>Least Popular Measures (<30 percent of respondents)</i>					
Labor Commuting (people from other cities travel daily and work in the metropolis)	38.3	25.4	15.9	41.5	29.9
Expansion of residential areas in nearby resort areas serving as vacation place for the residents of the metropolis	21.7	49.3	10.1	27.7	27.2
Efficient public inter-city transportation (bus service)	33.3	10.4	23.2	40.0	26.4
Weekend tourism activities (metropolitan residents spend the weekend in nearby resorts)	30.0	25.4	20.3	29.2	26.1
Triangular relations (metropolitan service firms act as intermediates to promote industrial products of local firms to international markets)	38.3	22.4	27.5	10.8	24.5
Subcontracting (manufacturing firms in the metropolis assign specific tasks to firms in other cities)	5.0	40.3	24.6	10.8	20.7
Franchising (metropolitan service firms open stores in other cities)	21.7	9.0	17.4	16.9	16.1

Source: Own estimates from the RIMED Database.

Incentives to industrial, but also other activities to (re)locate in less developed regions is a typical and frequently used in the EU policy of regional development. Industrial activities located in designated less developed areas receive support in the form of subsidies, tax exemptions and low interest loans. The strong support that this measure received among the experts indicates that

there is a lot of room for the design and implementation of regional policies in these countries and especially the transition countries.

An interesting observation is that most core-periphery supply-demand chains and partnerships that are proposed among the most frequently selected measures are in fact policy options with no prior experience in these countries. The strong support that they receive among the respondents indicates that the ground is ready for a transfer of know-how policies and best practices from the West.

Table 16 : Cities benefiting from the spread effects of metropolitan growth

	Skopje	Sofia	Thessaloniki	Tirana	Average
Nearest cities	23.3	35.8	55.1	49.2	41.4
Cities with good road connection irrespective of distance	28.3	26.9	24.6	29.2	27.2
Cities with active 'learning' policies	13.3	29.9	7.2	9.2	14.9
Only the other 2-3 large cities of the country	10.0	6.0	10.1	6.2	8.0
No one city will benefit (there are no spread effects)	25.0	1.5	2.9	4.6	8.0
Total	100.0	100.0	100.0	100.0	100.0

Source: Own estimates from the RIMED Database.

Table 16 presents the opinion of the respondents on which cities are expected to benefit more from the spread effects of metropolitan growth. The majority considers nearby cities as the most likely beneficiary of metropolitan growth spread effects (41,4 %). An equally significant share of people, however, claims that the most likely beneficiaries will be the cities with good road connections irrespective of distance (27,2 %). A third, smaller group, claims that spread effects are more likely for cities having active learning policies (14,9 %). A fourth even smaller group claims that spread effects can be possible only for the 2-3 larger cities of the country (8 %). Finally, a small group of respondents believes that no city is going to benefit because there are no spread effects (8 %).

The figures in Table 16 reconfirm the strongly expressed view of the respondents that metropolitan growth is possible to be characterized by spread effects. The largest group seems to relate benefits to proximity and accessibility, while a significant minority group considers that spread effects are a function of active policies on behalf of the smaller cities. About one out of eight respondents, however, declare that there are no gains for smaller or less developed cities either because there are no spread effects, or because these affect only the large cities. It is interesting to note that the respondents from Skopje are the most skeptical about the ability of metropolitan development

policies to generate spread effects. This may be related to the ethnic composition of cities nearby to Skopje, which makes relations or spread effects more difficult.

8. CONCLUSIONS

This paper has explored the role and importance of four, close-located, metropolises in South-eastern Europe, in order to identify a development strategy that promotes growth, integration and cohesion in the area. This strategy seeks the appropriate set of policies that will increase integration, reduce fragmentation and promote sustainable and balanced development.

The cities of Skopje, Sofia, Thessaloniki and Tirana play a significant role within both their respective countries and the whole SEE region. This is due to their function as political/administrative centres and economic/growth poles, and to their asymmetrically large size and dominance over the other national urban centres. In addition, their relative proximity permits the development of networks of cooperation towards the formation of a polycentric regional structure, which will support regional integration and enhance economic potential.

The economies of the four metropolises have undergone significant structural changes in an attempt to adapt to internal and external forces related to globalization, European integration and urban competition. Clearly all cities have showed increasing dependency on tertiary activities at the expense of the manufacturing sector. In terms of growth performance in the critical last 10-15 years, metropolitan areas have done better than the national average, but the post-1989 performance of all countries has been anything but satisfactory. Overall, the Balkan region is faced with a number of serious and interacting problems: weak economic base and structure, increasing spatial inequality, serious fragmentation and unbalanced urban growth leading to further concentration of activities.

To deal with these internal and external asymmetries, a strategy of development is proposed for the metropolitan areas of Skopje, Sofia, Thessaloniki and Tirana. This strategy is based on large urban areas in order to take advantage of agglomeration economies, on trans-national networks of cooperation in order to deal with fragmentation and on policies that allow for spread effects in the national context. It includes a balanced set of hard infrastructure and soft policy interventions that promote development, connectivity and interaction of metropolitan areas with each other and their national hinterlands. The policies proposed have been derived from a unique for the area survey with a sample of qualified experts from the academia, the administration, the private sector and the NGOs. The survey showed that all cities have a common base of needs and development goals. At the same time, each city has also its own agenda, putting greater emphasis to different aspects of development.

The combination of a common denominator of goals with the flexibility of 'city specific' policy priorities makes this strategy of development a realistic opportunity for the region that could be expanded as an open network to embrace all metropolitan areas in South-eastern Europe. Given the poor record of cooperation at the national level among a number of Balkan countries, an initiative for development and cooperation based on metropolitan regions may be a serious alternative to consider.

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DÉVELOPPEMENT URBAIN ET COOPÉRATION MÉTROPOLITAINE DANS L'EUROPE DU SUD-EST

Résumé - Les aires urbaines de l'Europe du Sud-Est ont connu, durant ces vingt dernières années, un ensemble de transformations structurelles majeures, liées aux changements sociopolitiques qui sont intervenus dans cette région. Cet article explore le rôle et l'importance de quatre aires métropolitaines (Skopje, Sofia, Thessalonique et Tirana) de cette région, en mettant en lumière leurs stratégies de développement respectives. Ces quatre métropoles historiques jouent un rôle fondamental dans leur propre pays mais aussi dans l'ensemble du Sud-Est européen, à la fois en tant que centres politiques et administratifs et en tant que pôles de croissance économique dont les effets se diffusent sur leurs périphéries. La proximité géographique de ces quatre métropoles les a mené à développer, depuis une dizaine d'années, des réseaux de coopération économique denses, ce qui conduit, à moyen terme, à l'apparition d'une structuration urbaine polycentrique dans la région.