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## Milestones for the resilience of the cross-border regions

Marcela ŞLUSARCIUC\*

### Abstract

*The specific goal of this research paper is to identify the main possible areas of intervention in the cross-border regions to induce institutional and social changes, policy embodied, for a better support to economic development and increased capacity of averting or recovering the negative effects of external shocks. We initiated a literature review, using mainly as sources, relevant articles, books and other official papers from the resilience field of research in relation with the previous researches we made in the field of cross-border regions. The results of these paper are structured on three areas: firstly, we identified few domains where the cross-border regions could be most affected by shocks, therefore where the resilience capacity needs enforcement, secondly, we figured out few of the specifics of the resilience concepts in relation with the cross-border regions and thirdly, we partly identified the entities/bodies involved in building resilience capacity in the cross-border regions.*

Keywords: Cross-border regions, resilience, institutional and social change

### Introduction

In the actual European background, the issue of cross-border regions is underlined in the Europe 2020 Territorial Agenda Strategy, where the territorial integration in the functional cross-border areas is one of the priorities. The document includes recommendations to the Member States to consider with a special attention the areas placed at the external borders of European Union (EU) and to pay attention to the needs, in terms of legal provisions, of creating integrated cross-border areas. The before mentioned are more relevant about the fact that the territorial integration and cooperation may create a critical mass for development, reducing the economic, social or environmental fragmentation and creating mutual trust or social capital. Therefore, for the cross-border regions to become functional, it is needed an adequate and coordinated policy approach among the main stakeholders and a strong governance approach doubled by a mutual will of cooperation.

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The present paper is linked to a wider research with main purpose to demonstrate that in the process of the economic growth of the cross-border areas and the resilience acquirement, the good institutional practices and the transaction costs matter. This article will be a part of a larger analyse of state of knowledge in the multidisciplinary fields related to the cross-border regions: institutional economy, institutionalism, cooperation and partnership theories, cross-border cooperation, games theories, resilience, institutional and social change, transaction costs. Therefore, the specific research goal of this paper is to identify the main possible areas of intervention in the cross-border regions to induce institutional and social changes, policy embodied, for a better support to economic development and increased capacity of averting or recovering the negative effects of external shocks. Through this article, we pursue the answer to three questions: firstly, which are the main areas where the cross-border regions could be most affected by shocks, therefore the resilience capacity needs enforcement, secondly, which are the specifics of the resilience concepts in relation with the cross-border regions and thirdly, which are the entities/bodies involved in building resilience capacity in the cross-border regions. Most of the approach and the examples are focused on the cross-border areas between Member States and partner countries where the cross-border cooperation faces more challenges and it is most of the time more difficult.

We initiated a literature review, using mainly as sources, relevant articles, books and other official papers from the resilience field of research in relation with the previous researches we made in the field of cross-border regions.

The result represented by the findings of this article will be a useful input for a section of a multidisciplinary study/report of theories applicable to cross-border regions structured on three main areas: institutional economy and transaction costs, cooperation, partnership and game theories, and resilience and social change.

## **1. Sensitive areas in the cross-border regions**

As part of this research we want to identify sources of instability or crises that can affect cross-border regions and then the countries' borders, pushing to the developed centres and leading to higher gaps between countries regions and/or overload of the developed centres.

In the geographic literature (Popa 2006, 145) it is noticed that the potential for cross-border interactivity is higher in the areas placed immediately near border, where the local communities and the responsible authorities with the status and functioning of the border face specific problems. For

this reason, some countries defined a special border area, with different legal, fiscal, circulation rules than the rest of the country. In these areas, there are rules about the small border traffic that can ease the mobility and some sector activities.

The border stripes, born in the time of nation states and military conflicts, are characterized by marginality (Vergatti, 2006, pp. 85-98) in different areas: economy, transport infrastructure, culture, population density that decreases. These are sources of weakness for most of the border areas, especially if we think at the growing gravity towards the national centres and ideas. In general, the sensitive points that are putting pressure on the borders are rising from different administrative structures and competences, different labour markets, salary levels and social security systems, decrease in security at the borders, the development of the cross-border tourism that has impact on the environment protection, stereotypes or tensions among the communities from both sides of the borders (Slusarciuc, 2015, pp. 801-808).

The economic development and the good cooperation of the communities in the cross-border area may have an important role and place in the cross-border policies, due to the local and national need of security. The cross-border area has potential as international market with strong competitiveness of the capital, goods, labour and services. Each player on the market is focused on finding favourable solutions to its own economic challenges, without carrying any responsibility related to the failure of the other players (Moisescu 2008). This fact undermines somehow the cooperation principles in the area but, as in the prisoner dilemma, if the players on the market understand that, by cooperation each one has more benefits than alone player, there is potential for development at individually and community level.

A decade ago, considering that the cross-border areas have no constitutional competences, they were not involved in the decision-making process about the agreements concerning the cross-border relationships (Moisescu 2008). The states are still the ones to decide the policies and the agreements concerning these areas, based on their own legal rules but, in the frame of the EU Neighbourhood policies developed in the last 25 years, they learned to accept the conditionality of a regional overstate structure linked only to some geographical parts of the countries and to involve more and more regional or local structure in the debates on the rules and conditions of the cross-border development. Still, at least in the Eastern part of the EU and mostly in the partner countries (Ukraine, Republic of Moldova, Belarus), the official involvement in the decisional process of the border communities'

actors is limited to the cross-border programmes and in a superficial manner<sup>5</sup>. In the cross-border areas the communication and the joint social-economic activities are promoted, but each part remains with the own national purpose and the duty of the own state security. The cross-border areas cannot be considered as an inception of the state disappearance but only areas for national state consolidation by economic competitiveness and not by force.

One of the approaches about the cross-border areas is focused on three groups of items: *facts* that are coming from the past and actual environment, *virtues* of these areas that can raise them, and *risks* that can block or change the dynamic of the areas into a negative one (Popa, 2006, pp. 23-34). *The facts* are linked to the cross-border areas are sometimes contradictory in interpretation, since we have areas belonging to different countries with different rules and narratives promoted along time, but most of them are linked by a common history. That led to the formation of minorities groups on the other side of the border and raise of territorial issues as topic of nationals' foreign negotiations. As further consequence at the population level it led to an individual conflict between national identity and citizenship loyalty. The second group of items, *the virtues* of the cross-border areas, is containing the sensitivity of the areas, it is as a barometer for the internal processes and it depends on the permeability of the frontiers. Moreover, the communities on both sides of the border are plural societies with a collective memory and unitary values that can build bridges between the main cultures of the countries involved or between projects with a high coverage. Because there are place where the differences meet, the cross-border areas are highly competitive societies with a good potential of innovation and dynamics. The last group of items, *the risks*, having as much importance as the previous two, is closely linked to the facts and virtues. The differences mentioned above can create not only competitiveness but the not desired face – the rivalries that express in social tensions and conflicts. If these tensions are not well managed they can be transformed into unilateral aggressive practices. Due to generally peripheral location, the cross-border areas can be subject of economical unbalances and of incompatibility of different institutional structures (Popa, 2006, pp. 23-34). These types of tensions may separate the common border region in two separate border communities that belong to different countries, therefore, the minorities issues may raise even national tensions<sup>6</sup>.

In case of Romania we found in literature an approach of the cross-border phenomenon, presented a decade ago from two sides – *holdbacks and obstacles*, on one side, and *openings and*

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<sup>5</sup> As we observed in the process of developing the documents Joint Operational Programmes for 2007-2013 and 2014-2020 between Romania and Ukraine and Republic of Moldova – [www.ro-ua-md.net](http://www.ro-ua-md.net), where there was consultation on the paper but not an in-depth one.

<sup>6</sup> See the case of Slovakian versus Hungarian countries in terms of minorities.

*opportunities*, on the other side (Popa, 2006, pp. 157-166). The first ones, *holdbacks and obstacles* are caused by the quite young formation of the Romanian national state, compared with other old countries in Europe, and by the imprints that the decades of the communist regime in Romania, before 1989, marked the state and the communities. At a legal level, there was a lack of norms in case of Euroregions, norms that would encourage the development of relations in these areas and, also, a better ruling about cross-border cooperation. At institutional level the obstacles are caused by different administrative levels and competencies or responsibilities, the lack of specialized structures inside the administrations in the field of cooperation, the lack of local resources in partner regions that should be counted in a common budget of the cross-border area. Most of these obstacles are still present but also there are increasing efforts to overcome them. The social-economic level was blocked by the disparities between the economic development rhythms, the lack of direct cross-border relations between the social-economic actors, weak trade relations, difficulties in crossing the border. Nowadays, some of them are constantly improving, such as trade relations or border crossing, much of the impulse given by the European Union interest in the areas. At a cultural level a barrier is the language differences, somehow diluted by the new multi-linguistic wave that allows the usage of English, French, German, so on. As far as the *opportunities*, some of them are related to the specific multi-culturally frame from the border areas and to a kind of competition between cultures. The need of protection of national minorities is also an opportunity to increase the cooperation in the cross-border areas. From the economic point of view a good premise is the economic complementarity of most areas from the border that generates organized relations and flows due to the potential differences in economic branches. Another helpful factor is the need to improve and develop new communication infrastructures in the cross-border areas, that means to open new crossing points, to organize efficient transport networks or the logistic for the border control, so on. A factor that gives potential for cooperation and development is the need to solve the existing common problems with cross-border impact that can be tackled only with common efforts (phenomena with high risk – floods, control and reduction of pollution, illicit traffic, illegal migration, terrorism, so on). A last stimulating factor is the actual European policy frame that encourages the cross-border cooperation through the programmes, both between member states and between EU and neighbours.

In a previous research concerning cross-border cooperation and cross-border areas, based on literature and field research, we identified threats or areas of vulnerability in cross-border areas and cross-border cooperation structured on three main fields: arisen from the general cross-border status, economic issues and arisen from EU frame (Slusarciuc, 2013, pp. 195-204). An updated listing of

areas, some of them already mentioned above, is available in the Table 1 (appendix). The vulnerabilities generated by the cross-border status of the area, as we detailed above, are generally linked to the systemic and rules differences, possible tensions and stereotypes animated by the historical background and different promoted narratives, and to the permeability of the frontier in terms of border crossing rules. From the economic point of view, the main sensitive areas may be generated by the development gaps, the lack of communication channels or the lack of instruments/rules that should activate the economic relations. If we consider the European Union frame, the vulnerabilities are given by the actual political and geopolitical instability inside and outside the Union.

As mentioned above we notice some of the main areas where the cross-border regions manifest weaknesses, vulnerabilities or confront threats, therefore we may use this information to map a primary image on the aspects where there is need of intervention, in condition that stakeholders involved search for resilience capacity building.

## **2. The specificities of the resilience concepts in relation with the cross-border regions**

In this we make a first and soft review of scientific literature about resilience to find hints and to set up our further research. We focus on few topics about resilience that may be more relevant for cross-border areas and help us to structure an intervention for resilience capacity building that needs shorter time to be applied.

Beyond the increasing number of papers targeting the resilience topic, mainly the economic regional resilience, it seems that by now still there is not a common understanding of the resilience concept due to the complexity of the notions and due to the factors implied - regional growth in the global era, external threats and disturbances difficult to be controlled by policies and measures, the region attributes or the main determinants that make a region more resilient than other (Eraydin 2016, 602).

A first approach we consider is the one of Martin R., who, in a 2012 paper, propose some ways for description on how a regional economy responds to shock. He is defining four different and interrelated dimensions for resilience: *resistance* (vulnerability/ sensitivity of a region to disturbances), speed and extent of *recovery* from the recession, structural *reorientation* – if case – and the implication on jobs, outputs and income in the region, and *renewal* degree the region passes following the shock on the growth path he considers that the resistance, response or recovery of a



region is shaped by the regional economic structure, the competitiveness and innovative propensity of the companies in the region, the relational network among the companies from the region and other producers/customers in other regions/countries, the workforce skills in the area, the entrepreneurial culture and the institutional forms, the attitudes of the stakeholders, the resources available, the measures available to any local policy bodies - such as regional or local development agencies and not the least the region's economic governance rules. Moreover, he suggests that there is a link between the concept of resilience and the one of hysteresis, judged as the impact of shocks on an economy's growth path. (Martin, 2012, p. 11). We consider the inclusion of the idea of hysteresis a useful one for our research because it focuses less on the preservation of a regional system in terms of functioning and performance in the presence of exogenous change/ disturbances, and mostly on how the mentioned changes/disturbances can change the regional system functioning and performance, with interest on the negative or positive effects of the change on the nature and outcome (Martin, 2012, p. 27). We may link the approach with one of our previous researches on cross-border areas that take in consideration the hysteresis as part of an incipient model describing them (Slusarciuc 2014, 29).

In a later paper where was Martin R. involved, also in the acceptance of the recession as a shock for regional economies, he puts the resilience capacity in relation with: regional economic structure, resources, capabilities, competences, business cultures, confidences and expectations, local and national institutions, nature and extent of supportive policies and measures (Martin, Sunley și Gardiner, și alții 2016, 565). In a study on UK regions on the last 40 years, the researchers mentioned a complex set of factors that are determining the resilience of regional and local economies, shaping the vulnerability and the resistance to shocks, the adaptability and the recoverability. They group these determinants in five interdependent areas: industrial and business structure (diversity versus specialization, market orientation, supply chains, companies size and ownership, entrepreneurship, innovativeness, debt structure and financial strength), financial arrangements (national financial environment – interest rate, loan condition and attitudes of national and local financial institutions, equity market conditions, alternative sources of finance as loans and equities, local state support), labour market conditions (skill profile of labour force, gender profile – we add, occupational flexibility of workers, wage and hours flexibility, alternative job opportunities, mobility, attachment to labour markets and *age profile* we would add), governance arrangements (national government economic policies and support measures, local government economic policies and strategies, non-state business and labour market support institutions, international regulatory arrangements) and



agency and decision-making (perceptions, expectations, confidence, initiative, conventions) (Martin, Sunley și Gardiner, și alții 2016, 570). We may consider these determinants as a start for benchmarking in a data collection endeavour for some specific regions. The collected information that may indicate useful hints to design possible paths in resilience capacity building. In the same step, we should include a more extended exploration of the resilience concept was proposed by Martin and Sunley in consideration of the conceptualizing and measuring the notion of regional economic resilience and figuring out its determinants or the links to the patterns of long-term regional growth (Martin și Sunley 2015). In relation with the above, another approach we consider is the one of two authors (Bailey și Berkeley 2014, 1810) that examined the regional response to recession from the institutional and policy point of views in a policy debate paper and they conclude that in some cases the *resistance* and *recovery* dimensions of the resilience are less relevant and the *reorientation* and *renewal* dimensions are contributing more to the resilience capacity.

A research on measuring regional economic resilience after 2008/2009 crisis across Europe, based on two series of data considered relevant – the level of employment in the regions and the Gross Domestic Product (GDP) – revealed that the regions in Europe were affected at different times, in terms of start and end and there are possible indications that not necessarily a strong economy is resilient (Sensier, Bristow și Healy 2016, 134). In the endeavour of operationalising the resilient concept the authors highlight the complexity and multi-dimensionality of it, therefore the difficulty to be measured by one simple indicator or composite index alone (Sensier, Bristow și Healy 2016, p.145). A lesson learned in developing a regional capacity for an efficient anticipation and response to crises is related to the replacement in 2012 of the Regional Development Agencies in Great Britain with Local Enterprise Partnerships that operate at sub-regional scale. Researches consider that this action helped to create a permanent capacity to deal with shocks as far as the earlier creation of a taskforce for the region, aiming regional business and employment issues that included government officials, regional agencies, local authorities and trade unions, gathered around a set number of key objectives (Bailey & Berkeley, 2014, pp. 1803-1804). Also, they consider few policy learnings in terms of leadership, strategy, focused short term support, relationships with stakeholders and good communication with government institutions. The process of data, intelligence collection and the analysis of these helped the taskforce in preparing a strategic frame based on key locations, sectors and enterprises. Moreover, the earlier inclusion of the business representatives in the taskforce was a policy learning in terms of a better relationship with the regional policy stakeholders. Their

conclusions are relevant as ideas of actions to be considered in the design of a resilience capacity building process.

If we want to consider the employment in relation with the resilience capacity of the urban areas it seems that a key determinant of the recession impact is the skills of the human resource in the cities, meaning that the cities with a higher level of employers' skills had a better recovery than the ones with lower level, fact that confirms the role of human capital in the economic growth and more, in the economic resilience (Lee 2014, 1775). The approach of employment needs more exploration from our side and identification of more literature sources.

We also found studies from different areas focused on economic resilience (Australia, Turkey, Canada) or papers that analyse the resilience in connection with the research & development (Sandu 2016), with vulnerability (Zaman și Vasile 2014), (Briguglio, și alții 2008) or territorial capital (Cojanu și Petre 2017) and books on resilience patterns and practical approaches (Zolli și Healy 2012) that will be considered in a more in depth analyse of the main milestones that we may use in the further research.

In the cross-border regions specific interest, we should take into account that one of the thematic objectives of the European Neighbourhood Instrument is environmental linked and some of the cross-border areas made a choice for this objective - *Environmental protection, and climate change mitigation and adaptation*, due to the importance of environmental issues (for example, on land-borders in relation to trans-boundary waters - river basins, including groundwater, and lakes, also, transboundary air pollution and waste management, or shared protected areas) (European Commission - EUROPEAID; European External Action Service 2014, 25). Therefore, we consider as interest the definition that United Nations Secretariat for Implementing the International Strategy for Disaster Reduction gives to resilience: "The ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions through risk management." (UNISDR 2007). Starting from this definition an author approaches the resilience as a system attribute, considering also that a system is including many other systems, that is characterized by three sequential properties: resistance (primary ability to resist and stand firm in front of shocks and hazards), redundancy (the redundant parts in case of failing critical elements of the system) and contingency (an emergency plan for the case of failing significant portions of the system). The first two are called *resilience capacity*, performing 99,9% of time, and the third *emergency capacity*, that signs already a failure if called in the action

(Papadopoulos 2016, 11). The approach he proposes may be considered for the cross-border regions if we think of the projects or strategies linked to the objective abovementioned and the network of stakeholders as subsequent systems.

In building resilient cross-border regions one important aspect is the good partnership network and governance. In this respect, we identified a book that proposes the *infused resilience* as vision for local leaders in the path of transforming the unsustainable societies, promoting resource effective interventions, by elimination of dependency culture in a socially and environmentally progressive way and by unifying people around a common purpose (Monaghan, 2012). The ideas included are based on values, responsibility, rights and sanctions as institutions in the meaning of good practices and rules that are setting the grounds of a developing cross-border region.

Still, in a positive approach, Nassim Taleb considers that some things have benefits following shocks, prospering and growing when exposed to volatility, hazard, disorder or stress factors, also loving adventure, risk and uncertainty (Taleb 2014, 15). He promotes the concept of *antifragile* as more than resistance or robustness, a property that allows to defeat the unknown in a good manner, based on hazard and uncertainty. The path indicated by Taleb worth to be explored in relation with resilience generally and with building a possible evolution way for cross-border areas.

The resumed inquiry above help us to set up our further research on few focused topics about resilience that may be more relevant for cross-border areas in terms of a shorter time possibility of intervention for resilience capacity building.

### **3. Entities/bodies involved in building resilience capacity in the cross-border regions**

The cross-border cooperation, depending on the specific of the relation between the neighbouring countries, could bring benefits for economic development for each participant region/country. The motivation is based on the necessity of life standard improvement, for a sustainable and harmonious framework and on the clearance/softening of frontier barriers or other restrictions. To improve the social-economical positions of the border communities and to reduce or to clear the negative effects of the border obstacles, the local communities are getting more and more involved in the regional collaboration. In some cases, regional associations were built on both sides of the borders, respecting the international law system, most of them known as Euregions. The low involvement of the communities in the negotiation of the main decisions concerning the cross-border cooperation and regions, as stated in a section above, is one of the causes for failure of the regional

associations as Euroregions, that are mostly network structures, without real decisional power or financial capacity. In one of the our previous researches we identified and listed some of the weaknesses of the general institutional frame from the cross-border areas between Member States and Partner Countries, part of them are presented below.

In the last decades, the frame of the European Neighbourhood Policy and its instruments - the cross-border joint operational programmes, the cooperation on the border areas was encouraged, therefore, with the incentive of the financing projects addressing the needs in the regions, the institutions (as entities) in the area started to cooperate and to make joint activities, building partnerships or long-term relations. Besides these, the mandatory institutional structures of the programmes offered a continuous frame and a minimal stability of cooperation frame. We mention the main structures as included in the joint operational programmes for the 2007-2013 programming period and in the joint operational programmes for the 2014-2020 programming period (European Commission 2014):

- *The Joint Monitoring Committee (JMC)* - the joint committee responsible for monitoring the implementation of the programme, composed of one/more representatives appointed by each participating country. Representatives are appointed on a functional basis, EU recommendation is to ensure in the implementation of the programme suitable participation of all actors concerned and local stakeholders, including civil society organisations and local authorities.
- *The Managing Authority (MA)* - the authority or body appointed by the participating countries as responsible for managing the programme in accordance with the principle of sound financial management, to ensure that decisions of JMC comply with the applicable law/provisions.
- *The Joint Technical Secretariat (JTS)* - assisting the Managing Authority, JMC and, where relevant, the other programme bodies, in carrying out their respective functions. Therefore, it keeps a close relationship with the potential beneficiaries informing them about funding opportunities under programmes and assists grant beneficiaries in the project implementation. The JTS, following a decision of the participating countries, branch offices may be set up in the participating countries.
- *The National Authority (NA)* - the entity appointed by each participating country bearing the ultimate responsibility for supporting the Managing Authority in the implementation of the programme on its own territory, therefore being responsible for the set up and effective functioning of management and control systems at national level.

We notice that there are specific bodies for the cross-border cooperation, part of them including local or regional authorities. In one previous research (Slusarciuc 2013, 195-204), focused on the funding programmes at the Eastern border of EU, we identified and listed strengths and weaknesses of the joint operational programmes systems, part of them, relevant and updated for the present paper, being presented in the Table 2 (in Appendix). The weaknesses identified at the level of institutions and bodies involved in the programme structure are mostly related to the distribution of tasks, involvement of the actors or the rules of the system. On the potential beneficiaries, as actors in the area, there are weaknesses about their capacity (financial, operational, experience, knowledge of project management) or communication abilities.

Therefore, in the section we pointed the main entities/bodies that may be involved in building the resilience capacity of a cross-border region as core structures, marking some of the weaknesses that maybe need to be fixed during a change of perspective and social frame and the strengths that may be a base in this process.

#### **4. Opportunities and positive issues for building resilience in the cross-border regions**

Besides the weaknesses and the sensitive aspects that mark the cross-border areas we identified in previous researches (Slusarciuc 2013) and updated, the opportunities or the aspects that bring potential for building resilience capacities in the cross-border regions.

One of the positive sides for most of the cross-border communities, arisen from the *cross-border status*, is that there are linked by a common history. Moreover, the communities on both sides of the border are plural societies with a collective memory and unitary values that can build bridges between the main cultures of the countries involved or between projects with a high coverage. Because the cross-border areas are subject of differences, there are highly competitive societies with a good degree of innovation and dynamic. A second positive side is given by the specific multiculturalism from the border areas and a kind of competition between cultures, and most of the times, the protection of national minorities. This aspect should bring more tolerance in these communities and room for dialogue and creativity. We may also add the opportunity of preserving and promoting common historical heritage and natural treasures of extremely high value at regional, national and international levels. Thirdly, the existence of common problems with cross-border impact, the negative externalities that can be solved only with common efforts (phenomena with high risk –

floods, control and reduction of pollution, illicit traffic, illegal migration, terrorism, so on) opens the path for communication and cooperation on long term basis.

Another field of opportunities is given by the *economic* sides of the cross-border regions. A good premise is the economic complementarity of the areas from the border that generates organized relations and flows due to the potential differences. The globalization process can shift the role of border areas from peripheries of economic activity to attractors of new industries or of expansion of existing ones, leading to economic development of the region. The economy of scale, building the infrastructure by the parties is a benefit for the whole region making easier the access and communication inside the region and with the external areas. The transaction costs can bring the joint efforts to share information regarding market conditions, legal constraints, common business practices, language and culture of the partner country.

During the last decade, there was a good European support for inclusive economic development – so that EU neighbours can trade, invest and grow in a sustainable way, reducing social and regional inequalities, creating jobs for their workers and higher standards of living for their people. The EU gives importance to the relation with the neighbour countries and, shows the need to reduce the economic disparities between the areas situated on the both sides of the border – the internal and external ones. The new, deeper contractual relations between the EU and partner countries in the form of Association Agreements, including, where appropriate, Deep and Comprehensive Free Trade Areas (DCFTAs), is a strong legal and formal frame for important economic exchanges and development. The costs and benefits of the EU-Ukraine or EU-Republic of Moldova Deep and Comprehensive Free Trade Agreement have been calculated and are publicly discussed. Proximity to EU markets and the future potential partly participation of the ENP countries to the EU internal market that is containing the four freedoms: free movements of goods, services, labour and capital, may increase the economic attractiveness of external neighbouring areas and create new opportunities for them. Increases on the movement of capital, trying to facilitate the possibilities for investments for companies from Members States in the partner countries, lead to actions that can bring economic development in these countries. The tendency to move more the ‘location’ of some economic activities to the peripheries where some production factors are cheaper may contribute to the economic activity increase in the cross-border areas. Even if the political situation in both countries is still unstable, the provisions of the agreements are step by step progressively implemented. One of the most recent steps is the visa liberalization for Ukrainian citizens on the EU territory.

Moreover, the implementation of financial cooperation instruments, that aimed firstly the promotion of a sustainable economic and social development in the border areas, fostered the promotion of many projects that increased the capacity of economic actors to cooperate and have joint activities. Also, the need for improving and developing new communication infrastructures in the cross-border areas, meaning new crossing points, transport, the logistic for the border control, so on, is a good base for strong projects that may involve many actors in the area. On the other side, the opportunity offered by previous project for expanding rural tourism in regions particularly rich and competitively advantaged for long-term development in this sector, provided that biological equilibrium will be protected in the short and long term. Other projects opened the opportunity of supporting growth of an interesting SME backbone specialized in economic sectors and having good cooperation scope for local development with an integrated perspective, where the development of existing human resources operating or to be operating in competitive sectors is possible. By now, considering that in the cross-border area is a lack of innovation and research supporting development of new production, the companies allocated small amounts of money for research and development, the research infrastructure is outdated and the links between industry and research units are weak. As future perspective, it appears there is a development opportunity in the area for future projects focused on the research & development and innovation.

Overall, one of the most important source of opportunities for the cross-border cooperation that may help in building resilience of the regions along the borders is *the EU frame* that encourages through financial instrument, both inside EU and with the neighbours. Moreover, the existence of the European Neighbourhood Policy, built firstly on economic area, and the quick update of the policy in a dynamic frame of neighbours, gives the confidence that the neighbourhood issue is at the same level of importance as other European policies. The experiences gained since the launch in 2004 led to a two-dimensional approach of the ENP – one being the Eastern Partnership and the two approaches in the relationship between EU and the Partner Countries – multilateral and bilateral. Within the framework of the Eastern Partnership, is a potential the extension of EU networks like transport, telecommunication, energy, environment protection, to those countries. As previously mentioned, the agreed visa liberalization and the encouragement of the mobility for citizens and goods help to build new partnerships or to strengthen new ones, therefore, the enhancement of the sector cooperation and facilitation for the participation of partner countries in EU programmes. The renewed European Neighbourhood Policy promotes the “more for more” principle that means, the more a partner country makes progress, the more support it will receive from the EU, including increased funding for social



and economic development, larger programmes for comprehensive institution building, greater access for partner countries to the internal market, increased financing towards investments, European Investment Bank loans as well as EU budget grants blended with loans from European Investment Bank and other investment financial instruments. There is relevant to be mentioned that ENP is not the only instrument – but it can benefit from the synergy of the other financial instruments used in the relation between EU and the Partner Countries. Still, the most important opportunity or gain of the EU frame is the promotion of partnership, subsidiarity, the existence of a common cross-border development concept or programme, joint structures on regional/local level and independent sources of financing.

In the same research that identified the weaknesses we found that the system of the entities/bodies involved in the cross-border programmes has strengths (few of them may be found on Table 2 – Appendix). The existence of the structure of bodies is by itself a good start for building a resilience capacity in the area. The years of working in the frame helped for adjusting the relation and cooperation between the bodies from the participant countries. Nevertheless, the existence of national associations from both parts of the border reunited, forming cross-border associations, most of them being constituted in Euroregions structures, the improvements of the legal background in the Partner Countries and willingness to respect the EU criteria and requests are bases to start and build capacities to have more resilient cross-border areas.

### **Conclusions**

By the literature identified and the previous researches resumed we identified some of the main possible areas of intervention in the cross-border regions to induce institutional and social changes, policy embodied, for a better support to economic development and increased capacity of averting or recovering the negative effects of external shocks. In our endeavour for a closer look at the sensitive areas of cross-border regions, the specificities of the resilience concept in relation with the cross-border regions, the listing of some entities/bodies involved and the opportunities or positive issue useful for building the resilience capacities in cross-border areas, we have some remarks, new research questions or steps that we should do in the frame of our larger research interest.

Firstly, we think that an inventory of potential threats, risks or shocks that a cross-border area could face (generally or a specific area) should be made, with the distinction of the ones that are met to any type of region and the ones that are caused only by the cross-border character.

Peripheral status of the cross-border regions from territorial perspective is almost a given fact but what where there are potential resources there can be a starting point for development both through the national intervention and joint actions. Where the national level offers low autonomy for regions or administrative units, it should be a pressure and strong arguments for an increase of the autonomy. Usually, for the Member States there is not the case but when we think of the neighbouring countries still there is room for improvement. Even here, in cases of Ukraine and Republic of Moldova, through the Association Agreements there is the joint effort to build democratic systems with closer approach to the one of the European Union. The subsidiarity principle, that is one of basics that the EU Treaty states, is one that promotes autonomy increase and it is promoted through projects and documents that link EU Member States with the neighbouring countries.

The good practices of joint work of the entities from the cross-border areas, where exists, could be collected and promoted in the areas where there is need for improvement. In terms of institutional systems matching (rules and laws, practices, etc.) between the neighbouring countries, an inventory of institutions involved and the ways they can affect the cross-border cooperation may show where there are common points, where the differences in institutions do not affect the cross-border cooperation and where there is possible to have common efforts to harmonize the rules and practices. Also, there are some questions we raise for further search: could be identified specific institutions for the cross-border cooperation? Are the cross-border cooperation or the cross-border partnership institutions by themselves? If not, could the cross-border cooperation or the cross-border partnership be institutionalized? Would it help to institutionalize these ones for developing the resilience capacity in the cross-border regions? We think that a more in depth knowledge and analysis of the institutions from the cross-border areas are needed to answer to the questions and to enrich the scientific ground of designing resilience capacity of these special type of regions. Moreover, because the frame of cross-border programmes supposes the specific entities/bodies structure that addresses to a larger area around one or more borders (if the approach is generally for EU and/or neighbours), we should consider a shift of focus to smaller cross-border regions that include a lower number of territorial units from the border sides and to think resilience capacity building outside of any specific programme but for the cross-border region itself as joint community with needs and aim for joint development. Besides, as we noted in other previous papers, there is the legal frame for the Member States to constitute the European Grouping Territorial Structures, therefore the institutional background and maybe the already constituted EGTS experience may be useful for a translation and adaptation for the cross-border regions at the EU borders with the neighbouring countries.

If we consider the cultural differences and the hysteresis effects mentioned above, in consideration of the community importance, the historical and narrative background, perhaps a comparative intercultural approach on the cultural dimensions (Hofstede), would offer valuable hints for designing resilience capacity on a specific cross-border area. Additionally, we should consider at least two more cultural related approaches – to explore more the role of the minorities, the paths, moments and modalities of involving them, and the multicultural aspects from some cross-border areas – as tolerance environment where the dialogue may be easier for building good communication and cooperation, therefore potential for resilience capacity. Nevertheless, the social capital that in smaller communities is likely to be increased should be assessed and included as resource.

Regardless any of the multidisciplinary fields involved in the research of the cross-border regions resilience capacity, we think that the key hints are: the permanent items (long term unchanged), items that can be changed local/national and items that cannot be changed (or the needed effort is too much compared with the results), differences and gaps that can be used, changed or accepted as it is, and channels to build communication and partnership. Also, the groups of determinants Martin R. proposed should be one of the dimensions for a benchmarking when discuss about a specific case of cross-border region with the possible extension given with other determinants generated by the cross-border specificity. Moreover, we consider that a joint data base is essential for starting any design of resilience capacity building.

The study of cross-border regions is a field of knowledge where it can be build a frame of cooperation and development on scientific and structured base with aim of long term resilience, where theoretical findings and empirical facts from different research domains are valuable inputs.

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## Appendix

**Table 1. Threats and areas of vulnerability in cross-border areas**

<i>Arisen from the general cross-border status</i>
<ul style="list-style-type: none"> <li>- The cross-border areas have no constitutional competences, meaning that they cannot decide the agreements in cross-border relationships. The states are the ones to decide the policies and the agreements, based on their own legal rules and they accept the conditionality of a regional overstate structure linked only to some geographical parts of the countries only within some limits.</li> <li>- There are areas belonging to different countries with different rules.</li> <li>- The rivalries can express in social tensions and conflicts.</li> <li>- There may be difficulties in crossing the border.</li> <li>- A barrier is the language differences, somehow diluted by the new multi-linguistic wave that allow the usage of English, French, German, so on.</li> <li>- The cross-border areas are marked by marginality in different fields: economy, transport infrastructure, culture, population density decrease. The sensitive points that are putting pressure on the borders are coming from differences on important areas, mainly in the case of borders between Member States and partner countries, but inside EU also, as follows: administrative structures and competences, fiscal and social legislation, spatial planning and legislation, environment and waste legislation, transport systems and level of development, decrease in security at the borders, mostly inside EU borders, the development of the cross-border tourism that has impact on the environment protection,</li> <li>- Could be stereotypes or tensions among the communities from the both sides of the borders.</li> </ul>
<i>Economic issues</i>
<ul style="list-style-type: none"> <li>- Being peripheries, the cross-border areas can be subject of economical unbalances and of incompatibility of different institutional structures.</li> <li>- There are disparities between the economic development rhythms;</li> <li>- There is lack of direct cross-border relations between the social-economic actors or there are relations but the still weak relations;</li> <li>- The trade relations in some areas are still not enough developed;</li> <li>- The marginality is sensed in economy field also, the sensitive points that are putting pressure on the borders from economic point of view are linked with: <ul style="list-style-type: none"> <li>• difficulties in cooperation between SMEs in the lack of cross-border suppliers and sales markets,</li> <li>• different exchange currency rates and significant differences in the exchange rate fluctuation,</li> <li>• different labour markets, salary levels and social security systems.</li> </ul> </li> <li>- A factor that can affect trade and economic activities is the Schengen Treaty provisions that imply the respect of strict rules for the signatory states concerning the border inspection and control for goods and people. In this second case, no matter the economic potential of the cross-border region and the will for collaboration, the border ruling will be a brake, though a necessary one.</li> </ul>
<i>Arisen from EU frame</i>
<ul style="list-style-type: none"> <li>- In case of partner countries as Ukraine or Republic of Moldova there are poor membership perspectives for EU. Still, the Association Agreements are softening the cooperation and make easier the cross-border relations between Member States and partners countries;</li> <li>- In the light of the last years of economic and political instability, the EU itself is fragmented, the crisis effects lead to the reshaping of the internal political structure of the EU and the economic policy;</li> <li>- The international relationships between the main poles, United States, EU and Russia are unstable and influence in terms of stability the area of Ukraine and Republic of Moldova, both targets in the same time for the two of the poles, Russia and EU, politically and economics.</li> <li>- It is a decrease of the permeability at the internal borders of European and at the external borders. This aspect has at cause mainly the Schengen regime implementation, under the pressure of the migration phenomenon caused by the military conflicts in the Southern Mediterranean area.</li> </ul>

- Countries that have borders as external border of EU have the role of gatekeepers in what concerns some issues such as underground economy, cross-border criminality, human trafficking or other illegal operations but respecting the rules that the EU membership supposes.

Source: Own researches

**Table 2. Strengths and weaknesses of the joint operational programmes systems**

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### **Strengths**

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#### *Institutional level*

- The existence of vertical and horizontal structure pillars from institutional point of view – vertical: local (local administrations, nongovernmental organizations, other institutions), regional (regional development agencies, regional administrations), national (JMA, National Authorities) and horizontal (JMC, JTSs with Branch Offices, Euroregions), gives a good base for building strong institutional networks.
- The Branch Offices have a good role in helping with the promotion of the programme and other information and promotion tasks during the implementation. It is a soft interface between the JTS and beneficiaries from Partner Countries.
- Many decisions are taken by written procedure, both on the JMC level and even at the Evaluation Committee also the written procedures improved the process of decision-making.
- The collaboration between the JTS and the NAs is good mainly because inside JTS are working people coming from all the programme countries also the beneficiaries and the national structures of the programme can talk with the professional people from JTS in their own language and the communication is better.
- The programme system is very clear and every member of the chain has well established responsibilities.

### **Weaknesses**

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#### *Institutional level*

- At the present date, there is not an optimum articulation between the system pillars mentioned above.
- Among the programme structures there is overlapping that means doubled activities and lack of efficiency. An example is the one of the submitted beneficiaries' reports that are checked by three levels (First Level Control/auditors, JTS, JMA).
- There are many responsibilities defined for the JMA and several for the JTS and most of the tasks belonging to JMA are transferred to the JTS.
- On the other side, as far as the management programme issue, in case of Romania it is observed that the regional actors are not involving actively and constructively, their direct interest being more linked to punctual projects and less to contribute to the improvement of the programme management.
- There are differences in the interpretation of some rules in the view of different bodies of the programme, being very strictly interpreted by the financial control and more flexible by the other bodies.
- There are differences in solutions between the JTS and first levels of control in some matters.
- The institutional system is very burdened in matters of control of the beneficiaries, that even if has as explanation the need for control of the money spending, this is not always a guarantee for transparency and correctness.

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#### *Issues that affect the results of the programmes and projects*

- Many applicants, mainly from the Partner Countries, have low financial and operational capacity.
  - There were identified quite often obstacles in communicating with various partners, especially with the Ukrainians ones.
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- It was noticed a low number of investment projects where the lack of cross-border impact was significant.
  - The centralized system from the Partner Countries is affecting the flow of information to the directly interested potential applicants and they do not attend all the time the events organized on their side of the border.
  - Sometimes there is a lack of experience coming from the Ukrainian partner and this aspect burdens the work of the Romanian beneficiary.
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Source: Own researches