

# The Financial – Economic Factors in the Strategic Planning of European Borderlands: Envisioning the So-Desired Sustainable Development

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**Abstract:** In Europe, there are a considerable number of borderlands involving various Cross-Border Cooperation (CBC) projects, plans, and strategies. It is a well-known fact that these border synergies are perceived as very intricate processes. Consequently, research projects that focus on different variables, factors, and perspectives that could affect the success or failure of the common border projects are essential to achieve consistent regional sustainability. In fact, we believe there is a gap on the perception and implementation of some of the critical factors for territorial success in borderlands by the regional main actors. Thereby, this study through the use of exploratory tools as top-to-bottom questionnaires examines the border cooperation of eleven CBC projects (twenty-one European cities) focusing on the financial-economic theme. Besides, the research permits us to recognize and isolate the two main decisive factors to consider from a financial-economic: (i) Strong territorial strategy; (ii) Access to European funds. Moreover, this study shows that the CBC could be used as a catalyst for creating job opportunities in these regions.

*Key-Words:* Cross-Border Cooperation, Planning, Peripheral Regions, Sustainable Development, Territorial governance and Management.

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## 1 Introduction

Among the several barriers, obstacles, and opportunities our today's societies and territories are dealing with, these challenges are even more evident in peripheral areas as borderlands [1–6]. Consequently, the perception of the most relevant factors and processes that are possibly involved in the success or collapse of Cross- Border Cooperation (CBC) projects is crucial to attempt long- lasting regional sustainability. Therefore, we believe there is a gap on the perception and implementation of some of the critical factors for territorial success in borderlands by the regional main actors.

Thus, twenty-one European cities were chosen, and accordingly, the public and experts' opinions were

interpreted. Thereby, the research intends to solve the following research question: *Which factors and processes affected the long- term regional sustainability of Cross- Border Cooperation (CBC) projects and City- to- City Cooperation (C2C) from a financial-economic prospect?*

Hence, this investigation concedes more information for the interested main-actors of how border cities cooperate and which methods are used to accomplish success in their common projects. So, this study is based on testing tools and methods. These methodologies enable us to obtain the involved main-actors' perceptions and opinions in the CBC projects under study. The study used the population and experts' of the selected cities as a sample - once, these are the ones who know better the reality of these border regions.

### 3 Materials and Methods

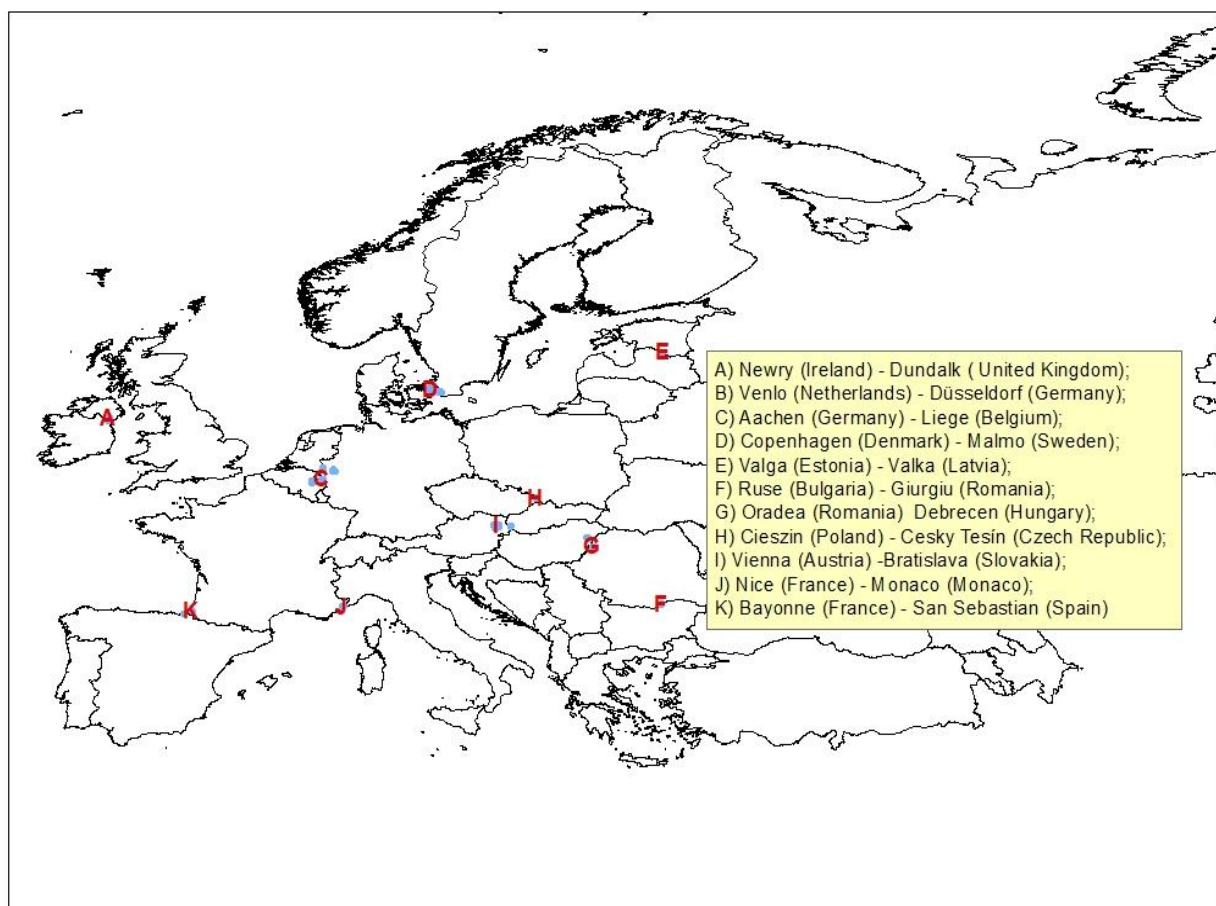
To carry out this investigation, the use of different methods was required, as indirect and direct research methodologies. The methodological framework consisted into four principal stages, ending with identifying the factors and processes that could affect the long- term regional sustainability of Cross-Border Cooperation (CBC) projects and also the City- to- City Cooperation (C2C) from a financial-economic prospect. The stages were as follows: literature review, case study selection, case studies analysis, and, finally, the processes and factors identification.

Consequently, the research data was obtained by preliminary analysis of the picked sites by analyzing the planning and designing of every case study and discussions and informal interviews with technicians, experts, main actors, and stakeholders of the border

The literature review was able to cover a range of issues, considering the state-of-the-art about sustainable development and border interactions at regional and local scales.

#### 3.1 The selected case studies

For this research, eleven case studies were chosen (Figure 1). Contextually, by assessing prior analysis of the picked case studies, as is the case of the several pieces of research carried out by Castanho et al. [7], and Castanho [8-10] it was feasible to identify the case studies that fit the most to this specific study intention.



cooperation process.

Figure 1: Location map of the selected European case studies.

### 4 Study Results

Through the case study assessment, it was possible to gather more information. Thus, it was possible to obtain a more coherent comprehension of the most meaningful variables that could influence the CBC projects' success (Table I). Thereby, general settings were analyzed as the number of inhabitants in these cities; data about the distance between cities; the strategies for regional common planning; the border typology; the pre-owned dialects and monetary forms; and, the GDP.

Table 1: General analyzed variables.

CASE STUDY	Population	Distance between cities (Km)	Strategy of territorial development	Border typology	Languages	Currency	GDP/capita (million euros)
Newry Dundalk	26 800	20	Twin City Newry-Dundalk	Outside Schengen Area	Irish	EUR GBP	58 000
	31 100				English		53 300
Venlo Düsseldorf	100 300	45	-	Schengen Area	Dutch	EUR	46 022
	593 700				German		88 017
Aachen Liege	241 000	40	EMR 2020	Schengen Area	German	EUR	24 400
	197 000				French		22 100
Copenhagen Malmö	569 500	30	Øresund Regional Development Strategy	Schengen Area	Danish	DDK SEK	36 600
	315 000				Swedish		27 100
Valga Valka	12 200	5	Common Spatial Plan	Schengen Area	Estonian, Russian, Latvian	EUR	12 000
	6000						10 000
Ruse Giurgiu	150 000	10	Euroregion Ruse-Giurgiu Operations	Outside Schengen Area	Bulgarian	BGN RON	34 000
	55 000				Romanian		78 000
Oradea Debrecen	200 000	60	Euroregion Hajdú-Bihar-Bihor	Outside Schengen Area	Romanian	RON HUF	10 100
	205 500				Hungarian		12 500
Cieszyn Czesky Tesin	36 100	1	Euroregion Cieszyn Silesia	Schengen Area	Polish	PLN CZK	16 000
	25 100				Czech		17 800
Vienna Bratislava	1 740 000	55	Centropole Strategy 2013	Schengen Area	Austrian, German, Slovakian	EUR	337 161
	415 500						78 070
Nice Monaco	345 000	15	Nice Côte d'Azur	Schengen Area	French	EUR	28 000
	37 000						51 500
Bayonne San Sebastián	44 500	45	White Book & Strategic Plan 2014e2020	Schengen Area	French, Spanish, Basque	EUR	33 500
	186 500						24 000

Eight questions, through a Likert scale assessment method, were asked to analyze the respondents' opinions. The participants were asked to address their agreement level with four sentences, where: 1- totally disagree; and 5- totally agree (Table 2). In most of the sentences (B, D, E, F, G, and H), the chosen answer was 3 in 5 points Likert agreement scale. Regarding sentences A and C, the higher values were found in 2, agreement levels - so, these sentences tend to disagree.

Table 2: Agreement levels – sentences\*.

Sentences	Agreement levels (%)				
	1	2	3	4	5
A	0.0	40.0	30.0	30.0	0.0
B	0.0	30.0	40.0	20.0	10.0
C	30.0	40.0	20.0	10.0	0.0
D	30.0	20.0	30.0	20.0	0.0
E	30.0	30.0	30.0	10.0	0.0
F	20.0	20.0	30.0	20.0	1

G	10.0	0.0	40.0	20.0	30.0
H	20.0	20.0	50.0	10.0	0.0

\*A - There is generally a duplication of equipment in the area of cooperation of both cities; B - Even if there is an increasing cooperation between cities, regarding services and infrastructures, I still feel the need to seek services outside their influence area; C - There is a high quality of data sharing and cooperation between both cities at the planning level; D - There is a high quality of data sharing and cooperation between both cities at the infrastructure level; E - There is a high quality of data sharing and cooperation between both cities at the services level; F - There is an increasing access to information/data from both cities by local citizens; G - The implementation of the cross-border cooperation strategy enabled an increase in job opportunities for both cities; H - The transport network connecting both cities is sufficient and adequate.

Additionally, through a multiple-choice question, the respondents were also asked to identify the most significant factors that should be considered on CBC projects to achieve economic, social, and territorial cohesion – based on the fourteen critical factors previously identified by Castanho *et al.* [7] (Table 3).

Table 3: Critical factors identified by Castanho *et al.* [7] – adopted as the possible options for the multiple-choice question.

P1	Connectivity - Movement between cities
P2	Strong territorial strategy
P3	Avoid duplication of infrastructure
P4	Increase the sense of belonging
P5	Diverse infrastructural offer - Euro Citizenship
P6	Access to European funds
P7	Stronger economy
P8	Better life's quality standards
P9	Young and talented people magnet
P10	Common objectives and master plans
P11	Stronger political commitment
P12	Citizen involvement
P13	Political transparency and commitment
P14	Euro-city Marketing and advertisement

Consequently, the multiple-choice question choices were required to point the most critical factors that should be considered on CBC projects to reach economic, social, and territorial cohesion – from a financial-economic perspective; the results lay over two main factors (Table 4).

Table 4: The most relevant factors to be considered from a political perspective, by the respondents.

Number	Factors - description	% of choices
P6	Access to European funds	40 %
P7	Strong territorial strategy	60%

## 5 Discussion and Conclusions

By analyzing Table 1, it is possible to quickly understand the transboundary cities' main characteristics within the CBC context. Throughout this CBC project, some major characteristics contrast between cities should be emphasized as the demographic dynamics among Venlo and Düsseldorf, Copenhagen and Malmö, Vienna and Bratislava, Nice and Monaco, or Bayonne and San

Sebastian – where is a gap of over 100.000 inhabitants between the two border cities.

If we consider the distance between cities, we have both limits within the defined selection criteria by Castanho et al., [7], the significant distance between Oradea and Debrecen (60 Km), and just a couple of meters between the cities of Cieszyn and Cesky Tesín. However, as documented in previous researches (see: [7, 10]), sometimes the distance has no much significance; as is the example of the CBC within the city of La Línea de la Concepción and Gibraltar, where there is no common development strategy; or even in the studied cities of Monaco and Nice - where the common cooperation strategies also seem not to be so successful as expected (consider they proximity). In fact, these failures in the CBC strategy could be explained by political-strategic factors more than financial-economic factors [see: 10,11]. Nevertheless, the financial-economic theme factors should not be underestimated in the not so successful outcomes in those CBC case studies.

Moreover, the CBC projects of Newry-Dundalk, Ruse-Giurgiu, and Oradea- Debrecen are outside of Schengen Area - considering the border typology. Also, in Ruse-Giurgiu and Oradea- Debrecen, Euro is not used as currency; perhaps it shows a tendency to move away from EU standards from a financial-economic point of view. Still, this variable *per se* does not explain in full some of the not outstanding results shown by these case studies, as is the example of low GDP per capita. If we consider the case of Newry-Dundalk, we should monitor how the Brexit process and how this move away from the EU will impact issues as the GDP and the common strategies development.

Solely focus on the GDP *per capita*, it is possible to verify that the most favorable results are related to Copenhagen, Vienna, Dusseldorf, Newry, Dundalk, or Monaco. In the opposite way are the cities of Valga, Valka, Oradea, or Debrecen.

Considering the exposed, and bearing in mind several other similar studies (see: [12-20]), remarkable issues are raised, - i.e., (i) *Are the cities with leading demographic flows (bigger cities) and higher GDP values, so excited in the CBC project as the small ones?* (ii) *Do these major cities have the same advantage as the CBC projects exhibit in the smaller ones?*

Through the analysis of Table 2, where the respondents were asked to direct their agreement

with the eight sentences, it is conceivable to verify that six of the sentences confer a clear position to a medium agreement level (level 3) - sentences B, D, E, F, G, and H. However, all these medium ranked sentences (with exception for G), showed a tendency for disagreement. In sentences A and C, the highest values were found on the disagreement side. So, the participants seem to be disappointed with many of the CBC results.

Despite all the not-so-good results regarding the CBC project found in the agreement level with these sentences, in sentence G, "The implementation of the cross-border cooperation strategy enabled an increase in job opportunities for both cities," there is an interesting agreement tendency. Therefore, in these case studies, we believe that the CBC could be used as a catalyst for creating job opportunities in these regions. In fact, these results are corroborated by previous research (see: [18,19]).

Analyzing tables 3 and 4, it is possible to isolate the most fundamental factors experts consider to be decisive, by a financial-economic prospect – being in a first position (with 60%), the strong territorial strategy; and second (with 40%) access to European funds.

Based on the acquired outcomes, there are some results we should consider across the actual scenario; in fact, they should be seen as even more relevant in the actual SARS-COV-2 pandemic and post-pandemic.

Throughout the current study, the importance of proper territorial strategy development and easier access to European funds for CBC projects and strategies has been demonstrated as necessary conditions.

Furthermore, and based on the various characteristics and peculiarities of each one of the investigated case studies, it seems these factor does not have the same influence across all European cooperation Projects.

Hence in other EU regions inserted in CBC scenarios, more research should be conducted to further comprehend this problem. Besides, related studies should be developed over time to produce a monitoring method of this pertinent issue.

As final thoughts, the present study expects to be useful for the main-actors at various scales to identify regional interventions and design regional sustainable development strategies.

## **Contribution of individual authors to the creation of a scientific article (ghostwriting policy)**

**Author Contributions:** All the authors contributed equally to the development of the present paper. All phases of the paper development have been properly discussed and worked on by the authors. All authors have read and agreed to the published version of the manuscript.

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