

# EUROREGIONS IN UKRAINE – ROMANIA - REPUBLIC OF MOLDOVA AREA: EXPECTATIONS, EXPERIENCE AND PROSPECTS

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**Abstract:** *The article analyses the phenomenon of Euroregions and cross-border co-operation in Ukraine, Republic of Moldova and Romania area in a comparative perspective with the Western European practice. It outlines the expected mission of the “Lower Danube” and “Upper Prut” Euroregions, their general features and particularities, achievements and shortcoming, experience and prospects. The study shows that although the “Lower Danube” and “Upper Prut” Euroregions did not prove to become self-sustainable structures and after 15 years of their existence reduced their activity, they should be given credit for the positive role in the revitalization of cross-border co-operation between the three neighboring states on the EU Eastern frontier.*

**Keywords:** Euroregions, cross-border co-operation, European integration

**JEL Classification:** F5

## INTRODUCTION

Historically Europe is marked by numerous borders between nation states, many of them being formed as a result of wars and tensions. With the amplification of integration processes, resulting in the European Single Market and European Union, the necessity to diminish negative effects of national borders, as well as regional economic inequalities, promoting cross-border co-operation became more and more evident. The present paper focuses on cross-border cooperation on the Eastern EU frontier, more specifically the Euroregions involving Romania, Ukraine, and Republic of Moldova, in the context of European integration processes.

This phenomenon, as well as trans-frontier cooperation as such, is relatively new in the area, having appeared only in the late 1990s, while in Western Europe the first Euroregions began to be created in Western Europe already in the late 1950's. As in Eastern Europe the integration processes did not appear before the last decade of 20<sup>th</sup> century, and the Euroregions here came as a new tool of good-neighbourhood relations which just started to shape in the changed geopolitical context. Before analyzing these structures in detail we will discuss the origins and mission of cross-border co-operation in general and the idea of Euroregions in particular.

## 1. RATIONALE FOR CROSS-BORDER COOPERATION

According to the „European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities” (Madrid, May 21, 1980), transfrontier (cross-border) cooperation is defined as “any common actions oriented on strengthening and development of good neighboring relations between territory societies or power bodies, which are under authority of two or several Agreement sides and signing necessary agreements or deals for this purpose” (European Outline Convention..., 1980).

Cross-border regions are characterized by a wide range of economic barriers and imbalances on the internal and external frontiers of the EU. Economic centers in border areas are often cut off from part of their natural hinterland across the border, which effectively distorts the possible structure of trade and services, as Mr. Oriano Otacon, the Head of the Department of International Cooperation and EU Integration (Region of Istria, Croatia), points out in his report for the Venice commission (Otoacen, 2010). Border and cross-border regions thus play a bridge function and deepen European integration at large within the EU, and promote a viable neighbourhood on its external borders. Further integration revealed the need for more convergence and cohesion within the EU through promotion of cross-border (trans-border) cooperation.

Partnerships of this kind are necessary for cross-border regions, with all the often very different social partners on either side of each border, and externally, with national government. (The European Charter on Border and Cross-Border Regions, AEBR, November 20, 1981, amended on 1 December 1995, amended on 7 October 2004).

To sum up, the main motives for cross-border cooperation are the transformation of the border from a separating line of into a meeting space, a place for intensive communication between neighbouring states and citizens; the overcoming of prejudices between peoples from border regions; the strengthening of democracy and the development of operational regional/local administrative bodies; the overcoming of the handicaps of peripherality and isolation; the promotion of economic growth and development and the improvement of the standards of living; the making of compatible spaces inside the EU and on its external borders. In this respect, an important part was assigned to Euroregions, associations of cross-border cooperation, promoting social integration and community-building.

## 2. EUROREGIONS: WESTERN EUROPEAN EXPERIENCE

Euroregion is a type of transnational co-operation in the form of a specific cross-border region, formed by two or more contiguous territories located in different European countries (Otocan, 2010). According to the Council of Europe, Euroregions and other forms of transfrontier co-operation structures do not create a new type of government at transfrontier level. The term Regio comes from the Latin "regere", meaning to draw a line or border. In ancient Rome the "Regio" was used for demarcating an area rather than governing it. (What is Euroregion?, n.d.). In European politics, the term Euroregion usually refers to a transnational co-operation structure between two (or more) contiguous territories located in different European countries. They are established to promote common interests across the border and cooperate for the common good of the border populations.

In 1958, the term Euregio was applied for the first time. Then, in the 1960's, many problems pertaining to regional development, education including language one, commuting matters, transport and technical infrastructures or the environment started to be solved in a cross-border way. The first Euroregion - Reggio Basiliensis, now renamed TriRhena - occurred at the border between Switzerland, Germany and France in 1963, followed by others in the border area between Benelux, Germany and France, after which it expanded at a fast pace, so currently, there are more than one hundred such structures.

According to the Association of European Border Regions (2001), the Council of Europe sets *the following criteria* for the identification of Euroregions:

- An association of local and regional authorities on either side of the national border, sometimes with a parliamentary assembly;
- A transfrontier association with a permanent secretariat and a technical and administrative team with own resources;
- Of private law nature, based on non-profit-making associations or foundations on either side of the border in accordance with the respective national law in force;
- Of public law nature, based on inter-state agreements, dealing among other things, with the participation of territorial authorities.

Euroregions have following characteristics: *geographical* - Euroregion is the territory which has particular geographical position; *political* – a part of this territory is under legislative authority of sovereign states which have common border; *administrative* – bordering regions of states

which have common border create Euroregion; *functional* – Euroregion is a form of trans-border cooperation.

If we consider the legislative aspect of Euroregions, they do not lead to appearing of the new administrative formation with a judicial status. Euroregions usually do not correspond to any legislative or governmental institution, nor do they have direct political power. Their work is limited to the competencies of the local and regional authorities which constitute them. Legislative regulation on the territory of each Euroregion's member is held according to the actual state legislation, where it belongs. The governing Euroregion's bodies perform coordinative functions and do not have power authorities, and also cannot replace power bodies, which work on the each member's territory. Regarding political aspects euroregion do not act against state national interests; euroregions are not overstate formations; in their activity euroregions do not replace external political functions of the states, which administrative-territory units are their members.

Regarding the operational aspect, since August 1, 2007 the new legal instrument for a "European Grouping of Territorial Co-operation" (EGTC) has entered into force (Regulation (EC) No 1082/2006, 2006). It intends to facilitate the implementation of co-operation programmes by allowing for Member States, regional authorities, local authorities and/or bodies governed by public law from at least two Member States to associate under a joint convention. Unlike the structures which governed this kind of cooperation before, the EGTC is a legal entity and as such, enables regional and local authorities and other public bodies from different member states, to set up cooperation groupings with a legal personality. The EGTC is unique in the sense that it enables public authorities of various Member States to team up and deliver joint services, without requiring a prior international agreement to be signed and ratified by national parliaments.

Among the advantages of Euroregions we can list the following: a political advantage, strengthening the lobbying power of regional presidents/governors; a managerial advantage, enabling the coordination of common projects; a developmental advantage, by promoting a common vision for the whole Euroregion.

There are also numerous added values that arise as results of euro-regional cooperation. European added value comes from the fact that people who are living together in neighboring border regions want to cooperate and thereby make a valuable contribution to the promotion of peace, freedom, security and the observance of human rights.

Political added value means making contribution towards: the development of Europe and European integration, the implementation of subsidiarity and partnership; increased economic

and social cohesion and cooperation; preparing for the accession of new members; using EU funding to secure cross-border cooperation via multiannual programmes. Institutional added value could be: active involvement by the citizens, authorities, political and social groups on both sides of the border; secure knowledge about one's neighbor (regional authorities, social partners, etc.); long-term cross-border cooperation in structures that are capable of working efficiently.

Socio-economic added value are the participation of actors from the economic and social sectors; additional development, e.g. in the fields of infrastructure, transport, tourism, the environment, education, research and cooperation between small and medium-sized enterprises, and also the creation of more jobs in these areas. Socio-cultural added value are: the improvement of cross-border transport infrastructure; lasting, repeated dissemination of knowledge about the geographical, structural, economic, socio-cultural and historical situation of a cross-border region; the development of a circle of committed experts, such as churches, schools, educational establishments, libraries, museums, and so forth.

### **3. EUROREGIONS ON THE EASTERN EU BORDER: THE CASE OF UPPER PRUT AND LOWER DANUBE**

Euroregions have contributed for economic development and cooperation in Western Europe. This experience is translated as a background with high speed towards Central and Eastern Europe. In the regional triangle of Romania – Ukraine - Republic of Moldova borderlands, Euroregions came as a consequence of relaxation and pragmatization in their post-communist relations. Starting from late 1990s the idea of Euroregions comprising administrative units from each of these three countries began to take shape. The beginning was laid by the Protocol on trilateral cooperation between the governments of Ukraine, Moldova and Romania signed on July 3-4, 1997 in Izmail, which contained specific provisions on creating Lower Danube and Upper Prut Euroregions. The expectations from the two Euroregions were high, considering the urgent need to 're-load' the agenda of regional and bilateral relations between the states, which after 1991 had struggled to overcome the historical legacies and disputes. Euroregions were regarded as a promising framework for solving practical problems of regional cooperation between neighboring regions.

The Lower Danube Euroregion was established on August 14, 1998 in Galati (Romania), with the participation of administrative units of the three neighboring states: Odessa region (Ukraine), Galati, Tulcea and Braila counties (Romania), Cantemir and Cahul counties (Republic of Moldova).

The main spheres of the Euroregion's activities were identified as follows: economic cooperation, transport, communications and infrastructure, environmental activities and humanitarian spheres (education, healthcare, etc.). Among the specific projects that have been implemented by the Euroregion are: the construction of two ferries across the Danube, the reconstruction of access roads and border entry points, upgrading transshipment bases for processing export-import and transit cargoes (Acord cu privire la constituirea euroregiunii «Dunarea de Jos», 2000).

“Upper Prut”, the other Euroregion in the area, was established on September 22, 2000 in Botosani (Romania). It included Chernivtsi region (Ukraine), Botosani and Suceava counties (Romania), Balti and Yedinets counties (Republic of Moldova). Since October 15, 2003 the Euroregion was joined also by Ivano-Frankivsk region of Ukraine and Faleshti, Glodeni, Ocnitsa, Ryshkani and Bricheni counties of Republic of Moldova. The federal land of Carinthia (Austria) became a European Associate Partner of the Upper Prut Euroregion. According to the constituent documents, Upper Prut's activities were envisaged in a wide range of areas, which can be grouped into the following major groups: economic projects (trade liberalization, functioning of chambers of commerce, tourism development and implementation of advanced technologies), infrastructure (energy integration systems, transport and communication networks), environmental projects (prevention of trans-border water pollution, effects of industrial accidents and natural disasters, the development of cleaner production), cultural and humanitarian activities (science, education, culture, sports and youth, public health, to ensure full and effective equality of persons belonging to national minorities).

Some peculiarities of the Upper Prut and Lower Danube Euroregions can be outlined, compared with the Western European experience of Euroregional co-operation. Unlike the Western European regions, which are primarily designed to promote economic development of peripheral regions, the Ukrainian-Moldovan-Romanian cross-border regions are more focused on education, scientific and cultural dimensions of cooperation. They also have a special emphasis on protection of respective national minorities across borders, striving for the creation of new opportunities for solving ethnic problems in the region. In addition, the specificity of these Euroregions lies in the fact that they are based on administrative territorial units which is not a general rule in European practice.

With all the positive effects that Euroregions had in this cross-border region, such as people-to-people exchange and general improvement of the climate of the good neighborhood relations, at the same time, Euroregions on the EU Eastern border encountered a number of difficulties.

First, the vague wording in the agreement of 1997 largely complicated the development of the Euroregion projects. As a consequence, internal organizational difficulties impeded the effectiveness of the Euroregions in the area, especially in the initial phase of implementation. For instance, at the early stage the Ukrainian party suggested to create an ecologically-oriented Euroregion - “The Carpathians-Danube”, while their Romanian counterparts opted for the political and administrative component of the prospective Euroregion (Broyde, 1999).

Second, the economic situation in the participating countries significantly limited the possibilities of reciprocal economic projects. This caused that on the large scale Ukraine, Republic of Moldova and Romania did not represent mutually attractive countries for each other in terms of economy. Joint projects in the Upper Prut and Lower Danube Euroregions are largely dependent on donor countries and organizations, first of all European funds, which significantly limited the possibilities of cross-border projects.

Third, certain problems are also related to the imperfections and discrepancies in national legislations of the three states, lack of clear concepts and strategies for reform and the of economic development, high customs duties, high prices for transportation, inadequate tax regulations, the lack of real market competition, bureaucracy, corruption and so on. Complicated relations between central and regional authorities (center versus periphery), peculiar for post-communist states, appear as additional problems for cross-border co-operation in the initial stage of their existence.

Nevertheless, the vast majority of experts and stakeholders give a positive assessment of the Euroregion phenomenon in the area of Ukraine, Romania and Republic of Moldova. Euroregions contributed to the intensification of cross-border economic, communication and environmental links, improvement of regional infrastructure. In particular, a successful project initiated “bottom-up” on constructing a bridge between Romanian town of Sighet and Ukrainian Solotvyno, for the first time since its destruction during World War II, was a symbolic demonstration of the cross-border co-operation potential and mission.

## CONCLUSIONS

As the European practice demonstrates, bilateral or trilateral (multilateral) cross-border cooperation at regional/local level are a necessity over the long term, not just in order to prevent cross-border conflicts and overcome economic and mental barriers, but in order to facilitate partnerships that will balance these differences, through Euroregions and similar structures.

On the Eastern EU border, in Ukraine-Romania-Republic of Moldova area, the “Lower Danube” and “Upper Prut” Euroregions were launched as a new form of multilateral co-operation in late 1990s. They institutionalized the cross-border relations between the neighboring states and provided a legal framework for more intensive co-operation across borders. These efforts resulted in certain revival of people-to-people contacts and a number of practical projects, particularly in the sphere of infrastructure, communications, and environment.

At the same time, Euroregions in the area faced a lot of challenges and had some specific shortcomings, such as unclear legal definitions, internal organizational difficulties, dependence on external funds, centralized administration etc. All these impeded development of projects and prevented them from becoming self-sustainable structures of transfrontier relations. Unfortunately, the “Lower Danube” and “Upper Prut” Euroregions did not prove to become a viable independent partnership instrument and did not make the expected long-term impact on creating a common cross-border space with integrated infrastructure and respective mental perception. Nevertheless, they played a positive role in the general revitalization and diversification of bilateral and trilateral relations on their early stage of development. If necessary lessons from the previous experience are made and the steps are taken to overcome the shortcomings of the Euroregions of this area, they still have the potential contribute to the cross-border co-operation on the EU Eastern border.

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