

MANAGEMENT AND POSSIBLE SCENARIOS FOR THE DEVELOPMENT OF THE EUROCITY CHAVES-VERIN PROJECT

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Abstract

The European Union (EU) and its territories depend on increased synergy between cohesion policies and strategies to promote competitiveness, as well as on the development of sectoral policies enabling less-favoured territories to face the challenges of globalization by applying cross-border, transnational and interregional approach. Cross-border, transnational and interregional cooperation has already added and continues to create added not only European, political, institutional, economic, but also socio-cultural value. Such an example of cooperation is Eurocity Chaves-Verin, located on both sides of the Spanish-Portuguese border.

Key words: The European Union, Cross-Border Cooperation, Eurocities.

JEL Classification: JEL: M12; M19

INTRODUCTION

Cohesion policies are a major factor in achieving the goals of economic growth and solidarity, as well as in building a highly competitive, social and market economy aimed at full employment, social progress and sustainable development. Territorial cooperation and especially cross-border cooperation is becoming a key element in European integration and a political priority for the EU (Balibar 1998).

Countries, such as (Spain and Portugal), manage to take advantage of their border potential and gradually transform their border territories from laggards into centers of growth. The treaties between the national governments of the two countries are extremely important, with which the beginning of bilateral relations is established. In the national agreements, points of conflict between the Spanish and Portuguese political leaders are not sought, but on the contrary, reasonable and reasoned solutions are sought, which are the basis of administrative cooperation. In order for management to be successful, transformation of the existing organizational culture and improvement of management is necessary (Yordanova, 2023).

A typical example of such cooperation are the cities of Chaves and Verin, which are the basis for the creation of the first Eurocity in the northwestern part of the Iberian Peninsula.

The object of research are the features related to the development of the Eurocity Chaves-Verin project. *The subject* of research are the specifics, advantages and sustainability in the management of this project. *The purpose* of this study is to analyze the possible scenarios related to the future development of Eurocity Chaves-Verin. *The methods* used are theoretical analysis and synthesis, convergent analysis and graphic methods.

Exhibition

The proximity of the cities of Chaves in northern Portugal and Verin in Galicia, Spain allows them to be classified as an agglomeration, despite being from different countries. Convergence is an opportunity to use the strengths and successful policies of both cities in order to achieve a common goal - overcoming social, economic, health, etc. problems. The formation of the Eurocity project offers the residents of both cities common social, cultural and economic benefits.

Eurocity Chaves-Verin aims to create a unique model of a cross-border, innovative and cooperative region that presents residents, through joint territorial planning, common management of urban services and joint overcoming of obstacles that hinder mobility. The Eurocity project aims to promote common services and policies in the fields of culture, tourism, trade, education, research and social policy. The promotion of territorial cooperation also strengthens social cohesion between the two communities, improving the quality of life of the people as a whole (Documento de Trabajo para la programacion 2014 – 2020, 2013).

The steps taken in this direction are related to various initiatives such as the development of a project that aims to prepare a map that contains information on general services and facilities, sports events, leisure, music and culture. The map has been positively received by the residents of both cities. Publishing monthly schedules of events held in both cities also helps foster a sense of belonging.

Measures to stimulate the local economy include - promoting tourism by focusing on the preparation of a common tourism brand with an emphasis on the thermal springs in the common area, as well as on the Tamega River, which is the link between the two municipalities. Local employers and employers' organizations also have a key role in promoting the two cities as destinations for shopping and other commercial activities. An online directory of employers looking for and offering jobs and other services has also been published. An unquestionably important point of the project is the promotion of entrepreneurship, by uniting young people and prestigious companies for the realization of business ideas. Joint training courses are also planned, which are mainly directed as a target group to young people with an entrepreneurial spirit (Dimitrova 2021).

The investment from the EU for the Eurocity Chaves-Verin project is worth 1,333,578 euros, of which 1,000,184 euros are from the European Regional Development Fund of the EU within the operational program "Spain – Portugal" for the current programming period (Programa Operativo de Cooperacion Transfronteriza Espana-Portugal 2007 – 2013, 2007).

Socio-economic initiatives to promote cooperation

In the 1970s, after a publication in the Spanish press, the border territories were defined as "underdeveloped", due to the unfavorable conditions, due to the distance from the center, they were also defined as "weak periphery" (Medeiros 2011). As a result of the economic crisis that affected Europe in 2008, it undoubtedly affected the border between Spain and Portugal. Statistics show that 50% of young people in the border region are unemployed, with 44% of them affected long-term by the lack of employment (Eurostat regional yearbook, 2020). The collapse of some sectors, especially construction, is the reason for the return of a large part of the population to the cross-border area, which is the reason for the increase of the unemployed, especially in Chaves.

Compared to this period, to date there has been an undoubted improvement in the development levels of these regions, mainly due to EU funding, as well as programs aimed at these regions such as: cooperation within INTERREG I, II, III and IV.

Eurocity sets itself a common goal: ensuring a better quality of life for the people of the municipalities of Chaves and Verin by promoting sustainable development. It must be realized through:

- ✓ Confirmation and development of local business;
- ✓ Integration and promotion of the logistics sector;
- ✓ Assessment of the natural heritage (of particular importance for the Tamega River corridor) and cultural heritage;
- ✓ Encouraging the tourism sector to focus on the available resources and opportunities for the development of health and wellness tourism;
- ✓ Encouraging the development of human resources through various opportunities for training and retraining;
- ✓ Revival of sports activities through the construction of common infrastructure and diverse practices, especially in Verin, as innovative opportunities for land use;
- ✓ Strengthening social cohesion;
- ✓ Optimizing cultural life through the use of infrastructure and facilities (existing and in the planning process);

- ✓ Development of rural areas by promoting the production of products specific to the area and introducing new activities.
- ✓ In connection with the set goal, a number of activities are carried out:
- ✓ An action plan presented by the Portuguese Secretary of State for Regional Development and the Galician Minister of Economy and European Affairs;
- ✓ Strengthening support for the office with the participation of a technical associate;
- ✓ Realization of numerous exhibitions in Eurocity Chaves-Verin, with the aim of increasing the awareness of the population about the project;
- ✓ Joint celebration of Children's Day;
- ✓ Traveling exhibition of young talents (painting, sculpture) from both cities;
- ✓ Creation of a general youth research group (of students) on topics related to the project;
- ✓ Conducting economic seminars for entrepreneurship;
- ✓ Two applications under the INTERREG IVA program (Eurocidade and Eurocivas Aqua Novum) were presented in order to develop a project and study the potential of the most important resource - the hot mineral springs and their joint use;
- ✓ Free time and learning through some activities realized in the summer, for example to live together with languages, speaking in Spanish and Portuguese and joint activities for the children of the two municipalities in the field of tourism and sports;
- ✓ A protocol was signed according to which the citizens of the two municipalities have equal conditions when using the thermal facilities and the swimming pool in Chaves and the public sports facilities in Verin;
- ✓ Development of a strategic program for Eurocity in the coming years, covering society, EU citizenship, environmental actions and economic development.
- ✓ We can distinguish two types of activities that will contribute to the strengthening of cross-border spatial integration:
- ✓ Structural related to transport, infrastructure and economic development. At the beginning of the last decade, it was decided to connect Northern Portugal and Galicia by means of a motorway (8 km were missing). The project that was implemented is extremely important for Eurocity. From an economic point of view, it was extremely important to build a large logistics center including a fish market and a business incubator financed by INTERREG funds in the municipality of Chaves near the highway;
- ✓ Culture/tourism - these are related to projects that allow to promote the revival of ancient routes crossing the Eurocities, such as the cross-border route of smugglers and the traditional pilgrimage routes in the direction of Santiago de Compostela (specifically the Via de la Plata).

A network of museums was built in the region, including the existing museums on the territory of Eurocity (Dimitrova 2021).

The next generation of projects related to the two municipalities are focused on the development of Eurocity, in addition, some other interregional projects could also be very important for Eurocity, such as the high-speed train project that should connect Spain and Portugal in the considered area, as well as infrastructure connecting the association of cities from the Atlantic axis. The resulting partnership between the cities of Chaves and Verin provides common opportunities in solving identical problems. Moreover, the strategy developed between the two cities is linked to the strategic policies of other cross-border structures, such as the Galicia-North Portugal Working Community and the Atlantic Axis organization.

After strengthening the integration processes in the 1990s, both cities increased their population, the number of young people who maintain permanent employment also increased, as well as active participation in the development of local initiatives to maintain the environment, rural areas, etc. Eurocity promotes collaboration and partnership in the context of European cross-border governance policies.

In terms of sustainable development, both cities are developing a common public transport and road safety map, complying with European Commission standards. Sustainable political solutions aimed at the development of the rural environment are implemented. In terms of construction, the emphasis is on building a high-speed highway to connect the two countries. Finally, in terms of economic policy, Eurocity integrates tourist packages around the thermal springs; promotes a common trade area (Open Border Trade) and specialized business forums. The development of these activities has a direct impact on urban areas.

Eurocity has a political and social presence, becoming the brand of the municipality and the regional government of the Galician region. In 2009 the Spanish magazine "Trips and Tourism" awards Eurocity Chaves-Verin with the "Best Tourist Destination of the Future" award. In addition, through the newly built institutions, the cross-border territory gets the opportunity to specialize in educational or university tourism.

The management policy of Eurocity includes a symbolic restructuring of the socio-political spaces that were used as border posts, for example, the former customs building was transferred from the Spanish state to Verin to be restored and transformed into a central office of Eurocity with the financial support of INTERREG. In this way, the border acquires another meaning, becoming a place for meetings and contacts.

The administrative and political decisions for the integration of Spain and Portugal in the European economic space contributed to "overcoming" the artificial political borders, as well

as overcoming psychological barriers. The wide range of integrated services in Eurocity Chaves-Verin promotes cooperation and favors the economic prosperity of both cities. Some researchers report the beginning of a new period of relations between the two countries, related to the maximum use of the potential of the two cities. The cooperation in Eurocity Chaves-Verin is an example not only for Bulgaria, but also for all cross-border regions in Europe. In times when division is a fact, Spain and Portugal testify that the promotion of cooperation with well-balanced political decisions and the right management approaches can unite and ensure prosperity for the population, and also be an example especially for the more backward border countries regions between Bulgaria and neighboring countries.

Possible options

After the preparation of the strategic documents regarding the development of Eurocity Chaves-Verin and EGTC until 2030, it is important to foresee the options for the further development of this border territory. Three options are offered depending on the deepening of cooperation on both sides of the border. It covers not only Eurocity Chaves-Verin, but also the neighboring territories.

The question regarding the expansion of cross-border cooperation beyond the scope of Eurocity under consideration was raised already in 2015 (Trillo Santamaría & Lois González & Carril 2015). This is justified by the achieved results, and the idea is supported institutionally and by the population on both sides of the border. The possibilities for expansion on the Portuguese side are mainly focused on Alto Tamega and the municipalities of Montalegre and Barroso, and on the Spanish side, they concern the municipality of Verín, the neighboring territories of Swaledro and Oimbra, as well as some parts of the province of Ourense.

Formally, the process was hindered from an administrative point of view, but after the adoption of the new changes of NUTS III in Portugal carried out in 2013 (INE 2015), Alto Tamega received a more clearly defined territorial and institutional form, led by the CIM of Alto Tamega, acquiring clearer administrative competences.

On the Spanish side, however, the municipality of Verín corresponds to the association of municipalities, its status, competences and areas of action, although they are not equivalent to those of the CIM of Alto Tamega. This is important from the point of view of maintaining an institutional balance on both sides of the Spanish-Portuguese border.

Examining the main challenges and opportunities of these cross-border territories, they outline three possible options for future cooperation.

Variant I: Maintain the existing framework

The first option concerns the preservation of Eurocity Chaves-Verin in its current territorial scope (fig. 1). The progress achieved and the experience gained justify that this project is important from the point of view of cross-border cooperation in the EU countries and has a future.

There are issues related to the lack of scale, asymmetry between the two sides of the border and the insufficient institutional weight that Chaves and Verin have in their respective countries, leading to the consideration of other future positions.

Advantages:

- ✓ A stable structure for cross-border cooperation, whose participants in the person of the two cities of Shaves and Verin - have many years of experience in working together;
- ✓ Good interaction between the two municipalities and their work in a regional, national and Iberian context;
- ✓ Good image and presence of own brand, relying on the concept of an urban continuum separated by a state border;
- ✓ First project of a similar nature within the European cross-border cooperation;
- ✓ The Eurocity unites two cities with significant socio-economic and cultural complementarity, which are vibrant urban centers at the regional level and whose influence exceeds municipal borders;
- ✓ The project is developing well and in sync with the problems and expectations of the population (Eurocidade Chaves-Verin, AECT 2023).

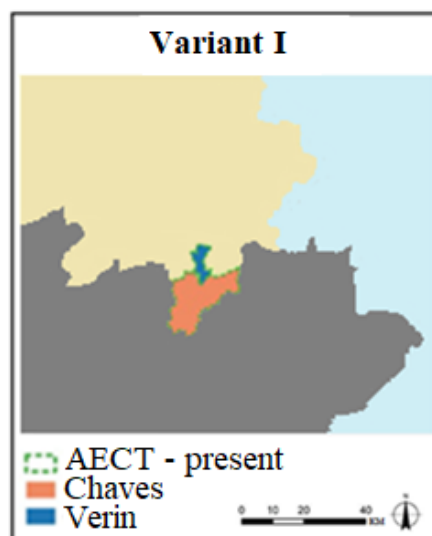


Figure 1 Variant I of territorial expansion

Source: Xunta de Galicia. (2019). Plan Estratéxico 2021-2030.

Disadvantages:

- ✓ The structure has imbalances in terms of territory and competences between the two member entities that make it up;
- ✓ Lack of greater institutional scale and weight, which makes it difficult for Eurocity Chaves-Verin to be an instrument for more effective regional development in the fight against the problems related to the peripheral location;
- ✓ There are objective difficulties in consolidating long-term initiatives, developing independent projects from EU funds and actively involving both public and private territorial agents;
- ✓ Lack of coverage of the benefits of cross-border cooperation in the areas of influence of Chaves and Verin, in particular in the municipalities with which they have joint structures for inter-municipal cooperation and with which they share internal resources and certain socio-economic problems;
- ✓ The main identity elements of Eurocity Chaves-Verin, the resource “water” and the Tamega river, are shared by a wider territory that includes the municipalities of Alto Tamega and the Verin region. It is necessary to improve these elements, which will be beneficial for the inclusion of the other territories in the same cross-border cooperation structure ((Trillo Santamaría & Lois González & Carril 2015).

Variant II: Moderate territorial and institutional expansion

This option envisages the possible expansion of Eurocity Chaves-Verin, to which all the municipalities of Alto Tamega will join, as well as the adjacent municipalities of the Verin region. This expansion will be institutional, it will be joined by the CIM of Alto Tamega and the Provincial Council of Ourense, which are member-members of the EGTC (fig. 2).

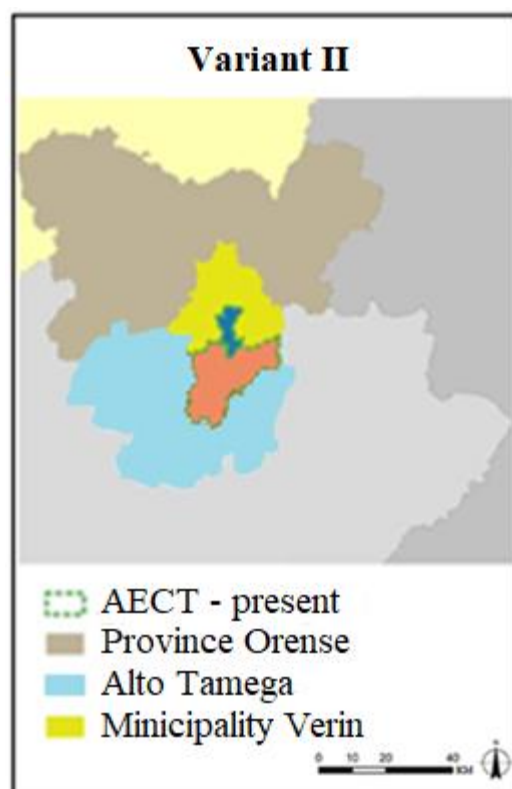


Figure 2 Variant II of territorial expansion

Source: Xunta de Galicia. (2019). Plan Estratégico 2021-2030.

Advantages:

- ✓ Dynamization of cross-border cooperation by attracting more people and organizations, both from the public and private sectors;
- ✓ Integration of new member entities which, thanks to their supra-municipal character, will allow the strengthening of the institutional weight both on a regional scale and within Spain and Portugal. Despite the existence of legal frameworks that are different and specific to the respective countries, in terms of their fields of action and competences, they will receive a more significant representation than what exists among municipalities;
- ✓ More opportunities to implement structural projects on a regional scale and longer-term perspectives, allowing good coordination between municipal and non-municipal territorial strategies in a cross-border context;
- ✓ Development of strategies related to the evaluation and use of the available endogenous resources, including the hydro resources and waters of the Tamega River, especially in the territory where they are located;
- ✓ More opportunities to attract investments, incl. foreign, taking into account the 2021-2027 program period and the funds intended for the development of cross-border cooperation.

Disadvantages:

- ✓ Need to adapt the EGTS strategy to the inter-municipal logic and on a supra-municipal scale, necessary for a future expansion;
- ✓ Possible loss of the essence of the Eurocity idea and the possibilities for cross-border cooperation with the help of projects;
- ✓ The lack of experience and the inclusion of new subjects in this cooperation can lead to problems in the consolidation of the culture of cooperation and the need for joint work between the new participants;
- ✓ Possible difficulties related to the new entities, the general action plan and the new strategic documents for future development;
- ✓ The existence of an imbalance between human resources, territorial scope and opportunities for economic prosperity on both sides of the border (Xunta de Galicia 2019).

Variant III: Territorial and institutional expansion

The third option is the most optimistic and at the same time the most difficult to implement. With it, there is a need for greater territorial and institutional expansion, and it implies the inclusion of new territories by Spain and Portugal. The participation of the CIM of Alto Tamega and the CIM of the territory of Tras-os-Montes on the Portuguese side is foreseen, and on the Spanish side, the Municipality of Baixo Lima, the Municipality of A Lima, the Whole Municipality of Verin and the Municipality of Viana, which are part of the Council of Ourense, are included (fig. 3). With this option, the scale of Eurocity Chaves-Verin is significantly exceeded and the move is rather towards the creation of a new Euroregion, with its specific features.

Advantages:

- ✓ Creation of a space for cross-border cooperation on a regional scale in the interior of Galicia and Northern Portugal, which could become a new Euroregion;
- ✓ An institutional increase in weight as a result of the participation of subjects with administrative weight in the territories, will allow to improve the performance of these territories both in the national context (Portugal and Spain) and in the EU;
- ✓ Inclusion of Tras-os-Montes and significant parts of the autonomous region of Galicia in the processes of cross-border cooperation;
- ✓ Need for the development and implementation of new regional strategies for economic development that integrate the included territories, the efforts of local people and institutions to overcome similar socio-economic challenges and problems;

✓ Inclusion in the same structure of territories with a similar economic profile, which would allow strengthening the competitiveness and positioning of the cross-border space in some economic sectors such as agriculture, tourism (especially spa and rural tourism), green energy production, etc. (Eurocidade Chaves-Verin, AECT 2023).

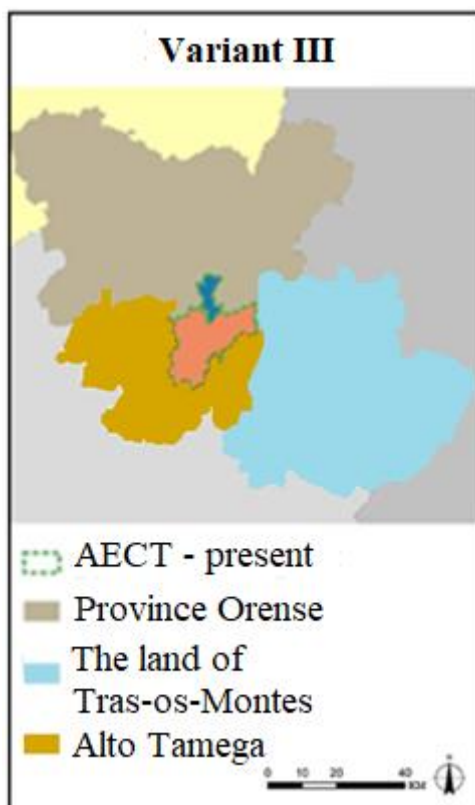


Figure 3 Variant III of territorial expansion

Source: Xunta de Galicia. (2019). Plan Estratégico 2021-2030.

Disadvantages:

- ✓ The lack of experience in the cooperation between the entities that will be included may lead to problems related to cultural consolidation and joint institutional work between municipalities and municipal entities on both sides of the border;
- ✓ It will be necessary to create a new image and brand, since the common elements connecting Eurocidade Chaves-Verin will not be able to be shared by the newly joined territories;
- ✓ Occurrence of difficulties in uniting the new participants around new lines of action and developing new strategies, given the greater variety and specific features of the new territories;
- ✓ The emergence of an imbalance between the new entities from the two countries, since two inter-municipal communities from the Portuguese side and fewer territories from the Spanish side included in the Provincial Council will be added to Chaves and Verin;

✓ The emergence of new participants with greater socio-economic weight in the form of cities such as Ourense (Spain) and Braganza (Portugal), will take away the strategic advantage of Eurocity Chaves-Verin in the field of cross-border cooperation (Xunta de Galicia 2019).

Conclusion

All three options have strengths and weaknesses, and this is extremely important from the point of view of the sustainable development of the Eurocity Chaves-Verin project, as a tool for local development of the border territories with their specific features (Xunta de Galicia 2019).

In the first variant, Eurocity Chaves-Verin does not undergo significant development and retains its current institutional structure and territorial scope.

The second option considers the possible territorial expansion with the inclusion of Alto Tameta on the Portuguese side, as well as the municipality of Verín on the Spanish side. An extended institutional participation of the CIM of Alto Tamega and the Provincial Council of Ourense is envisaged.

The third option is more difficult to implement, because it implies a significant territorial expansion of the EGTS, which implies the inclusion of almost the entire border between Portugal and Ourense (that is, from the province of Ourense, only the territory of the municipalities of Baixu Lima, A Lima, Verin and Viana is included) . In this case, both the Provincial Council of Ourense and the CIM of Alto Tamega and Tras-os-Montes from the Portuguese side will participate.

In all three options, the area of common action is of most importance. In the case under consideration, it is the one made up of the municipalities of Verin and Chaves.

Here we can point to the different territorial scope, especially on the Galician side, considering the difference in size between the municipality of Verín and that of Chaves. The need for the Galician country to have a wider territorial dimension, equivalent to that of Portugal, is often pointed out, referring to the regional scale (Monterrey Valley). In the first years of the project, the "leap to scale" on the Galician side was not possible. Currently, however, this idea is resurfacing. More or less concrete concepts emerged, such as that of forming a "Eurodistrict" or "Euroregion" with a larger territory, usually identified with the Galician region of Verin (community of Verin) and sometimes with Portugal's Alto Tamega.

In fact, Alto Tamega is not an official name in Portugal and the space it can cover varies between different concepts. On the one hand, it forms NUTS 3, the so-called Alto Tras-os-Montes, where, in addition to Chaves, 13 other municipalities are included, their territory

exceeding 8,000 km², an area that is larger than the entire province of Ourense. On the other hand, there is the Association of Municipalities of Alto Tamega, which unites 6 municipalities: Boticash, Montalegre, Ribeira de Pena, Valpasos and Villa Pouca de Aguiar.

The emerging proposal for a joint EGTS between the province of Ourense and that of Portugal's Alto Tamega, to be called "Vale do Tamega"/"Val do Tamega", will include the Portuguese municipalities of Boticas, Chaves, Montalegre, Vila Pouca de Aguiar and Viñaish. In short, the mention of these 13, 5 or 4 Portuguese municipalities beyond Chaves as the scope of future expansion of the space currently covered by the Eurocity project undergoes variations.

This eventual expansion would greatly increase the cooperation territory (tripling, quadrupling or quintupling the area currently covered) and reaching a population that could exceed 100,000 people. The possibility of extension is provided for in the EGTC Statutes, Article 6, where it is stated that entities that have their headquarters in NUTS 2 Galicia and Northern Portugal may be admitted. It is interesting to note that they are not limited to NUTS 3 (Province of Ourense in Galicia, Alto Trás-os-Montes in Portugal), which would be more appropriate to keep the territorial scope limited to the two cities that participate in Eurocities. For this reason, a possible enlargement of the members would make the use of the term Eurocities questionable in the sense of the current Chaves-Verin bilateral relations, as well as the possibility of considering them as "cities that cross the border". In turn, it may come into competition with the planned AECT Val do Tamega.

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