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Territorial Cooperation and socio-economic development in the Old EU , New EU and Non EU

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Territorial Cooperation and socio-economic development in the Old EU , New EU and Non EU

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Abstract

Territorial cooperation, taken as collaboration “beyond national boundaries”, among administrative bodies and/or political actors, generally offers the ground for functional cooperation towards problem-solving and challenge-tackling, along with the exploitation of the local and regional potentials. In the EU, given the high-level of political integration amongst the Member States, numerous rules and structures have been created to support territorial cooperation. In this context, the territorial cooperation is commonly linked to ‘top-down’ policy initiatives, most notably in INTERREG. The Europe 2020 strategy is linked to transnational territorial cooperation, especially through its third objective, aiming at inclusive growth and thereby contributing to the objective of territorial cohesion. The main aim of this essay is to examine the types, domains, driving forces and added value of territorial cooperation which occurs in EU and its neighboring regions. The paper attempts to shed some light upon the final results derived from a Computer-Assisted Web Interviewing (CAWI), one of the main research tools of the TERCO Project, which stands for "European Territorial Cooperation as a Factor of Growth, Jobs and Quality of Life", an ESPON Applied Research project under Priority 1 (2013/1/9). The survey, is based upon the empirical results derived from the fieldwork conducted in nine (9) Case Studies, along nineteen (19) countries classified in three groups (Old MS, New MS and Non MS), and three (3) non Europe countries (Morocco, Argentina and Uruguay). The findings of the analysis provide valuable information from a scientific and policy making angle.

Key words: territorial cooperation, Twinning, INTERREG, development, growth, jobs

JEL Codes: F10, F20, H70, O10, O19, O20, O40

1. INTRODUCTION

Territorial cooperation between states, regions and municipalities is closely linked to territorial development goals. This is particularly the case for border regions. These are by definition located on the geographical periphery of their state and often less developed than more central regions (AEBR, 2004, Molle, 2007). There is a widespread agreement that territorial co-operation offers the grounds for functional cooperation towards problem-solving and challenge-tackling by promoting networking and synergies (Perkmann, 2003, Anderson et al., 2003, O'Dowd, 2002, Scott, 2002, Hanson, 1996).

Economic, social and territorial agents, as well as individuals, are involved in numerous networks of interaction. In the realm of ever greater competition, co-operation at localized territorial scales and among territorial units appears to be the main driving force for enhancing the competitive advantage of firms and territories by contributing to innovations which are of key importance for achieving sustainable growth and creating jobs. The globalised world is becoming more and more interconnected and interrelated. The shift well described by Castells (1997) from the “space of places” to the “space of flows” has increased the role of networks, co-operation, mobility and interrelations.

Cooperation across borders can help to create synergies and to stimulate development impulses by encouraging mutual assistance between regional firms. It has been pointed out that territorial cooperation should underpin and build on existing linkages across borders that together form ‘functional regions’, i.e. areas of interdependent territories that do not necessarily coincide with political-administrative territorial units and that often span national borders (Schamp, 1995).

In the EU, given the high-level of political integration amongst the Member States, numerous rules and structures have been created to support territorial cooperation. In this context, the territorial cooperation is commonly linked to ‘top-down’ policy initiatives, most notably in INTERREG. The Europe 2020 strategy is linked to transnational territorial cooperation, especially through its third objective, aiming at inclusive growth and thereby contributing to the objective of territorial cohesion.

The present paper intends to explore the impacts of territorial cooperation (TC) on economic growth, job creation, quality of life, quality of environment and service provision by municipalities in the Old EU , New EU and Non EU. It is examined in particular, the impacts of TC on (a) socio-economic development, (b) flows and exchanges and (c) networking and specific activities among stakeholders. There are five types of territorial cooperation which are being examined: (a) Twinning City cooperation (b) Cross-border cooperation (c) Interregional cooperation (d) Macro-regional cooperation and (e) Transcontinental cooperation.

The following section traces deals with literature review which links territorial cooperation and growth. The next section introduces the main EU territorial cooperation policies. Section four provides the empirical analysis and the findings of the paper based on available data explored by the TERCO project, an applied research project, funded by the ESPON. The final section presents the conclusions and suggestions for further research.

2. LITERATURE REVIEW

Territorial cooperation must be seen against the background of globalisation and ever-increasing interconnections between states, regions and individuals. Global flows of capital, goods and services have long led to weakened state control over national economies, while the modern communications infrastructure has enabled a multitude of interactions across borders (Held et al., 1999).

The increasing transnational mobility of people, capital and information in the current era, led many scholars to link globalization with trends of 'de-territorialization' (Agnew, 1994). At the same time however, a rising importance of localities, places and territorial scales are often associated with the notion of 're-territorialization' (ÓTuathail and Luke, 1994, Jessop, 2002). Based on this background, territorial co-operation can be seen as a manifestation of territorial integration in which territory does matter. Within this setting, the EU, seems to play the role of '*facilitator*' of territorial co-operation by stimulating '*transnational and cross border osmosis*', despite the fact that officially the EU has no competence in spatial planning (Böhme, et al., 2004).

Despite the normative assumption that it may help regions to identify their endogenous growth potential, the precise role of territorial cooperation in regional development has not yet been examined in any great depth. There is an argument that regions benefit from the networking and cooperation opportunities that the new European environment affords. In this sense, cooperative links, learning opportunities and potential synergies are an asset that is part of a region's territorial capital (Knippschild, 2008, Molle, 2007). However, this argument has rarely been subjected to empirical scrutiny.

Contact, networking and integration between cities and regions of different countries have led scholars to coin the term 'paradiplomacy', the involvement of sub national governments in international politics (Keating and Hooghe, 1996). The argument reads that European integration has provided sub-national actors with many opportunities to pursue their political or economic agendas independently of national channels. (Clarke, 2010). A similar phenomenon has been captured by conceptualisations of the so-called 'new regionalism' and of the 'Europe of the regions' (Jeffery, 2000). This assumption has led many scholars to conceptualise territorial cooperation as a bottom-up process, where regional actors opt for cooperation because it serves their interests. The first forms of territorial cooperation in Europe certainly had a bottom-up character.

On the other hand in the EU, through a 'top-down' process, numerous rules, structures and policy initiatives have been launched aiming to enable local and regional actors to engage in that cooperation (Church and Reid, 1999). Multilevel governance however, defined by Hooghe and Marks (2001) as *a system of continuous negotiation among governments at several territorial tiers*, puts territorial cooperation into a dialectic perspective among 'bottom-up' and 'top-down' approach.

In border areas in particular, territorial cooperation within the process of European integration is often presented as the most visible manifestation in this process. However, the need to find common solutions to common problems does not (necessarily) put the parties engaged on an equal place. Sharpened differences are possible to exist not only in

terms of GDP performance but also on historical, cultural, and social factors (Topaloglou et al. 2005). In any case, territory remains an important determinant of economic development, welfare and living standards, despite the fact that this is increasingly shifted from the state to other supranational (e.g. the EU), sub-national (regions) or even transnational territorial scales (e.g. Latin America).

The empirical evidence so far, suggests that growth is significantly related to geographical coordinates. According to Tobler's (1970) first law of geography, 'everything is related to everything else but nearby things are more related than distant things'. Hence the location of each border region in the broader European space matters. Market access in particular, is associated to a large extent to the notion of 'accessibility', i.e. transport infrastructure, telecommunication networks, institutional factors, and a series of political and cultural parameters.

Evaluations on TC programmes that have been carried out show that it is notoriously difficult to pinpoint the effects of territorial cooperation (Gorzalak et al., 2004, Bachtler et al., 2005). On the one hand, the opportunities for building networks and learning that territorial cooperation affords have been highlighted (Colomb, 2007, Böhme et al., 2003b). On the other, it has been pointed out that the added value of cooperation is difficult, if not impossible, to identify. This is especially the case for more informal forms of cooperation that are not funded by the EU such as sister cities or transcontinental cooperation. But even where many formal evaluations are available, as for INTERREG and Objective 3 initiatives, these have yielded unclear results. Some claim that these initiatives have brought very few tangible benefits (Böhme, 2005). Others argue that some of the declared goals of transnational cooperation – such as the anticipated Europeanization of spatial planning and policy transfer – has not taken place (Dühr and Nadin, 2007). The reason why it is so difficult to assess cooperation initiatives is 'due to their complexity, to the particular fuzziness of their objectives, and to shortcomings in monitoring systems and data collection' (Barca, 2009).

The territorial co-operation is taking place at the transnational level too, mainly involving geographically close countries (Wille, 2008). In this sense, co-operation entails strong territorial dimension that goes beyond international relations (Wille, 2008). Seen in this respect, territorial co-operation is not limited in intergovernmental interaction but it also one which mobilizes local agents and societal groups (Mau and Mewes, 2007).

Twinning cities is another form under which territorial co-operation may take place, and stem into various levels such as sister cities (usually geographically distant) or twin cities (usually geographically connected) (Zelinsky, 1991). Town-twinning, which was reinforced during the post-Cold War period, has recently become a wide-spread phenomenon not only within the EU but also elsewhere in Europe. Usually, twinning is seen by local actors as an appropriate response to numerous challenges that they face in their day-to-day life. In this perspective, twinning is viewed by many European municipalities as an efficient territorial co-operation instrument for both solving local problems and ensuring their sustainable development (Joenniemi and Sergunin, 2012).

Lahtenmaki-Smith and Dubois (2006) argue that the type and intensity of co-operation are strongly affected by the domains and geographic coordinates of the project partnership. Along the same line, other studies have shown that proximity, territorial structures and spatial patterns in general are associated with valuable cooperation

(ESPON 2.4.2). In other words, certain regions tend to cooperate in certain domains adapted to certain "*geographies of cooperation*" (Colomb, 2007).

The actual impact of cooperation has been described in terms of potential benefits, i.e. as potential quantitative and qualitative effects (Bachtler et al., 2005; Mirwaldt et al., 2009). As for quantitative effects, EU funding can leverage additional resources for economic development (Martin and Tyler, 2006). Among cross-border programmes, smaller ones were better able to mobilise private capital (Panteia, 2010). At the same time, however, it is widely acknowledged that territorial cooperation can have a 'qualitative impact', e.g. through opportunities for exchange of experience and learning, the adoption of innovative elements, processes or responses into domestic policy.

To summarise, sub national units have their own territorial interests and that the European opportunity structure allows them to pursue these interests at the supranational level. Following from this, it would seem obvious that territorial cooperation is an important factor in a region's 'territorial capital', i.e. its endogenous potential for development, implying that cooperation in different domains is highly dependent on the distinctive context.

3. EU TERRITORIAL COOPERATION POLICIES

Territorial cooperation and cross-border cooperation in particular, became much more common in the 1980s, as the Council of Europe adopted framework legislation on cooperation. Thus, the so-called Madrid Convention commits the signatory states to facilitating and fostering cross-border cooperation (Perkmann, 2003). In an additional Protocol signed in 1995, member states recognised territorial communities' right to conclude cross-border agreements. Although these conventions only contain non-binding guidelines that need to be put into national law, they were an important step in enshrining a legal right to cooperation between sub national units of different states (Janssen, 2007).

The proliferation of cooperation initiatives after the adoption of framework legislation suggests that local or regional activism from the bottom-up - in the shape of lobbying, networking or cooperation - requires an opportunity structure at the national or regional level. The influence of the EU in enabling regions to engage in territorial cooperation has certainly been crucial. Such influence has led some to argue that a large proportion of territorial cooperation across the EU has developed in response to top-down endeavours to establish a legal foundation for territorial cooperation in the 1980s or the European Commission's financial incentives from the 1990s onwards, rather than genuinely from the bottom-up (Perkmann, 2003, Perkmann, 2002, Church and Reid, 1999).

As noted previously, the notion of territorial cohesion did not emerge 'out of the blue'. Its recent recognition as a formal objective of EU Cohesion Policy results from a long-standing process, initiated as early as 1989 at the first informal ministerial meeting of ministers responsible for territorial planning, held in Nantes (France) with the participation of Jacques Delors, then President of the European Commission. In the early 1990s, the European Commission published the Europe 2000 (1991) and Europe 2000+ (1994) communications; whereas 'VASAB 2010 (Vision and strategies around the Baltic Sea 2010)' was adopted at the Tallinn Ministerial Conference in December 1994. To a large extent, these documents paved the way for territorial policies at European level.

It is widely recognized that the EU territorial co-operation policies and the Community Initiative INTERREG in particular, has put the scientific and policy making debate on spatial development and territorial impacts into the limelight. It is broadly evident that INTERREG favors policy transfer and exchange of knowledge functioning as a common context for interaction on the course of Europeanization (Colomb, 2007). INTERREG was first introduced in 1990 to support cooperation between regions of different states. It was the main financial instrument to support territorial cooperation before becoming one of the three objectives of the cohesion policy in 2007. It has been suggested that cross-border regions can be characterised as ‘terrains for the emergence of new transnational actors and new opportunities for existing actors’ (Perkmann, 1999). Thus, INTERREG is credited with the ‘invention’ of new regions as spaces and arenas for cooperation at the cross-border and trans-national level (Gualini, 2008).

So far, there have been four generations of INTERREG (1989-1993, 1994-2000, 2000-2006, 2007-2013) that have funded three strands of cooperation: (a) Cross-border co-operation, which promotes cross-border cooperation between adjacent regions. (b) Transnational co-operation, which involves national, regional and local authorities, aiming to promote better integration through the formation of large groups of non-contiguous European regions. (c) Inter-regional cooperation, which aims to improve the effectiveness of regional development policies through large-scale information exchange across the entire EU (Mirwaldt et al., 2009). For the current 2007-2013 programming period, INTERREG became a component of the so-called “mainstream” of the EU Cohesion Policy; this means that INTERREG was renamed “European territorial cooperation” and became the third objective of this policy, on top of the first two objectives (“Convergence” and “Competitiveness and Employment”).

In 1999, the European Spatial Development Perspective (ESDP) was adopted in Potsdam by the ministers responsible for spatial planning²¹ of the fifteen (that time) EU member states. Even though the European Commission assisted in the ESDP elaboration, the process was clearly intergovernmental in nature, since at the time the European Union was denied any formal competence in the area of territorial development policy. In order to strengthen the ESDP application process through the provision of an appropriate knowledge base and a common platform for research, the ESPON 2006 programme was launched in 2002 by the EU Commission and the EU member states. The current ESPON 2013 programme took over from ESPON 2006 to “support policy development in relation to the aim of territorial cohesion and a harmonious development of the European territory”.

In 2001, the European Commission published its White Paper on European Governance, after an in-depth consultation process in various working groups, in which the territorial dimension of EU decision making was considered as a major issue. In particular, Group 4c on multilevel governance²² put forward various proposals, notably “a method for coordinating Community policies and their impact on sustainable development and cohesion within the EU”, and the creation of “a Community legal instrument for cross-border, transnational and interregional cooperation” (a proposal later implemented through the adoption of Regulation 1082/2006 on the European Grouping of Territorial Cooperation - EGTC).

In an external context, the Instrument for Pre-Accession Assistance (IPA) and European Neighbourhood and Partnership Instrument (ENPI) represent financial instruments that, despite not having a particularly strong territorial focus, can facilitate territorial cooperation between EU-members and non-members. It has been pointed out that the availability of EU support was crucial in bringing about the mushrooming of cooperation initiatives in the 1990s (Perkmann, 2002, Perkmann, 2003).

In 2007 the Commission launched a public debate on territorial cohesion by issuing a Green Paper on Territorial Cohesion. The debate showed that territorial cohesion is largely associated with an integrated approach to development, entailing the better coordination of public policies, taking better account of territorial impacts, improved multilevel governance and partnership, the promotion of European territorial cooperation as a clear EU asset, and a reinforced evidence base to improve territorial knowledge.

In 2009 the Committee of Regions came up with the White Paper on Multilevel Governance that reflects the determination to "Build Europe in partnership" and sets two main strategic objectives: encouraging participation in the European process and reinforcing the efficiency of Community action. Multilevel governance has been defined as a process of translating European or national objectives into local or regional action, and simultaneously integrating the objectives of local and regional authorities within the strategies of the European Union. It has also been underlined that, multilevel governance should reinforce and shape the responsibilities of local and regional authorities at the national level and encourage their participation in the coordination of European policy, in this way helping to design and implement Community policies.

The recent EU cohesion policy had been launched by the Commission in 2004 and incorporated in the Amsterdam (2007) and Lisbon (2009) Treaties, reflecting an attempt to establish a "*place-based*" strategy (Camagni, 2009). Against this background, territorial cooperation has recently increasingly been linked to the concept of territorial cohesion. Notwithstanding divergent interpretations, there is near-universal acceptance that territorial cooperation is conducive to territorial cohesion. The Green Paper on territorial cohesion for example, argued that cooperation, both horizontally and vertically, is an appropriate channel for reinforcing territorial cohesion (CEC, 2008). For this reason alone, territorial cooperation is an important element of the EU cohesion policy.

Territorial cohesion was established in the Lisbon Treaty as a third Union's objective, along with the economic and social cohesion. It is not entirely clear what territorial cohesion entails as the European Commission has not put forth an explicit definition of the concept, but it is usually referred to as a combination of polycentric development, aiming to cultivate several clusters of competitiveness and innovation across Europe, balanced development with the primary aim of reducing socio-economic disparities and enhancing accessibility and networking (Davoudi, 2003). Looking a decade further back, it is nowadays uncontroversial to state that the renowned "*Lisbon Agenda*" failed to achieve its sought after goals related to the most competitive and innovative economy in ten years (Camagni, 2011).

The European Commission asked Fabrizio Barca to prepare an independent report analysing the recent practice and achievements of EU Cohesion Policy while proposing various policy steps to redirect it in view of the 2014-2020 period. This report was published in April 2009. Among various proposals, Barca made a strong case for basing future EU regional policy programmes and operations on a “place-based approach”, a notion previously explored by the Organisation for Economic Cooperation and Development (OECD). In a place-based development policy, a place is not identified by administrative boundaries, nor by any other ex-ante “functional” criteria (coincidence of residence and activity, density of population, absence of land connections, existence of water or other natural linkages, altitude, proximity to natural areas, etc.), rather, a place is endogenous to the policy process, it is a contiguous area within whose boundaries a set of conditions conducive to development apply more than they do across boundaries”.

Europe 2020 (CEC, 2010) represents an overarching EU development strategy in which the EU will act within this decade, articulated upon three mutually reinforcing priorities, that of smart, sustainable and inclusive growth. The new Territorial Agenda 2020, approved by the EU Ministers and the relative discourse, may be considered as signs of political will towards reviewing and strengthening of the EU regional strategy. The Territorial Agenda 2020, built upon the Europe 2020 rationale, states that *‘Co-operation is key to fostering smart, inclusive and sustainable growth and territorial cohesion in the EU’*. It should be noted however, that the answer to the question on how all these territorial perspectives are going to practically be applied is at best blurred. As long as the implementation of this political Agenda depends on the goodwill of different EU bodies and national actors due to the lack of EU competencies on spatial planning, the notion of territorial co-operation still requires a more implicit launching.

‘Europe 2020’ puts forward three mutually reinforcing priorities presented below: (a) Smart growth: developing an economy based on knowledge and innovation. (b) Sustainable growth: promoting a more resource efficient, greener and more competitive economy. (d) Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion. While the notion of territorial cohesion also appears in the ‘Europe 2020’ several times the document neither proposes any concrete guidelines for the territorialisation of its priorities nor does it consider the territorial consequences of the actions proposed.

The Territorial Agenda 2020 also puts forward an ambitious strategy, though applying specifically here to EU territorial development. Therefore the Territorial Agenda 2020 has not been formally adopted by any EU body. It is an updated version of the former Territorial Agenda of 2007. The elaboration process lasted almost two years. Thereafter the TA 2020 was adopted in May 2011 at the informal ministerial meeting held in Gödöllo. The Territorial Agenda 2020 is the action-oriented policy framework of the ministers responsible for spatial planning and territorial development in support of territorial cohesion in Europe, involving the following priorities:

- a) Promoting polycentric and balanced territorial development as an important precondition of territorial cohesion and a strong factor in territorial competitiveness.
- b) Encouraging integrated development in cities, rural and specific regions to foster synergies and better exploit local territorial assets.

- c) Territorial integration in cross-border and transnational functional regions as a key factor in global competition facilitating better utilisation of development potentials and the protection of the natural environment
- d) Ensuring global competitiveness of the regions based on strong local economies as a key factor in global competition preventing the drain of human capital and reducing vulnerability to external development shocks
- e) Improving territorial connectivity for individuals, communities and enterprises as an important precondition of territorial cohesion (e.g. services of general interest); a strong factor for territorial competitiveness and an essential condition for sustainable development
- f) Managing and connecting ecological, landscape and cultural values of regions, including joint risk management as an essential condition for long term sustainable development

Although the TA 2020 properly highlights the territorial challenges and the potentials for EU territories while bringing relevant territorial priorities to the EU political agenda its implementation depends on the goodwill of different EU bodies and national actors. Its links to the Cohesion Policy and, indeed, to other policies remain very general while its contribution to the policy making mechanism outlined in the 5th Cohesion Report can be described as vague or at best insufficiently explicit.

Europe 2020' and the Territorial Agenda 2020 thus originate from different political processes, and have a different political status. There is however a strong belief that they should be used to reinforce each other. Growth requires proper territorial development policy steps, whereas its acceleration should respect "territorial values" such as spatial justice, nature and culture protection as well as the wise use of territorial resources, many of which are (virtually) non-renewable. This is the reason why in several EU countries development strategies combine spatial and socio-economic considerations.

4. EMPIRICAL EVIDENCE

The empirical part of the paper is based on the results of the TERCO project which stands for "European Territorial Cooperation as a Factor of Growth, Jobs and Quality of Life", implemented within the context of ESPON Applied Research under Priority 1 (2013/1/9). The main objective of TERCO project was to assess the relationship between Territorial Co-operation (TC) and the socio-economic development of the EU and its neighbouring regions.

3.1 Methodology

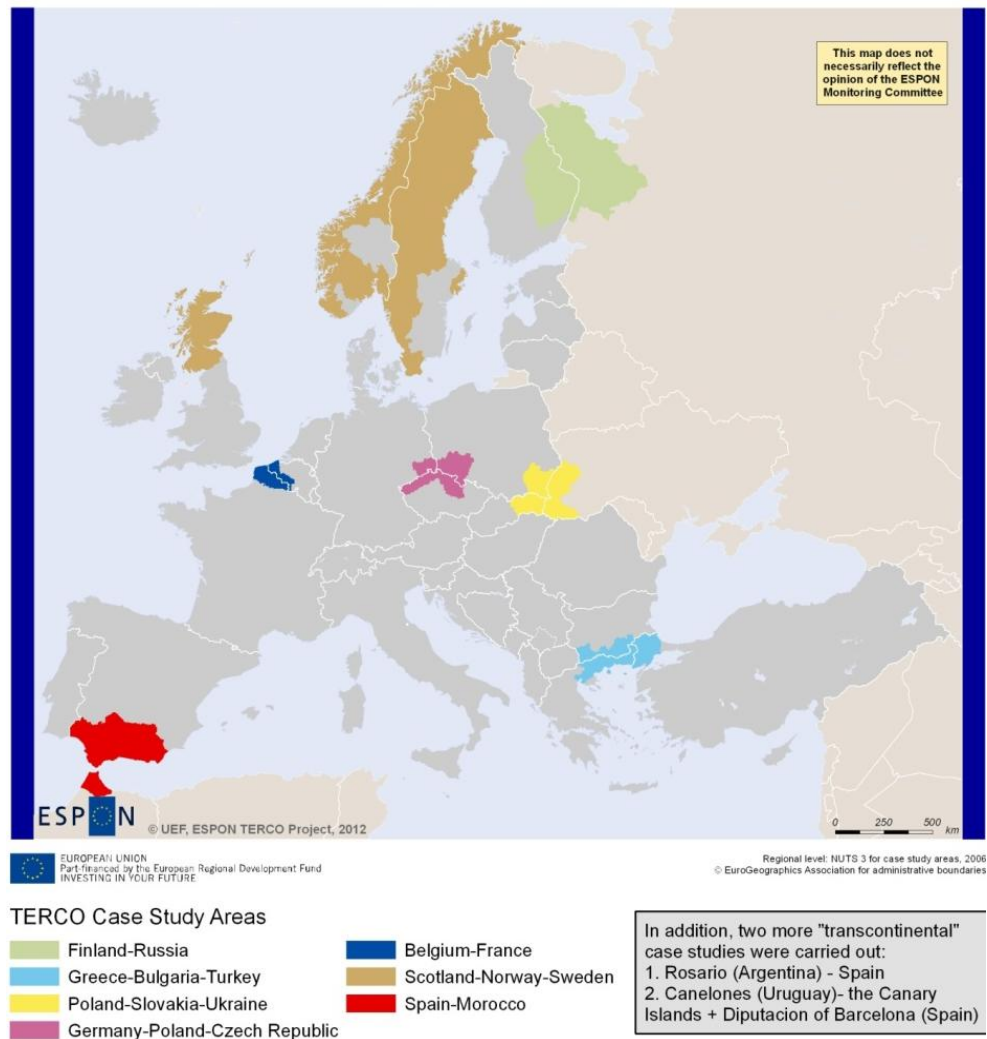
Within the frame of the empirical work, nine case studies (CS), which cover nineteen countries, have been selected: (a) Belgium-France; (b) Finland-Russia; (c) Poland-Ukraine-Slovakia; (d) Poland-Germany-Czech Republic; (e) Greece-Bulgaria-Turkey; (f) Scotland-Sweden-Norway; (g) Spain-Morocco; (h) Spain-Argentina; and (i) Spain-Uruguay. The proposed CS areas capture all possible combinations of "old" and "new" EU member-states (EU-15 and EU-12, respectively) as well as the cooperation between EU member-states and their external neighbours. They (the CSs) also included cooperation over land and sea of the European and the transcontinental borders. The finally selected combination of CS countries and regions optimised the inclusion of all different territorial constellations of TC, especially by not only conducting CS across two countries but also by, purposely, including triads of cooperation.

The case study analyses were based on local statistical data, standardised computer-assisted web electronic interviews (CAWI) and in-depth interviews (IDI). CAWI's blocks of questions included amongst other questions about impacts of TC on socio-economic development, economic flows and networking activities. The questions were formulated in a comparative way, so that they related, simultaneously, to five types of TC: (a) twinning city cooperation; (b) cross-border cooperation; (c) inter-regional cooperation; (d) macro-regional cooperation; and (e) transcontinental cooperation. CAWI targeted local officials within CS municipalities or LAU2 (previously called NUTS 5) areas involved in TC.

3.2 Research Profile

CAWI was sent automatically, by e-mail, to each municipality of the CS areas. During the period from July to November 2011, 470 CAWI were selected from the nine CS under consideration (see Map 1).

Map 1. Overview of Case Study Areas



Source: TERCO Final Report

Table 1. Classification of the countries under consideration in the framework of TERCO project

	old EU member-states	new EU member-states	non EU member-states
Country	Finland, Germany, Sweden, United Kingdom, Belgium, France, Greece, Spain	Poland, Slovakia, Czech Republic, Bulgaria	Norway, Russian Federation, Ukraine, Turkey, Argentina, Uruguay, Morocco
Subtotal	8	4	7
NUTS 2/3 level	Andalucia (ES61), Canary Islands (ES70), Barcelona (ES511), Nord-Pas-de-Calais (FR30), West Flanders (BE25), Hainaut (BE32), East Finland (FI13), Eastern Scotland (UKM2), South Western Scotland (UKM3), North Eastern Scotland (UKM5), Highlands and Islands (UKM6), Stockholm (SE11), Skåne County (SE224), West Sweden (SE23), North Middle Sweden (SE31), Middle Norrland (SE32), Upper Norrland (SE33), Dresden (DED2), AnatolikiMakedonia and Thraki (GR11), Thessaloniki (GR122), Serres (GR126)	DolnoslaskieVoivodeship (PL51),PodkarpackieVoivodship (PL 32), Severozápad (CZ04), Severovýchod (CZ05), Blagoevgrad (BG413) Haskovo (BG422), Smolyan (BG424), Kardzhali (BG425),Eastern Slovakia (SK 04)	Republic of Karelia (RU), Oslo ogAkershus (NO01), Sør-Østlandet (NO03), Vest-Agder (NO042), Rogaland (NO043), Vestlandet (NO05), Trundled (NO06), Nord-Norge (NO07), Tekirdağ (TR21), Lviv Oblast (UA 024), Zakarpattia Oblast (UA 029), Tanger-Tetouan (MA16), Santa Fe (AR), Canelones (UY2),
N2 Subtotal	17	6	14
N3 Sutotal	4	4	
Subtotal	21	10	14

Source: TERCO Final Report

The countries under consideration were clustered into three groups: (a) old EU member-states; (b) new EU member-states; and (c) non EU member-states (see Table 1). In total, respondents from eight old EU member-states, four new EU member-states, and seven non EU member-states, and their corresponding regions, have participated in the CAWI-based TERCO research.

Concerning the spatial allocation of the CAWI responses per group of countries, a relatively balanced situation seems to exist. The prevailing number of responses comes from old EU member-states (200, 42.6%). Significant number of responses, though, comes from new EU member-states (162, 34.5%) and non EU member-states (108, 23.0%) (see Table 2).

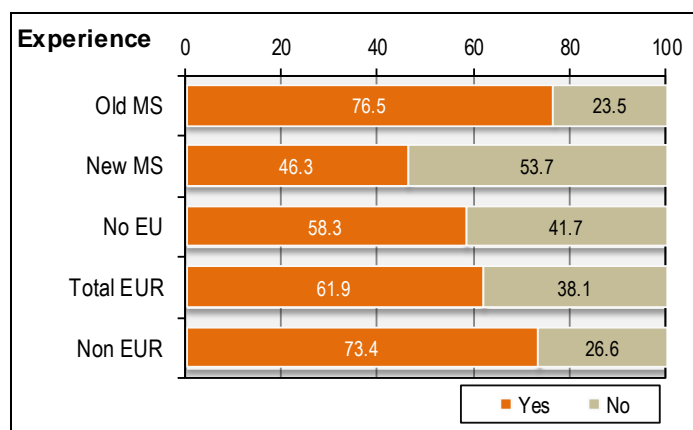
Proceeding to the analysis of the research findings, it should be mentioned that out of the 470 questionnaire respondents, 291 (62% of the sample) answered that their organizations have experience in Territorial Cooperation projects, while 179 (38%) indicated no experience (see Figure 1).

Table 2. The spatial allocation of the CAWI responses, Allocation per group of countries

Group	Frequency	Breakdown per cent(%)
Old EU member-states	200	42.6
New EU member-states	162	34.5
Non EU member-states	108	23.0
Subtotal EUR	470	100,0
Non Europe State	79	100.0
Subtotal No EUR	79	100.0
Grand Total	549	100.0

Source: TERCO Final Report

Figure 1. Experience in International Territorial Co-operation

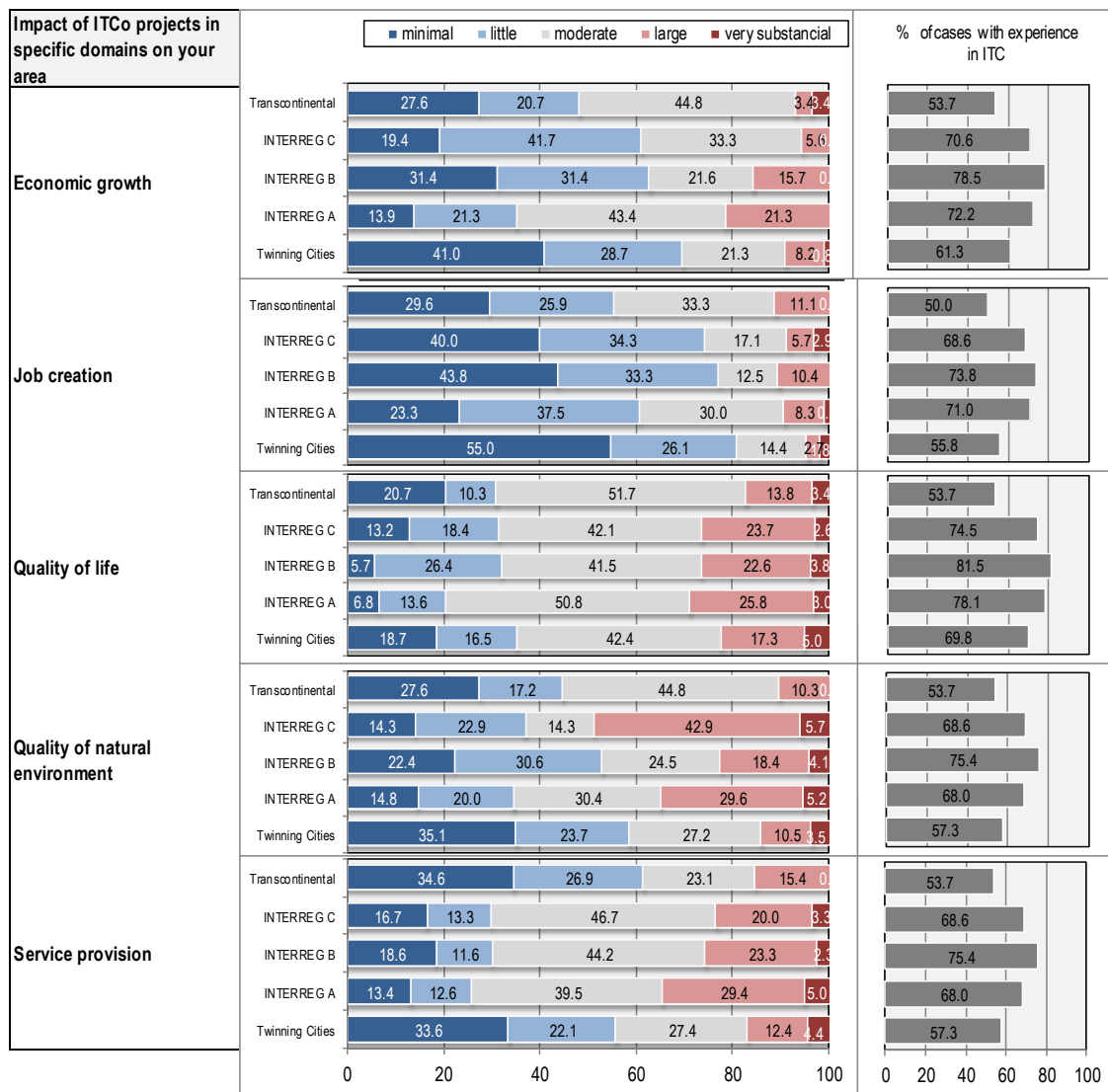


Source: TERCO Final Report

3.4 Territorial Co-operation and socio-economic development

The assessment of international territorial cooperation as one of the factors underpinning the socio-economic development of territorial units constitutes the cornerstone hypothesis of the empirical work. Within this context, the impacts of each type of ITC on economic growth, job creation, quality of life, quality of environment and service provision by municipalities, have all been investigated. On the basis of information provided in Figure 2 (and Table 3 in the Annex), it is quite obvious that the impact of ITC on the socio-economic development is evaluated as minimal to moderate.

Figure 2. Impact of ITC on socio-economic development by type of ITC



Source: TERCO Final Report

This evidence brings to the fore the imperative need for further analysis of territorial objectives under the EU strategy and its association with the goals of territorial cohesion. Having a closer view, a series of interesting observations can be drawn following the

juxtaposition of CAWI results among the five types of ITC and the three groups of respondents.

Beginning with Twinning cities, despite the fact that the highest values are found from a minimal to a moderate impact, a noteworthy variation is detected among specific themes and groups of territorial units. In more details, for the Old MS, minimal impact is recorded on *job creation* (65%), *economic growth* (54%), *natural environment* (53.5%) and *service provision* (49%), whilst mainly a moderate impact is observed on the *quality of life* (43%). For the New MS the picture is somehow different since the highest value of minimal impact is detected only for *job creation* (55%). As for the remaining values, a small impact is illustrated on *natural environment* (31%) and a moderate impact on *quality of life* (45%) and *service provision* (37%). The impact of TC on *economic growth* in particular, appears to be shared between the minimal (31%) and moderate (31%) levels. By contrast, the picture is substantially different for the Non MS, since values referring to minimal, little or moderate impacts are lower compared to the previous groups, while the perception of a large impact of ITC on *quality of life* and *service provision* is notably high (25% and 26% respectively).

Moving on to INTERREG A, it is worth noting that for both Old MS and New MS most of the prevailing values are for moderate levels of impact on *economic growth* (41% and 56%, respectively), *quality of life* (56% and 53%, respectively), *service provision* (44% and 37%, respectively) and *natural environment* (34% only for the New MS). As for the Non MS, little impact is observed on *job creation* (44%), while the findings in the remaining themes do not allow for any clear evidence and assumptions, since they are almost evenly distributed.

While examining the remaining types of TC what ought to be noted is that only findings regarding the Old MS are taken into consideration, since the samples of observations (after filtering procedure) for New MS and Non MS are not statistically significant. The actual results with regards to INTERREG B, show that minimal (34%) or/and little (34%) impact of ITC is perceived on *economic growth*, minimal impact on *job creation* (53%), little impact on *natural environment* (natural environment) and moderate impact on *quality of life* (41%) and *service provision* (39%). Similarly to the previous type, INTERREG C is assessed to have minimal impact on *job creation* (46%), little impact on *economic growth* (41%) and moderate impact on the *quality of life* (41%), while large appears to be the impact on *natural environment*. As for Transcontinental type of cooperation, minimal impact are detected on *service provision* (37.5%) and *job creation* (35%), whilst moderate impact is evaluated on *quality of natural environment* (50%).

To be noted here again that in INTERREG C and Transcontinental types of cooperation the samples of respondents for the New MS and Non MS are quiet small.

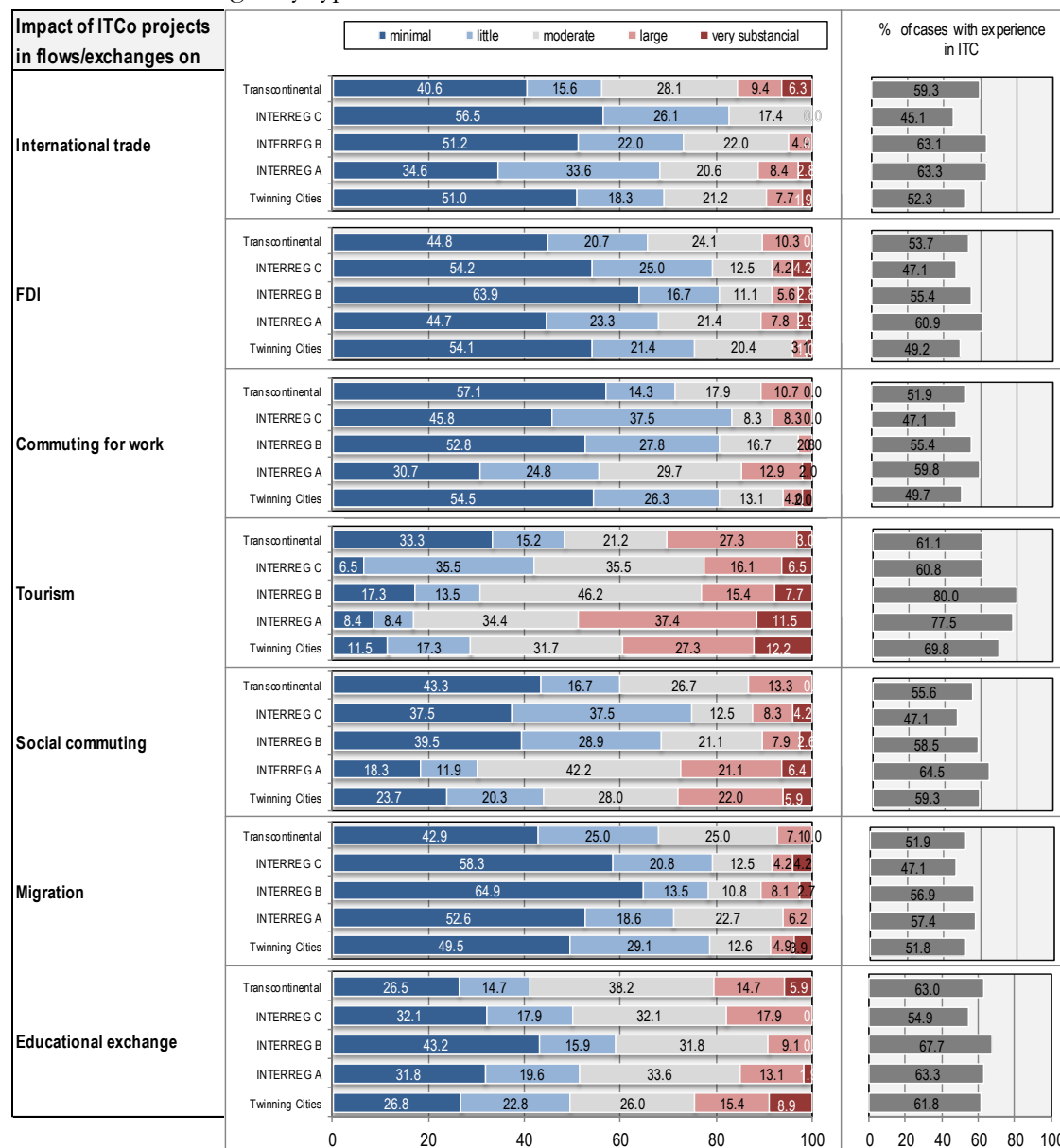
To sum up, in spite of the more than a two decades history of INTERREG programmes and given that current regulations, in particular, put forward a clear and overriding concern with the growth and jobs agenda, it seems that there is still a lot to be done on behalf of policy makers to meet the aforementioned goals.

3.4 Territorial Co-operation and Economic flows

The key question in this section deals with the impact of TC on a series of flows and exchanges, such us *international trade*, *FDI*, *commuting for work*, *social commuting*, *tourism*, *migration* and *educational exchange*. It is worth pointing out that the findings (see Figure 3)

are analogous to the aforementioned ones. Again, similar to preceding analysis, the majority of municipalities in all groups of respondents evaluate as minimal to moderate the impact of ITC on the above mentioned flows and exchanges. The only exception is found with regards to *tourism* and *social commuting* which exhibit a different pattern of perceptions. Based upon information in Figure 3 (and Table 4 in the Annex), there is a series of interesting observations which are worth discussing.

Figure 1. Impact of International Territorial Co-operation on flows and exchanges by type of ITC



Source: TERCO Final Report

Looking into the Twinning cities in particular, findings show that only a minimal impact of TC is detected on *international trade*, *FDI*, *commuting for work*, and *migration*, indicating that economic flows of goods, investment and human capital are in no way affected by TC occurred in all groups of respondents. The only types of flows where moderate to large impact of TC are observed, are those of *tourism* primarily, and *social commuting*

secondary. The latter findings allow one to claim that twinning activities mobilize flows and exchanges *in tourism* and *commuting at social level*.

As for INTERREG A, and in relation to the Old MS in particular, a minimal impact of TC is recorded on *FDI* (50%) and *migration* (42%), little impact on *international trade* (41%) and moderate impact on *tourism* (45.5%) and *social commuting* (43%). Observations related to the New MS show minimal impacts of INTERREG A on *migration* (69%), *commuting for work* (54%), *educational exchange* (48%) and *international trade* (39%). On the other hand, large impact is detected on *tourism* (51%) and moderate impact on *social commuting* (42%), reflecting the significant role that INTERREG A plays in these domains. As for the Non MS, minimal impact of INTERREG A is found again on *migration* (61.5%), *FDI* (40%) and on *international trade* (38%). Similarly to preceding findings, moderate to large impact of INTERREG A is recorded on *tourism* and *social commuting*, underlying the focal point of interest in such programmes.

Assessing INTERREG B, INTERREG C and the Transcontinental types of territorial cooperation, it is once again evident that only the findings regarding the Old MS are taken into consideration, since the samples of observations (after filtering procedure) for the New MS and Non MS are not statistically significant. Within this context, minimal impact from INTERREG B is found on *migration* (80%), *FDI* (79%), *commuting for work* (64%), *international trade* (59%), *social commuting* (50%) and *educational exchange* (50%). Again, moderate impact is detected on *tourism*. Moving on to INTERREG C, minimal impact is recorded for *migration* (67%), *FDI* (53%), *international trade* (53%) and *commuting for work* (47%). It is worth noting that INTERREG C, contrary to the preceding findings, appears to have little impact on *tourism* (45.5%) and on *social commuting* (47%). Examining the impact of transcontinental type of cooperation, it is remarkable that this impact appears to be minimal almost on every field of flows and exchanges.

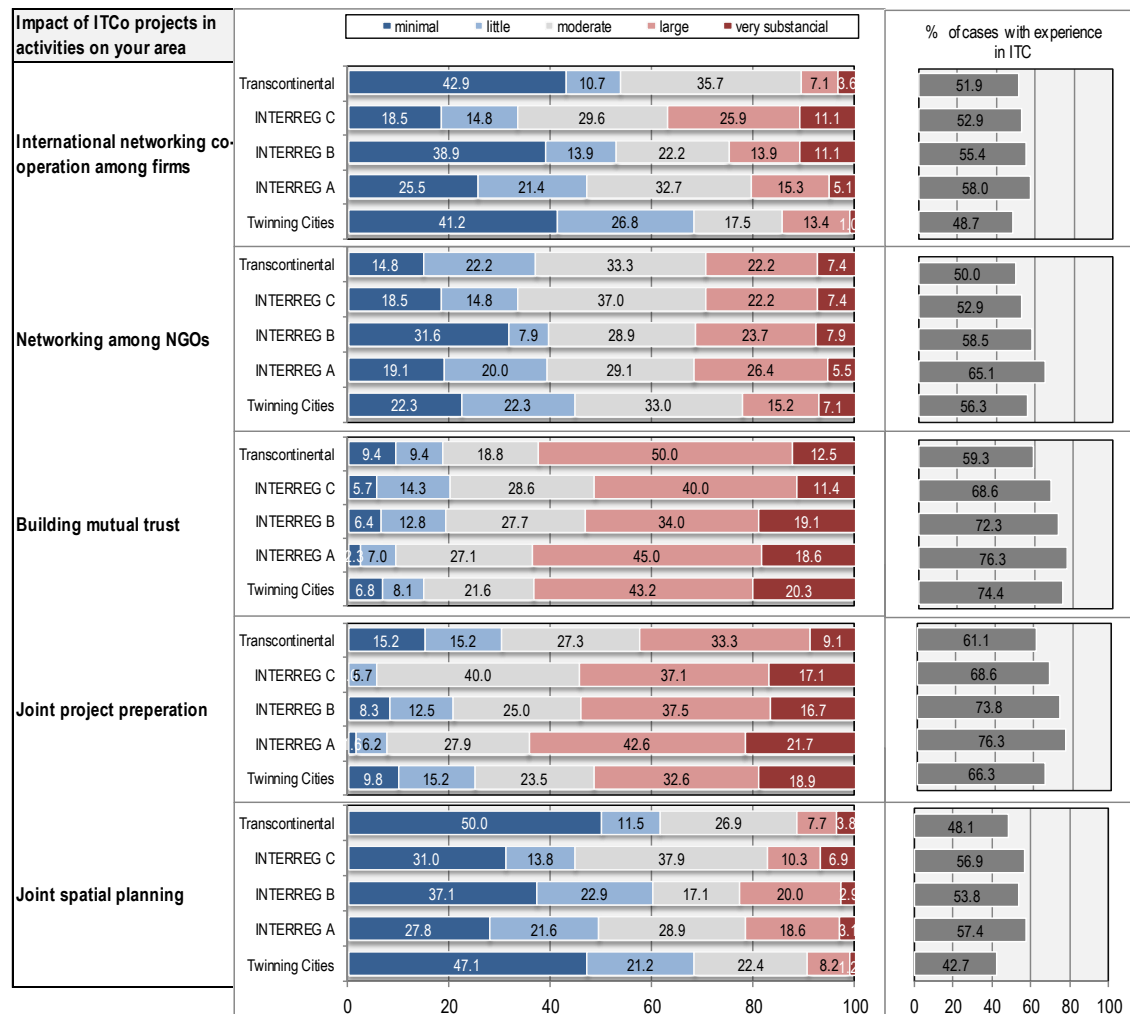
3.5 Territorial Co-operation and networking activities

This section traces the strength of the impacts of TC on a series of activities such as *networking among firms* or *NGOs*, *building mutual trust*, *joint project preparation* and *joint spatial planning*. Beginning with the overall picture depicted in Figure 4 (and Table 5 in the Annex), it is obvious that all types of ITC have a large to moderate impact on *building mutual trust*, *joint project preparation* and *networking among firms*, while the remaining activities appear to have minimal impact in most of the cases. This evidence suggests that ITC in general, offers the ground for building a stable basis upon mutual understanding among the key stakeholders preparing and launching common initiatives in social sphere, in particular.

Looking at Twinning cities in more details, and for the Old MS, minimal impact is found on *joint spatial planning* (59%) and on *networking among firms* (47%), while little impact on *networking among NGOs* (35%) and moderate impact on *building mutual trust* (44%) and *joint project preparation* (33%) is recorded. Concerning the New MS, again, the minimal impact of Twinning activities is found on *networking firms* (43%) and *joint spatial planning* (42%). On the other side of the spectrum, Twinning cities seem to have a large impact on *building mutual trust* (48%) and on *joint project preparation* (44%). As for the Non MS, it is hard to capture a clear picture, since one can observe meaningful values reflecting minimal to large impact of twinning almost on each of the specific activities under consideration.

Looking into INTERREG A and for the Old MS in particular, it is worth noting that large a impact is detected on *building mutual trust* (42%) and *joint project preparation* (41%), whilst moderate impact is seen on *joint spatial planning*. Similarly, with regards to the new EU MS, a large impact of INTERREG A is recorded on *building mutual trust* (52.5%) and on *joint project preparation*. On the other hand, moderate impact on *networking among NGOs* (42%) and *firms* (41%) is being highlighted, while at the same time the impact of INTERREG A on *joint spatial planning* appears to be at a minimal level (41%). As for the Non MS, it is interesting that almost in all types of activities, the highest values are found between moderate to large impact indicating the significant role that INTERREG A plays in external EU regions.

Figure 4. Impact of International Territorial Co-operation on specific activities by type of ITC



Source: TERCO Final Report

As for INTERREG B, INTERREG C and Transcontinental type of territorial cooperation, it is clarified (as mentioned before) that only values referring to the Old MS have been assessed due to the statistical insignificance of the respondents' sample from the New MS and Non MS. Having this in mind, the minimal impact of INTERREG B is found on *networking among firms* (44%) and *joint spatial planning* (38%), while large impacts are detected on *joint project preparation*. Moving on to INTERREG C, generally it is noticed that a moderate impact is expected on *joint project preparation* (44%) and on *joint*

spatial planning (39%). Closing with Transcontinental type of cooperation, a minimal impact is recorded on *joint spatial planning* (56%) and on *networking among firms* (40%), whilst meaningful a large impact is detected on *building mutual trust* (58%).

To be noted here again that in INTERREG B, INTERREG C and Transcontinental types of cooperation the samples of respondents for the New MS and Non MS are quiet small.

5. CONCLUSIONS

The previous analysis on the literature review has highlighted a number of important gaps in the literature on territorial cooperation. In particular, most of the literature is focused on cross-border cooperation and, to a lesser extent, on transnational cooperation while other forms of cooperation have received considerably less attention. Strand A of the EU's Territorial Cooperation Objective (sponsoring cross-border cooperation) is arguably the most important, as the lion's share of the Objective 3 budget is earmarked for this strand.

The present paper is based upon the empirical results derived from the fieldwork conducted in nine (9) Case Studies, among nineteen (19) countries classified in three groups (Old MS, New MS and Non MS), and three (3) non-European countries (Morocco, Argentina and Uruguay). What has been examined through the actual survey was the basic hypothesis of the TERCO project along with its main and subordinate objectives as well.

Since the main objective of the TERCO project is to assess the relationship between international territorial cooperation and the socio-economic development of EU and its neighboring regions, the actual findings clearly indicate a rather minimal to moderate impact. This makes a lot of sense if one takes into consideration the declared territorial goals in official EU documents dealing with territorial agendas and territorial cohesion. Thus, at a macroscopic level firstly, further research aiming to connect territorial policies with development and territorial cohesion would be mostly useful. At a micro-spatial level, it is evident that specific territorial policies such as INTERREG should be adapted to specific territorial situations, addressing and monitoring effectively the extent to which the issues of growth, jobs and quality of life have been achieved.

Tracing the impact of TC on flows and exchanges, it is worth noting that only those related to tourism and social commuting are found to illustrate a large or substantial impact. On the other hand, TC indicates minimal to moderate impact on a series of flows such as trade, FDI, migration, commuting for work or educational exchanges. Having in mind the preceding analysis related to prevailing domains, the latter evidence has a particular interest from the policy making perspective, since it provides a sign that tourism in particular could operate as a territorial co-operation engine aiming to mobilize synergies among domains and interaction among actors and resources.

In consistence with the argumentation mentioned above, the empirical elaboration shows that TC has a medium to large impact on activities related to building mutual trust, joint project preparation and networking in general. The latter evidence reflects undoubtedly the added value of TC by offering a positive ground for building stability upon mutual understanding among local and regional actors on the fields of stereotypes towards each other and preparing joint initiatives.

Four main questions that have been identified remain to be answered: First, what factors can explain the relationship between territorial cooperation and regional development? Second, what lessons can be drawn regarding the effectiveness of different types of territorial cooperation for specific types of territorial units? Third, what forms and structures of governance of territorial cooperation constitute good practice in terms of their effectiveness in contributing to sustainable development in different territorial situations? Fourth, which domains are most suitable for developing and implementing shared strategies at different scales?

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