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### **Exploring cross-border cooperation in Eastern Europe: What kind of initiatives have developed in the Romanian-Hungarian border area?**

**Abstract:** *Since the beginning, the European Union has believed and promoted the idea that an increase in cross-border cooperation contributes to enhanced European integration. This means that cross-border cooperation supports sustainable development along the EU's internal and external borders, helps reduce differences in living standards and addresses common challenges across these borders. The aim of this paper is to examine the cross-border initiatives between Romania and Hungary with a special focus on the INTERREG projects, which have provided new sources of funding for cross-border activities and regional development in the Romanian-Hungarian border area. In this context, the cooperation has intensified in the last two decades, especially since Romania joined the EU in 2007. The research proves that cross-border projects and initiatives represent an important source of funding for this type of intervention, when no similar funding sources are available.*

**Keywords:** *Cross-border cooperation, Romanian-Hungarian border area, INTERREG programmes, border regions*

**JEL code:** *H79*

<https://doi.org/10.32976/stratfuz.2021.33>

### **Introduction**

In recent years, increasing attention has been paid to the rise of globalisation and to the ways in which regions develop and interact. It has been suggested that we are getting closer to a world where regions and states are replaced with regions between states (*Ohmae* 1993). In this context, also regionalisation gained a new meaning, i.e. it is the process which creates new flows and spaces across state borders, where the old governmental model is no longer a determining factor (*Perkmann* 2007). These new challenges determine extended spatial flows, international connections and more comprehensive actions (*Amin* 2004). Cross-border cooperation can be seen as a vehicle for the new reality, which promotes 'border-free' areas.

The continuous evolution of the European Union has also generated challenges at its borders and intensified territorial cooperation. This influences the way people in border regions live, challenging them or raising new opportunities for them. These inhabitants, representing at least one third of the total European population according to the data of the Association of European Border Regions, have seen and experienced the progressive opening of borders to the flow of people, goods and capital (*Decoville & Durand* 2018). In this regard, regionalisation and the new perspectives of the frontiers have determined the introduction of new institutional structures and processes such as cross-border programmes (*Prokkola* 2011).

The importance of regions in terms of territorial development gained importance in Western Europe as early as the adoption of the Treaty of Rome, in 1957, which discussed the need for strengthening economic units in order to ensure their harmonious development by reducing the gaps between different regions (*The Treaty of Rome* 1957). One year later, in 1958, the "Euregio" was created between the Netherlands and Germany. It is a pioneering Euroregion since it represents the first Euroregion created in Europe<sup>5</sup>. The first Euroregion carried out several actions aimed at stimulating cross-border cooperation and exchanges in areas such as:

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<sup>5</sup> see: Euroregions. URL: <http://www.espaces-transfrontaliers.org/en/resources/territories/euroregions/>.

- socio-cultural cooperation;
- socio-economic development: actions aimed at improving socio-economic structures on both sides of the border;
- inter-municipal cooperation (twinning, police cooperation, etc.);
- advice for citizens;
- inter-regional cooperation (exchange of ideas and experiences with other border regions)<sup>6</sup>.

In this context, Euroregions are intensively studied as good-practice examples of cross-border cooperation. The main goal of cooperation across borders in the EU – be it about cross-border, transnational or interregional ways of cooperation – is to create a network of functional and harmonious border regions. Beyond the economic advantages, the process should strengthen the social and cultural dimensions of cross-border areas. In doing this, borders are no longer seen as barriers, but more as resources for development, bridges or contact places (*Newman 2006*). Therefore, cross-border cooperation can be studied in terms of motives in collaboration, difficulties, opportunities or frequency, in which a higher frequency is perceived as an indicator of cross-border integration and identification (*Bufon 2003*).

Also, the territorial cooperation is one of the main elements of a successful EU cohesion policy. As concerns Romanian borders, cross-border cooperation programs interconnect Romania with neighbouring countries and create the possibility for their peoples to communicate on topics of common interest (*Ardeleanu 2010*).

Romania became involved in cross-border cooperation programmes in a time similar to the start of EU accession negotiations. In order to present more recent data, during the 2014-2020 programming period, through the Ministry of Regional Development and Public Administration, as managing authority or national authority, Romania managed 12 European territorial cooperation programmes, programmes that take place both at internal borders and at the external borders of the European Union<sup>7</sup>. In this regard, it is important to mention that Romania has developed cross-border cooperation programmes not only with other European Union member states like Hungary and Bulgaria, but also with its non-EU neighbours of Ukraine, Moldova and Serbia.

## Methodology

The aim of this paper is to examine cross-border programmes and scalar dimensions of local cooperation in the Romanian-Hungarian border area, where cooperation has intensified, especially since Romania joined the EU in 2007. Along with other financing sources for border regions, mainly the INTERREG projects examined in this paper, such programmes have provided a new framework for cross-border cooperation and regional development. After 30 years of experience, INTERREG continue to be one of the key instruments of the European Union in supporting cooperation across borders<sup>8</sup>, being also seen as a concrete way of cross-border regionalisation at European level. As a consequence of investing in European border areas through projects, cross-border cooperation has become one of the most popular subjects in border research today.

In this regard, this paper focuses especially on the field of cooperation and presents examples of cross-border cooperation projects between Romania and Hungary from 2007. Also, besides the examples, the number of financed projects and available funds are presented and analysed.

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<sup>6</sup> see: Euregio. URL: <http://www.espaces-transfrontaliers.org/en/resources/territories/territoires-niveau-regional/euregio-0/euregio-1/>.

<sup>7</sup> see: Ministry of Regional Development and Public Administration, Territorial Cooperation Programmes. URL: <https://www.mlpda.ro/pages/programedecooperareteritoriala>.

<sup>8</sup> see: About Interreg. URL: <https://interreg.eu/about-interreg/>.



Figure 1. The border regions that are part of the INTERREG V-A Romania-Hungary programme

Source: <https://interreg-rohu.eu/en/eligible-area/>

### How cross-border programmes help the development of the Romanian-Hungarian border area

Cross-border initiatives assume the intensive and determined work of the officials and other stakeholders. Through this kind of projects, the people involved can develop expertise and networks. The main goal of cross-border cooperation is the economic development of the regions, but other advantages with economic, social or cultural perspective are also present.

The first step for the development of a cross-border cooperation strategy is to carry out a territorial analysis of the area affected by the programme. This analysis should include sectors of development, indicators, datasets and other additional qualitative and quantitative information on higher territorial units. The lack of statistical data at NUTS 3 and LAU 2 levels (main territorial levels involved in cross-border cooperation programmes) and different methodologies of data collection and indicator development can lead to difficulties in comparing the data between Romania and Hungary in certain domains, such as the delineation of the marginalised areas.

In this perspective, the main purpose of a cross-border strategy is to identify how, when and where a programme could, or should, intervene in order to impel the development processes and to improve sustainable economic growth that will improve the quality of life of the local people living in the area.

Even if we analyse an internal European border, we still will face differences due to the fact that Hungary belongs to the Schengen area, while Romania is not yet part of it.

A further factor generating diversity in the cross-border region is the so-called territorial capital, highlighting specific problems and potentials that may increase the competitiveness and attractiveness of a given area (ROHU CBC 2021, 12).

Even though both national entities are former communist states, Hungary joined the European Union earlier than Romania, in 2004. Even so, the Romanian-Hungarian cross-border cooperation across the 450 km long border started as early as in 1996, when the European Commission – for the first time in its history – extended the eligible area of the Phare CBC

programme to a border region located between two candidate countries. Thanks to the fact that the programme was successfully implemented, the European Commission maintained the availability of funds. Thus, until 2003, the cross-border projects at the Romanian-Hungarian border received financial support through the PHARE CBC programme (*HURO CBC 2011*). Through these common projects, important facilities were developed in the border area, including the modernisation of border-crossing stations and roads, as well as the realisation of business infrastructure development projects. As it is still true today, environmental protection was also the subject of numerous initiatives; the projects in this field mainly focused on water management<sup>9</sup>. The particular character of the landscapes, protected areas, water basins and ground water reserves represent one of the special advantages of the borderland.

Between 2007 and 2013, more than EUR 211,006,439 were awarded to projects and more than 3 million people were reached through 452 selected projects. Considering the precise data, the statistics show significant achievements:

- transport - 280 km of roads and bicycle paths constructed/reconstructed;
- communication - 3,468,078 people reached by joint communication initiatives;
- environmental protection - 72 joint environmental protection and management actions implemented;
- business – 12,911 businesses involved in cross-border co-operation projects;
- tourism - 130 tourist attractions developed;
- Research & Development, Innovation - 24 new research and/or technical centres established;
- education and labour market - 15,474 people participating in joint education and training;
- health care and risk prevention - 34 health care institutions developed;
- cooperation between communities - 156,783 people participating in joint events (*HURO CBC 2014*).

By fulfilling the objectives of these projects, the cross-border cooperation programme tried to reduce the physical barriers between the two neighbouring countries, opening up new ways for cooperation based on their characteristics. Looking at the results of the projects, one might say that future interventions need to be made based on the linkages between the observed needs, envisaged interventions and programme indicators. By taking into account all these facts, better project results, territorial and social impacts can be achieved.

As a continuation of the above objectives, the Interreg V-A Romania-Hungary Programme was approved by the European Commission on 9<sup>th</sup> of December 2015 for the period of 2014-2020. The programme area covered the same eight counties (NUTS III regions) as the previous one: four counties in Romania, namely Satu Mare, Bihor, Arad and Timiș and four counties in Hungary, i.e. Szabolcs-Szatmár-Bereg, Hajdú-Bihar, Békés and Csongrád<sup>10</sup>.

By the end of December 2020, the total value of contracted interventions of cross-border cooperation between the analysed countries amounted to around EUR 175 million ERDF, representing 119 projects (*ROHU CBC 2021*, 29). In terms of thematic priorities, the largest amount was spent on social inclusion projects, followed by environment protection & resource efficiency, while less money was spent on improving the efficiency of public administration. Cross-border projects, like borders themselves, can be seen from an extended perspective because of their multitude of key characteristics, starting with political aspects of the borders, but focusing also on economic, natural, environmental or socio-cultural aspects.

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<sup>9</sup> see: Hungary-Romania Cross-Border Co-operation Programme 2007-2013. Cross-border co-operation on the Hungarian-Romanian border has a strong foundation to build on. URL: <http://www.huro-cbc.eu/en/overview/>.

<sup>10</sup> see: INTERREG V-A Romania – Hungary Programme, Eligible area. URL: <https://interreg-rohu.eu/en/eligible-area/>.

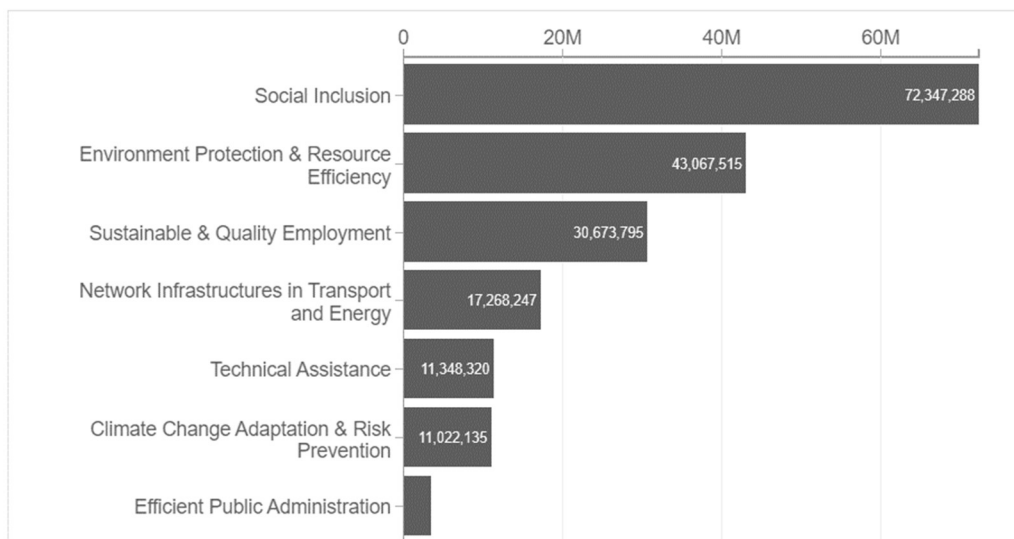


Figure 2. Financial information of INTERREG V-A Romania-Hungary programme budget by priority axes

Source: (EC 2014)

The actual status of the programme in total values, updated on 30 April 2021, involves 53 finalised projects and an absorption rate of 25.92% <sup>11</sup>, but more projects are still in the implementation phase (from the total of 119 contracted projects) and the final indicators will be available in about two years after the end of the programming period.

Through this Programme, non-refundable funding was allocated, in a competitive manner, within the framework of public calls for proposals for joint cross-border projects:

- Joint protection and efficient use of common values and resources (Cooperating on common values and resources) – EUR 48.50 million;
- Improving sustainable cross-border mobility and removing bottlenecks (Cooperating on accessibility) – EUR 34.99 million;
- Improving employment and promoting cross-border labour market (Cooperating on employment) – EUR 55.07 million;
- Improving health-care services (Cooperating on health-care and prevention) – EUR 57.03 million;
- Improving risk-prevention and disaster management (Cooperating on risk prevention and disaster management) – EUR 9.55 million;
- Promoting cross-border cooperation between institutions and citizens (Institutions and Communities cooperation) – EUR 4.01 million<sup>12</sup>.

As examples of projects through this specific cross-border cooperation programme, we can mention:

- Improving Quality Management of Cross-border Rivers: the Criş (Körös), Mures (Maros) and Tisa (Tisza);

<sup>11</sup> see: INTERREG V-A Romania – Hungary Programme. The actual status of the programme in total values. URL: <https://interreg-rohu.eu/en/programme-status/>.

<sup>12</sup> see: INTERREG V-A Romania – Hungary Programme. Programme Overview. URL: <https://interreg-rohu.eu/en/programme-overview/>.

- Eco trans system - eco-friendly cross border transport in the Socodor Ketegyhaza area;
- Cluster for Geography, Heritage and Sustainable Development in the Bihar–Hajdu Bihar Crossborder Area;
- Improving cross-border cooperation between public institutions of Nădlac-Sântana-Elek-Doboz;
- Developing common solutions for increasing the drinking water quality;
- Common challenges – common solutions: institutional development in the field of tourism;
- Cross-border youth community;
- Let's celebrate our traditions together;
- Joint development of the voluntary emergency response and disaster management capacity in the eligible border area;
- Creating a joint tourist destination in the cross-border area of Lugașu de Jos and Komádi, through cross-border protection of natural heritage values along the Crișul Repede Valley;
- Cross-border health co-operation for effective prevention and better quality medical services and efficient rehabilitation and recreation in Békés and Arad counties<sup>13</sup>.

The above are just a few examples of the contracted projects from the last years. We included examples from different fields of cooperation, just to prove that the cross-border cooperation between these two countries includes multiple topics and area of collaboration.

Analysing the general objectives, activities and results of the cooperation projects financed through this period, we can conclude that both sides of the border face similar difficulties in the economic sphere, namely low innovation capacity, low productivity and low effectiveness of business support services. In order to reduce these difficulties, more projects should be implemented. Taking small steps should begin, but it is essential to increase the spending of the European funds, especially by implementing cross-border cooperation projects targeting integrated development. A functional approach is mandatory in cross-border and transnational Interreg programmes and leads to specific projects of territorial cooperation (*Mehlbye & Böhme* 2018).

Looking at the evaluation made by the two involved states and especially by the European Commission, more focused concentration of the funds and narrower number of priorities with limited matching of the eight involved counties are recommended for the next period. In terms of effectiveness, the earlier launch of the calls and a more simplified system for project evaluation, contracting and monitoring may improve the positive impact of the cross-border cooperation programme (*ROHU CBC* 2021, 30). Regarding the second aspect, one can conclude that this needs to be recommended also to the Romanian authorities involved in managing European funds in order to raise the accession degree to over 50% of the available funds, at least.

We might add to these aspects that better knowledge and experience of the beneficiaries will enable them not only to identify the appropriate calls in due time, but also to implement sustainable projects. This can be achieved only by investing in capacity building and experience-exchange programmes.

Concerning the future cooperation programme between Hungary and Romania, it will include the same eight counties that constituted the programme area before:

- on the Romanian side: Satu Mare, Bihor, Arad and Timiș;

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<sup>13</sup> see: INTERREG V-A Romania – Hungary Programme. Financed projects. URL: <https://interreg-rohu.eu/en/lists-of-financed-projects/>.

- on the Hungarian side: Szabolcs-Szatmár-Bereg, Hajdú-Bihar, Békés and Csongrád-Csanád<sup>14</sup>.

Three years ago, on 2 May 2018, the European Commission adopted a proposal for the next Multi-annual Financial Framework (MFF) for the period 2021-2027 (*EU 2020*). It forecasted simplifications and concentration of resources and a reduction of thematic policy objectives from 11 to 5, as follows:

- A smarter Europe - innovative and smart economic transformation.
- A greener, low-carbon Europe.
- A more connected Europe - mobility and regional ICT connectivity.
- A more social Europe - implementing the European Pillar of Social Rights.
- Europe closer to citizens – sustainable and integrated development of urban, rural and coastal areas through local initiatives (*Reppel 2019*).

When designing the framework for future regional development and cooperation interventions, we should also take into account the challenges that appeared in the beginning of 2020, namely with the COVID-19 pandemic. This health crisis quickly transformed into an economic one and impacted also cross-border cooperation. As is already known, the area of this particular cross-border cooperation programme is characterised by relatively low innovative capacity, structural weaknesses of the business sector, low performance of knowledge intensive economic activities, growing exposure to labour market exclusion of certain vulnerable groups, including low-skilled workers and the youth, and increased ageing of the population (*ROHU CBC 2021*, 38).

This means that the perspectives and purposes of the new cooperation projects should include actions addressing these difficulties, because, considering the challenges the world is already facing, the pandemic will have an important and long-term impact on the cross-border area. This will boost regional differences, as in times of crisis the more competitive player has better chances to survive and better ability for fast recovery. However, what can really make a difference and increase the potential of the cross-border area is to create and to adopt national policies in both countries which are able to support development in compliance with the European strategies at regional level.

## Conclusions

The cross-border cooperation programme between Romania and Hungary represents a huge opportunity for the development of the border area and it has multiple factors that can lead to success. For example, we mention that both have a similar political administrative system: with NUTS 2 as statistical-administrative regions, NUTS 3 as counties, and LAU 2 referring to the local administrative units. Due to the dimension of physical advantages (a green border), there are significant population clusters that are located very close to the border (among them Debrecen and Oradea); thus, it is appropriate to involve them in projects for the sake of economic development or the cultural and touristic perspective. Moreover, Romania and Hungary participate in other cooperation programmes as well (e.g. Interreg Danube Transnational Programme, Interreg Europe, ESPON, Urbact, etc.). By exploiting the diversity of financial resources, better results can be obtained if stakeholders react and work together in order to reach joint priorities in a broader context than now.

Besides the many advantages, there are also barriers that might limit cooperation, like the fact that Romania and Hungary have different Schengen status, different currencies (Romanian Leu, Hungarian Forint), different types of taxes and differences in the administrative grids and in

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<sup>14</sup> see: INTERREG V-A Romania – Hungary Programme. Eligible area. URL: <https://interreg-rohu.eu/en/eligible-area/>.

the delivery of certain public services. One can also add the problems stemming from undeveloped economic and transport infrastructure.

This suggests that the complexity of the border should be taken into consideration when making common efforts to conceptualise cross-border cooperation and regional development. By these means, it should be possible to raise the number of advantages and to improve the practices of cross-border cooperation on different scales.

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