

International Journal of Economics, Management and Tourism

GOCE DELCEV UNIVERSITY OF STIP FACULTY OF TOURISM AND BUSINESS LOGISTICS

INTERNATIONAL JOURNAL OF ECONOMICS, MANAGEMENT AND TOURISM

VOL. 2 NO. 1

2022

ISSN 2671-3810 online version

Publisher:

Faculty of Tourism and Business Logistics Goce Delchev University of Shtip "Krste Misirkov" no.10-A P.O. Box 201 Shtip 2000, North Macedonia Tel: +389 32 550 350 www.ftbl.ugd.edu.mk www.ugd.edu.mk

Editor in chief:

Tatjana Boshkov, Ph.D.

Editor:

Natasha Miteva, Ph.D.

Technical editor:

Cvetanka Ristova Maglovska, Ph.D. Dushko Joseski, Ph.D.

The International Journal of Economics, Management and Tourism (IJEMT) is peerreviewed and issued two times per year, in online version at the following website of the web portal of Goce Delcev University in Stip: <u>https://js.ugd.edu.mk/index.php/ijemt/index</u>. The official language for papers is English language.

IJEMT DOI: https://doi.org/10.46763/IJEMT

IJEMT Vol.2 No.1 DOI: https://doi.org/10.46763/IJEMT2111

Editorial Board:

Prof. Tatjana Boshkov, Ph.D., Goce Delcev University of Stip, Faculty of Tourism and Business logistics, Stip, North Macedonia

Assist. Prof. Natasa Miteva, Ph.D., Goce Delcev University of Stip, Faculty of Tourism and Business logistics, Stip, North Macedonia

Assist. Prof. Cvetanka Ristova Maglovska, Ph.D., Goce Delcev University of Stip, Faculty of Tourism and Business logistics, Stip, North Macedonia

Assist. Prof. Dusko Joseski, Ph.D., Goce Delcev University of Stip, Faculty of Tourism and Business logistics, Stip, North Macedonia

Prof. Ana Jurcic, Ph.D., Faculty of Business & Economics, Department of Management & Law, Modern College of Business & Science

Prof. Jasmina Starc, Ph.D., Faculty of Business and Management Studies, University of Novo Mesto, Slovenia

Prof. Mirela-Elena Mazilu, Ph.D., Department of Geography, Director of Research Center in Innovative and Regional Tourism, University of Craiova, Romania

Prof. Kanita Imamovic-Cizmic, Ph.D., Faculty of Law, University of Sarajevo, Bosnia and Herzegovina

Prof. Slavi Petrov Dimitrov, Ph.D., Faculty of Economics, University St. Cyril and St. Methodius of Veliko Tarnovo, Bulgaria

Prof. Kemal Cebeci, Ph.D., Faculty of Economics, Department of Public Finance, Marmara University, Turkey

Prof. Sonja Cindori, Ph.D., Department of Financial Law and Financial Science, Faculty of Law University of Zagreb, Croatia

Prof. Boban Melovic, Ph.D., Faculty of Economics, University of Montenegro, Montenegro

Prof. Anton Vorina, School of Economics, Vocational College, Celje, Slovenia

Prof. Misko Djidrov, Ph.D., Goce Delcev University of Stip, Faculty of Mechanical Engineering, Stip, North Macedonia

Prof. Nikolas L. Hourvouliades, Ph.D., Americal College of Thessaloniki, Greece

Assist. Prof. Zarko Radjenovic, Ph.D., University of Nis, Innovation Center, Serbia

Prof. Madalina Teodora Andrei, Ph.D., Hyperion University, Faculty of Social, Humanities and Natural Sciences, Department of Geography, Romania

Biljana Conevska Gunjovska, Ph.D., Goce Delcev University of Stip, Faculty of Tourism and Business logistics, Stip, North Macedonia

Prof. Nazmiye Erdogan, Ph.D., Director of Vocational School of Social Science, Head of Tourism and Management, Department of Tourism Management, Ankara, Turkey Prof. Adam Pawlics, Ph.D., Chair of Tourism Management Department, Szczecin University, Poland

Prof. Rabi Kar, Ph.D., Associate Professor, Department of Commerce, University of Delhi, New Delhi, India

Prof. Tamara Klicek, Ph.D., National Taiwan University European Center and MOFA Foreign Schoolar, Taiwan

Prof. Iuliana Pop, Ph.D., University of Economics Studies, Bucharest, Romania Prof. Stefan-Emil Ionescu, Ph.D., Military Technical Academy, Bucharest, Romania Prof. Marta Borowska-Stefanska, Ph.D., University of Lodz Faculty of Geographical Sciences, Institute of the Built Environment and Spatial Policy, Poland Prof. Paolo Reis Mourao, Ph.D., Economics & Management School, Department of Economics & NIPE, University of Minho, Portugal

Prof. Mazhar Abbas, Ph.D., College of Business Administration, Department of Management & MIC University of Ha'il Saudi Arabia

Prof. Drago Cvijanović, Ph.D., University of Kragujevac, Faculty of Hotel Management and Tourism in Vrnjacka Banja, Serbia

TABLE OF CONTENTS

Dushko Josheski; Tatjana Boshkov; Mico Apostolov PARETO EFFICIENT INCOME TAX SCHEDULES AND NUMERICAL SOLUTIONS TO MIRRLEES' OPTIMAL INCOME TAX MODEL: A CRITICAL SURVEY
Nikola V. Dimitrov TOURIST VALORIZATION OF ACTIVE MONASTERIES IN R.N. MACEDONIA. 31
Mimoza Serafinova; Bobana Stefanoska TRENDS AND CHALLENGES FOR STRATEGIC HUMAN RESOURCES MANAGEMENT IN 21 ST CENTURY
Slavi Dimitrov; Tatyana Dimitrova GOVERNANCE OF TERRITORIAL COHESION AND COOPERATION POLICIES (ON THE EXAMPLE OF SPAIN AND PORTUGAL)
Aleksandra Zezova THE IMPACT OF PERSONALITY ON INTERPESONAL RELATIONSHIPS AND SUPPORT
Cane Koteski; Gjorgji Petkoski MANAGEMENT OF HUMAN RESOURCE73
Gjorgji Petkoski; Zlatko Jakovlev PERSONNEL PLANNING SEGMENT OF HUMAN RESOURCE MANAGEMENT
Zoran Jolevski EU CARBON BORDER ADJUSTMENT MECHANISM: OPPORTUNITIES AND CHALLENGES
Erda Shabani; Cane Koteski DEFINITION OF STATE BORDER, BORDER LINE, BORDER BELT, BORDER AREA AND BORDER CROSSING
Shaqir Latifi; Baton Zimeri THE TREATMENT OF SOLVENCY II IN THE OPERATION OF INSURANCE COMPANIES
Baton Zimeri; Shaqir Latifi INSURANCE SECTOR IN THE REPUBLIC OF NORTH MACEDONIA AND POSSIBILITIES OF IMPLEMENTATION OF SOLVENCY 2 MODEL
Emanuela Esmerova; Drasko Atanasoski COMPANY INNOVATIVE STRATEGIC PLANNING AND ALLOCATIVE OPTIMIZATION OF THE FINANCIAL RESOURCES

GOVERNANCE OF TERRITORIAL COHESION AND COOPERATION POLICIES (ON THE EXAMPLE OF SPAIN AND PORTUGAL)

Tatyana Dimitrova¹, Slavi Dimitrov²

¹ "St. Cyril and St. Methodius" University of Veliko Tarnovo, Faculty of Economics, Republic of Bulgaria, <u>t.dimitrova@ts.uni-vt.bg</u>

² "St. Cyril and St. Methodius" University of Veliko Tarnovo, Faculty of Economics, Republic of Bulgaria, <u>s.dimitrov@ts.uni-vt.bg</u>

Abstract

Territorial cooperation, and in particular cross-border cooperation, is a key element in European integration and a political priority for the EU. An example of fruitful cooperation is the state borders between the EU countries, which are already almost symbolic with the abolition of border controls, customs controls and other functions performed until recently between them. The Luzo-Spanish border is the oldest, most stable and largest border in the EU. On January 1, 1986, both countries became members of the EU. Since the signing of the Schengen Agreement in 1985 and the accession of Portugal and Spain to it (25 June 1991), things have changed. In setting the strategic guidelines for cross-border cooperation between Portugal and Spain for the period 2014-2020 (and for the period 2021-2027), the Cross-Border Cooperation Program is undoubtedly the reference document related to EU regulations and directives, and the proposals of the European Commission.

Key words: Cross - border cooperation, territorial cohesion, European Union, policies, borders.

Introduction

The European Union (EU) and its territories depend on enhanced synergies between cohesion policies and competitiveness strategies, as well as on the development of sectoral policies to enable the most disadvantaged areas to meet the challenges of globalization, applying cross-border, transnational and interregional approach. Cross-border, transnational and interregional cooperation has already added and continues to add value: European, political, institutional, economic and socio-cultural added value.

Territorial cohesion is central to the EU's Territorial Agenda. This illustrates the need for the territorial dimension to play a more decisive role in the future of European cohesion policy and other Union policies. Territorial cohesion is a key factor in achieving the goals of economic growth and solidarity, as well as in building a highly competitive social market economy aimed at full employment, social progress and sustainable development. Territorial cooperation, and in particular cross-border cooperation, is a key element in European integration and a political priority for the EU.

An example of fruitful cooperation is the state borders between the EU countries, which are already almost symbolic with the abolition of border controls, customs controls and other functions performed until recently between them. Nevertheless, these borders remain important in the contours of the national geographical area of the Member States, on which the country concerned exercises its sovereign rights [8].

The Iberian Peninsula is the largest, most continental and least fragmented of the three southern European peninsulas with an area of 585,000 km². Within the peninsula are three

countries - Spain, Portugal and Andorra, as well as the British possession of Gibraltar. The border between France and Spain runs along the ridge of the Pyrenees, with two thirds of the mountain area entering the territory of Spain. The geographical location of the peninsula as a link between Europe and Africa is of great historical and economic importance [1].

The subject of the study is the possibilities for cross-border cooperation between EU countries. The object of study are the border areas between the Iberian countries Spain and Portugal. The aim of the study is to analyze the policies for territorial cohesion between the two neighboring countries.

Exhibition

The border between Spain and Portugal, known for centuries as La Raya, gradually emerged in the Middle Ages, when the Kingdom of Portugal was formed, as well as other countries on the peninsula. The Reconquista of the Iberian Peninsula, involving the efforts of these Christian states, marked the beginning of a long process of expanding, reformulating and consolidating land borders, but not always linearly and generally unpredictably [9].

On January 1, 1986, both countries became members of the EU. Since the signing of the Schengen Agreement in 1985 and the accession of Portugal and Spain to it (25 June 1991), things have changed. The existing border is now configured as a basis for comparison, and attempts to build a cultural identity across the border seem absurd, as there are significant variations in identity on both sides of the same border and even within the same locality and environment. the same people. Today, it is clear to the unbiased observer that the Luso-Spanish (Lusitania is the ancient name of Portugal) border is not so much a line of territorial demarcation between two countries, but rather a vast contact zone of transition and mutual penetration between two neighboring peoples.

The Luzo-Spanish border is the oldest, most stable and largest border (1234 km) in the EU. At the same time, it is one of the territories with lower levels of demographic and economic development and with genetically identical population in territories differentiated by the action of the historical process in each country and by the dividing line that causes significant differences, both in terms of cultural roots, and in terms of what determines the other forms of ownership and development of the area. In addition to the land border, special attention deserves the sea border, where significant economic activities are taking place, especially in the field of fisheries, as well as the resources it offers and the risks for which it must provide emergency prevention and management.

These differences have prevented some more convincing convergent results, due to marginality in relation to the major centers on both sides, isolation and the barrier effect caused by political disruption, which means that the border is a weakness in the development process. As mentioned above, contacts in the European integration process are intensifying, especially after the launch of the INTERREG Operational Programs for Cross-Border Cooperation, which provide significant changes in the border area between the two countries. There are mitigating consequences where the situation is almost overcome, such as geographical isolation, while others, for the most part, are in different phases of the respective convergence processes. In some cases, both in terms of facilities and infrastructure, the approach to recovery and reaching the national averages is at an advanced stage, and in others, such as the population, even without reaching the national dynamics, there is a significant recovery throughout the territory. During the last programming period, the socio-economic and territorial dynamics allowed the Luzo-Spanish border to continue to be an expression of precisely these findings: convergence and different speeds, between border territories and countries.

The Portugal-Spain cross-border operational programs cover an area comprising 17 NUTS-III main and 16 NUTS-III border, located on the border between the two countries (Fig. 1). This territory covers a total area of 137,013.9 km² (27.1% of the territory of the Iberian Peninsula). This is 3.1% of the EU-27 territory, and together with the neighboring areas the territory is 244,379.8 km2 (5.53% of the EU territory). It has a population of 5,491,228, which represents about 10% of the total population of the two countries. Including the adjacent territory, the population grows to 14,918,043, which is 2.9% of the EU-27 population. Despite the relatively small population, this program has a strong territorial impact [2].



Figure 1: Cross-border cooperation regions between Spain and Portugal Source: [10]

Although the management of cross-border cooperation programs has changed over the last thirty years, and not always effectively, it can be concluded that the assessment is generally positive, not only in terms of EU border policy, but also in the population as a whole, in general, in terms of the fuller integration of border regions and the implementation of INTERREG programs.

Cross-border cooperation programs have given a powerful impetus to the convergence of European border areas. However, the more progress and success, the new priorities are constantly emerging.

As observed in previous programs, the removal of borders does not mean the removal of barriers, especially administrative ones, implemented by national policies that negatively affect the development of border areas, which have their own and distinctive features.

The adjacent territories along the Luzo-Spanish border today face new challenges posed by the need to engage in sustainable development initiatives, which must coordinate cohesion and competitiveness policies. It is therefore necessary to have a critical mass that allows the viability of development policies and strategies to integrate neighboring areas, which are usually on both sides of the border and therefore belong to another country.

In setting the strategic guidelines for cross-border cooperation between Portugal and Spain for the period 2014-2020 (and for the period 2021-2027), the Cross-Border Cooperation Program is undoubtedly the reference document related to EU regulations and directives, and the proposals of the European Commission. It is therefore necessary to outline a strategy for cross-border cooperation between Portugal and Spain during the new programming period [4]. As a follow-up to the policies of previous cooperation programs, strengthening local associations and promoting joint cross-border services, five key ideas emerge:

1. Focus on territorial cohesion and cooperation policies;

2. Cross-border territorial cooperation is defined as a strategic goal, covering 37% of Europe's population and around 500 cities;

3. Cooperation requires good governance and responsibility, always seeks closeness, and good examples of Euroregions must be adapted to macro-regions;

4. Cooperation needs to build strong common structures and networks, such as the respective territories;

5. Cooperation strengthens the unity and solidarity formulated by J. Delors and so necessary in the context of crisis and new challenges [5].

Attention should be paid to the "socio-economic study of the Luzo-Spanish border" in terms of the effects achieved as a result of more than three decades of cross-border cooperation in economic, social and territorial terms:

1. Economic cohesion:

- Need for faster growth of GDP per capita, corresponding to the respective weight of the population in the border area;

- In relative terms, the border area overcame better the first phase of the economic crisis in terms of reducing the number of enterprises, but this is generally due to the less important industrial structure compared to the farms of the countries concerned;

- The decline in the number of agricultural holdings is not offset by the expected increase in labor productivity.

2. Social cohesion:

- The border needs large investments in the formation of human capital, as many of its residents at NUTS III level see an increase in people with higher education, which is below the regional average, but above the national average. From this point of view, the available capacity needs to be used more rationally [6];

- Social services at the border are seriously threatened in these times of crisis, which is accompanied by a reduction in investment in health and social care and the removal of support for public libraries and other cultural sites.

- There is a trend of aging population, which is dangerous from the point of view of social cohesion, this trend is expected to continue in the coming years and if it is not eliminated by migration, it must be activated by creating more attractive conditions for life at the border.

3. Territorial cohesion:

A). The Luzo-Spanish border includes several urbanized areas:

(I) the La Coruna-Vigo-Braga-Porto urban axis is a polycentric area with a high population density and a significant exchange of flows of people and goods;

(li) a monocentric urban axis based in Badajoz has the potential to grow into a polycentric zone encompassing the settlements of Evora-Beja-Portalegre-Cáceres-Merida-Badajoz. It has better access to the interior, but is less populated, with negative migration rates and excessive dependence on the Lisbon-Madrid axis;

(III) The Faro-Huelva urban axis has great potential in terms of human and commodity flows, good accessibility and high average population density, but has small-scale urban structures including medium-sized interconnected cities that are poorly complementary. in economic terms;

(IV) The urban axis along the Valladolid-Salamanca-Viseu-Aveiro line, due to low population density, international flows of goods and the availability of urban centers, is in a demographic crisis.

B). In general, territorial cohesion depends both on the degree of accessibility, which has shown noticeable improvements, and on the degree of creation of joint structures for cross-border cooperation, which have legal personality and contribute to reducing costs in a cross-border context, increasing attractiveness on the territory and act in defense of the common interest.

Thus, in view of the Community's priorities and the problems of the border areas, priorities can be outlined for each area [4]:

1. Economic, which has as its main objective the creation of employment:

(a) Promoting the creation of cross-border clusters in productive key sectors of the border (agro-industry, industrial zones, renewable energy, automotive industry);

b) Promoting the sustainable tourism sector to act as a driver of local economic development;

c) Encouraging banks to support agriculture, livestock and forest resources, in line with the new CAP;

d) Promoting the proper functioning of public administration, business and education and research centers to be placed at the service of local development;

e) Promoting accessibility at the border.

2. Social cohesion, whose main goal is to improve the quality of life of citizens:

a) Social entrepreneurship;

b) Promotion of joint vocational training programs;

c) Promotion of joint educational programs;

d) Promotion of joint health equipment and services.

3. Territorial cohesion, with the main aim of territorial articulation around the polycentric networks of small and medium-sized towns along the border:

a) Encourage the establishment of cooperation structures with legal personality;

b) Encouraging the creation or strengthening of logistics platforms in the main areas interconnected on both sides of the border;

c) Improving accessibility, especially with regard to rail transport;

d) Stimulating cross-border public transport.

It can therefore be concluded that the Portugal-Spain cross-border cooperation strategy will try to combine the most important objectives of the Europe 2020 Strategy - innovation, growth and jobs - with the recommendations repeated in the Territorial Cooperation Program 2020 [7]. This document, adopted by the European Ministers responsible for Spatial Planning and Development, previously updated by another document (Leipzig, 2007), adapts it to the current economic and social situation and the new one obtained in the context of the Lisbon

Treaty and its adaptation to the Europe Strategy 2020. The following guidelines [3] should be noted:

(I) neighboring cross-border areas with additional opportunities must join forces and share their comparative advantages, thus creating additional development potential;

(II) cities should focus on networking innovation in order to improve their efficiency and competitiveness, both in Europe and globally;

(III) a polycentric territorial development policy must boost territorial competitiveness in the EU;

(IV) territorial cooperation initiatives should focus on long-term objectives for territorial cohesion and, where necessary, with the support of the European Commission;

(V) balanced cooperation and association between rural and urban areas, specific to each region, must be developed.

In this way, territorial cooperation aims to help regions and cities respond to new cross-border and transnational challenges and use their potential. It can therefore be concluded that territorial cooperation not only depends on the progress that European integration can bring, but in fact it itself contributes to its realization.

Conclusion

Territorial cohesion will continue to be at the heart of the EU's Territorial Agenda. This calls for the territorial dimension to play a more decisive role in the future of European cohesion policy, among other policies pursued by the Union.

Territorial cohesion will be a key factor in achieving the goals of economic growth and solidarity, as well as building a highly competitive social market economy geared to full employment, social progress and sustainable development. Cross-border cooperation between Spain and Portugal will be among the key elements in European integration and a political priority for the EU.

Although the management of cross-border cooperation programs has changed in recent decades, the assessment is generally positive, not only in terms of EU border policy, but also in the populations of Spain and Portugal, in terms of fuller integration of border regions and the implementation of INTERREG programs.

References

[1]. Glovny, M., E. Blagoeva. (1989). Физическа география на континентите [Physical geography of the continents] Sofia.

[2]. Documento de Trabajo para la programación 2014-2020: Análisis de la situación económica, social y ambiental de la zona fronteriza de España y Portugal, Madird, 4 de octubre de 2013.

[3]. INTERREG V-A ESPANHA-PORTUGAL (POCTEP) 2021-2027. (2020). Badajoz.

[4]. Isidro, A. I., (2013). Políticas de cooperação territorial: O Centro de Estudos Ibéricos e a cooperação transfronteiriça na Raia Central Ibérica, Instituto Superior de Ciências Sociais e Políticas, Universidade de Lisboa, Lisboa.

[5]. ESPON. (2012). Territorial Dynamics in Europe - Regions and cities in the global economy, Luxemburgo: ESPON.

[6]. ESPON. (2012). New evidence on smart, sustainable and inclusive territories. Luxemburgo: ESPON.

[7]. European Commission. (2012). Europe 2020: A strategy for smart, sustainable and inclusive growth, COM (2010) 2020 final, Brussels: European Commission.

[8]. Kolev, B., (2008). Националното географско пространство на Република България. [The national geographical area of the Republic of Bulgaria]. Heron Press Publishing House, Sofia.

[9]. Limpo, P., (1989). Olivenza, entre España y Portugal: (un catálogo crítico de la bibliografía española sobre Olivenza).

[10]. Programa Operativo de Cooperación Transfronteriza España-Portugal 2007-2013. (2006). Badajoz.