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## **EUROREGION IN THE ROLE OF MANAGEMENT OF STRUCTURAL AID AND AS A NATURAL CLUSTER**

*This paper concerns the institutional and organizational structure of the Euroregion. It is multi-level and affects the functioning of the Euroregions, including, but not limited to, organized approach to the use of structural aid under the regional policy of the European Union (EU). The highest level of the organization is the Association of European Border Regions (AEBR), which lobbies for Euro-regions within the EU and provides professional services for broadly understood regional action. In turn, the Euroregion itself is also organized by having institutions. This allows for an orderly performing of tasks at the local level while showing a „different” approach to management, which can take many forms.*

### **1. Introduction**

Euroregions and the associated process of euroregionalization are for more than fifty years inseparable elements of post-war European integration processes. Today it would be difficult to imagine the European Union (EU) without Euroregions, which add a special nature to the integration processes, and also distinguish the EU from all other integration groups in the world where there are no similar structures. The Euroregions started their „career” on the Old Continent from the unification mission, settling disputes and building a compliant local Europe, convincing about the usefulness of this type of agreement and unity on a larger scale. They were thus the first step to community integration and strengthening of early ties of integration, which in post-war Europe were not easy. So Euroregions thus became the pioneers of European integration, which is developing today in the context of economic and monetary union in preparation for the adoption of the challenges of political union.

Along with the evolution of integration processes Euroregions have evolved too. With the strong support of Germany they have gradually become not only a unifying element, but also the main beneficiaries of EU structural assistance.

Currently, perhaps the unifying role went slightly into the background when compared to other challenges that the Euroregions met with time. These include their place in structural aid and the role of a natural cluster that can be attributed to the Euroregions.

The aim of this study is the presentation of these „new” roles of the Euroregion, namely in the role of managing the structural assistance and as a cluster. With regards to the role of a cluster in the management of structural aid, and even when applying for it, this is where you should take into account several issues. On the one hand, Euroregions have their own central regional office, namely The Association of European Border Regions (AEBR), which lobbies for Euroregions in the EU, on the other hand – Euroregion in itself is an organized structure, which in an organized manner manages the EU structural aid.

The study was designed to find answers to the following questions:

- How the AEBR functions while being a collective management structure for the Euroregion;
- What is the organization of the Euroregion, which gives it an advantage over cross-border region;
- What is the similarity of the Euroregion to the cluster, which also creates a specific structural aid management structure.

## **2. AEBR organizational and management structure for Euroregions**

The Association of European Border Regions operates in Europe since 1971 serving the Euroregions and lobbying for them on the forum of EU institutions. Its objectives set out in the statute are as follows:

- Identifying problems of Euroregions, their opportunities and action programs;
- Representing their interests to the government and national and supranational institutions;
- Developing common positions (mainly regarding structural assistance) at the EU forum and lobbying;
- Initiating, strengthening and coordinating intereuroregional cooperation, networking of Euroregions;
- Exchange of experience and information in order to identify and lobby for the common interests of Euroregions and their solutions [1, pp. 74-75].

AEBR implements these goals in practice, inter alia, through assistance in obtaining funds from the EU Structural Funds and their management, conferences and expert advice. In organizing these activities involved are individual institutions of AEBR, therefore, the figure below shows the organizational structure of the association.

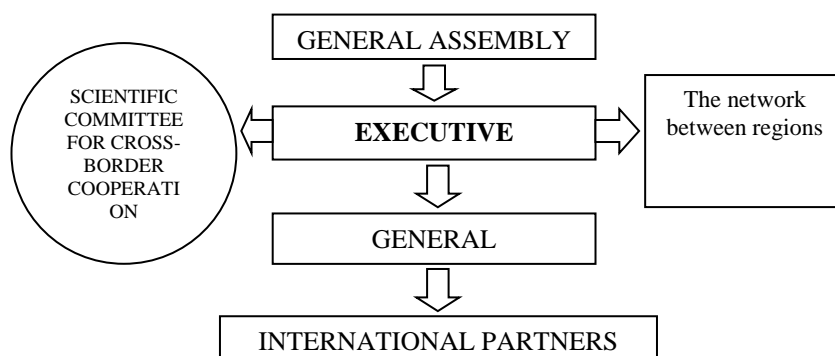


Fig. 1. Relation of AEBR organizational structure

Source: own elaboration basing on LACE guidebook.

Organized structure of AEBR causes that its various institutions are responsible for organizing and managing of Euroregions in different parts of Europe, including also ones created from non-EU countries. This structured organization is shown in Table 1

Table 1. AEBR – organizational structure and goals

| Structure and goals                       |   | Description of the structure and objectives of action   |
|---|---|---|
| Organizational structure                  | General Assembly  | It is the AEBR supreme body headed by the chairman elected by the members of the Executive Committee. It has the general and representation tasks, makes decisions about membership, namely calls for new or the exclusion of already operating members, also sets the membership fee.  |
|   | Executive Committee   | It consists of a chairman, his first deputy and three other deputies, a treasurer and a minimum of 20 members representing the cross-border bodies.<br>It deals with the ongoing activities of AEBR to ensure the attainment of its objectives, develops AEBR position on key issues, works with pan-European organizations with regard to territorial cooperation. Also chooses the General Secretary. |
|   | General Secretary   | Represents AEBR outside to the EU, other organizations and associations.  |
|   | Scientific Committee for Cross-Border Cooperation   | Strives for expansion of euroregionalization, is responsible for its qualitative dimension, increase of dynamics and importance in the socio-economic development of the country being the „owner” of the Euroregion.   |
| Goals through the implementation of tasks | <ul style="list-style-type: none"> <li>– Identifying the problems, determining opportunities, responsibilities and work programs for European border , cross-border regions and Euroregions;</li> <li>– Representing those regions in the national parliaments, other authorities and institutions, including the EU;</li> <li>– Initiating, coordinating and strengthening the cooperation between European border and crossborder regions;</li> <li>– Exchange of experience and information to extract common interests, coordinate them, implement and solve particular Euroregion problems.</li> </ul> |   |

Source: own elaboration basing on: [2, pp. 31-47], [1, p. 78].

All AEBR institutions (described in Table 1) form a compact, cohesive structure of the association, so that there is control over the Euroregions and their active „inclusion” in the socio-economic life of the country in which they operate. With the organized institutional structure of AEBR harmonize the functions of the association, namely presence, networking and advisory.

AEBR representative function is to represent the Euroregions and outlying border regions on the national and European level by:

- submitting of applications for structural aid and indicating the most important problems of the outermost regions and potential problems in solving them;
- activity in organizations and the European institutions;
- cooperation with other European associations such as The Assembly of European Regions, Council of European Municipalities and Regions, Conference of Peripheral Maritime Regions etc.

The AEBR network function lies in the fact that the association has created a wide network of links between cross-border regions and Euroregions, extending beyond the EU member states. This network connects approximately 160 border regions cooperating across borders and euroregionally. As part of this function AEBR initiated a partnership and consultancy in order to bring together regions with similar development issues and interests. Through a network, facilitated is getting to peripheries and solving internal and external problems of mountain, rural or coastal regions. The network also allows the development of specific cross-border cooperation projects which can be implemented within the framework of EU programs from EU structural funds.

The consultative role – as the name suggests – consists of professional consultancy supported by the knowledge that AEBR has on cross-border cooperation. These include the exclusion of areas of cooperation which share common cross-border problems, their spatial development, regional and local policy and assistance in applying for structural funds for the intended projects. So advisory function is a substantive and qualitative complement to the network function [3, p. 271 and more].

### **3. Euroregion as an organization and management structure**

The Euroregion is formalized cross-border cooperation. This formalization points to the fact that the Euroregion enables the development of good neighborly relations in various dimensions by institutions that constitute its organizational and management structure. This structure, along with the definition and functions of the Euroregion is illustrated with the help of description in Table 2.

Table 2. Euroregion in definitional terms and institutions of the Euroregion and their functions

| Expanding the definition of the Euroregion   | Name of the institution in the Euroregion | Functions of the institution in Euroregion  |
|--|---|---|
| <ul style="list-style-type: none"> <li>– Institutionalized formal relationship signed between national or local government organizations or informal, which was created by professional or scientific associations cooperation in border areas;</li> <li>– Formalized structure of cross-border cooperation between regions or local bodies of power, possibly with both, economic and social partners;</li> <li>– The agreement of neighboring border regions regarding cross-border cooperation in a wide range;</li> <li>– Local institutionalization of cooperation, with full recognition of state borders and the rights of countries participating in the creation of a given Euroregion;</li> <li>– Cross-border structure bringing together associations of administrative groups from areas of its composition, for purposes of mutual cooperation;</li> <li>– Cross-border organization whose framework is set by similar problems and a binding of relationships, such as readiness for cooperation of individuals and local institutions</li> </ul> | Council                                   | It is the highest authority. It specifies the main areas and directions of cooperation. Establishes strategic goals and the order of their achievement during the implementation of joint projects. The Council acts as the coordinator of Euroregional cooperation. It gains the necessary resources for its financing and ensures its proper course. Typically the Council is responsible for the election of members of other organs of the Euroregion. In addition, it adopts the statute and rules of procedure. Its competences include dealing with financial and budgetary matters. In most Euroregions the council acts as a representative of the association on the outside. It is also the body that accepts or rejects the proposals of resolutions. The Council also decides on the admission of new members. |
|  | Presidium                                 | It acts as the master executive body. The tasks of the presidium include the development and implementation of projects approved by the Council. In this way it gradually carries out the tasks set by the Council. It represents the Euroregion during breaks between Council meetings. In addition, it controls the course of work of the secretariat, deals with rights related to the use of its own funds and approves the material and financial plans. Often it also deals with the designation of minor implementing structures.  |
|  | Secretariat                               | It plays an administrative role. Takes care of office matters and organizes the work of other bodies. The Secretariat is responsible for preparing the relevant documents and reports to the Council and the Bureau. Its duties include organizing meetings, conferences or deliberations of the Council or the Presidency. Furthermore, it supervises the efficiency of the work within the working groups. Like other parts of the Euroregion structure it acts as a representative of the organization on the outside.   |
|  | Work groups (committees)                  | These are the lowest ranking execution and advisory units. They deal with various problems and issues on which cooperation within the Euroregion is based. Each group consists of experts and specialists in a given field. The task of these units is to prepare projects, assumptions of joint ventures. They carry out the recommendations of other bodies   |

Source: own elaboration basing on statutes of Polish Euroregions.

The organized structure of the Euroregion and its operation together with the institutions allow for a:

- stronger than in a typical region emphasizing historical, cultural and social similarities;
- stronger and more conscious emphasis on identity;
- higher visibility of their organization, which is reflected among other in higher than in a typical region utilization rate of EU structural aid and its more deliberate use in the context of national development strategies.

These expressive qualities of the Euroregion (through its organization and institutions) cause that it determines its needs and interests independently, the implementation of which it effectively performs. There is also the German support of the Euroregions, since the Germans „instilled” on European soil this form of „small” integration, proving its usefulness and necessity in the context of cohesion of integrative grouping.

Achieving a level of cooperation within the Euroregion occurs gradually and there must be some conditions like first of all, the peripheral location on the border. Diagram of the approach to the Euroregion is shown in Figure 2.

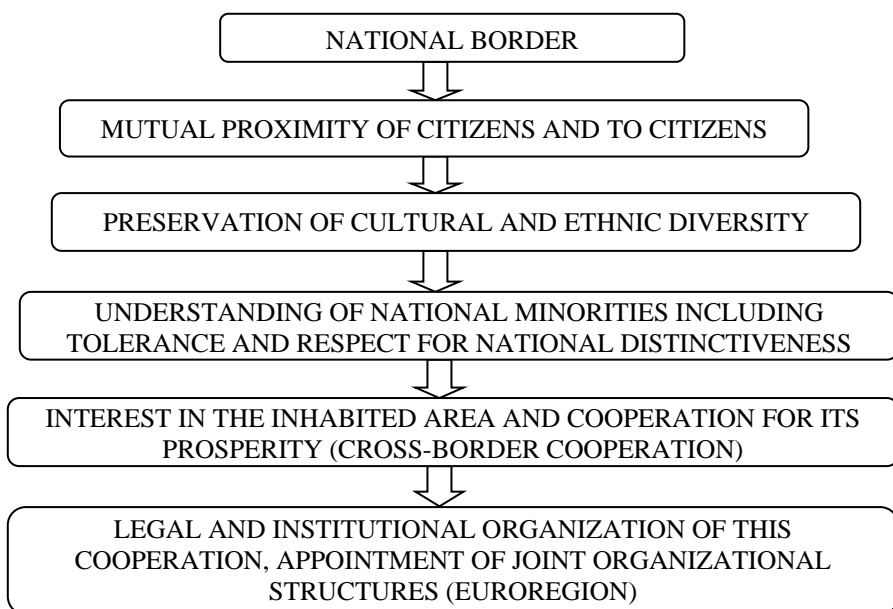


Fig. 2. Interdependence and road from cross-border cooperation to Euroregion

*Source: own elaboration*

The Euroregion is a higher stage cross-border cooperation, due to having a Council, the Presidium or thematic working groups (Table 2). Thematic working groups – they are also an identification of the main themes and priorities

of cooperation that are likely to be rapidly implemented with cooperation from, among others, EU structural assistance. In professional obtaining of such aid take part also other Euroregional institutions.

In practice, cooperation in the Euroregion as an organized region results in more numerous national and international connections, the specific nature of creating relationships, influencing group integration (EU), the creation of experimental test grounds for understanding subsidiarity and partnership. The specificity of the functioning of the Euroregion makes it similar to a cluster (discussed in the next section of the study).

## 4. Euroregion as a natural cluster

When defining a cluster, most generally one can say that it is a geographical concentration of interdependent companies, which are a part of the so-called local network. Clusters reflect the accuracy and the tendency that the enterprise has a „bias” to focus in certain areas. Given the above and the fact that the Euroregion is created from the bottom up by the local community and is geographically concentrated in a given area – it is a special (already held) a place for the creation of interdependent companies. Clusters are the epitome of interdependent design, such a structure is also the Euroregion. Euroregions are the „interdependent ground” and thus already prepared for the „economic interdependence”, which is the basis of clusters. In economics operates such a term as regional cluster, and it can therefore be used in the context of a Euroregional cluster. The author of the definition, within the meaning of regional clusters is, among others, A.S. Rosenfeld, who included the two main criteria to define them, as shown in Table 3.

Table 3. The criteria for defining regional clusters

| Criterion                                | Criterion description   |
|--|---|
| The criterion of territorial restriction | Regional clusters are limited geographical territories with a relatively large number of companies or employees acting only in several related sectors. This reflects the view that the economic, technological and entrepreneurial activity in specific industries tend to concentrate in certain areas.   |
| Cluster as part of a local network       | Businesses in regional clusters are to cooperate with enterprises or institutions operating in various locations, but they are primarily part of a local network, often in the form of production systems. These systems tend to cover subcontractors but they also mean horizontal cooperation, i.e. between companies which are in the same production phase. Using a common technology, training base or the same raw materials can connect the companies from the area. The size of the geographical area constituting a regional cluster depends on where the companies are located in the local production system. It often happens that the area of regional clusters coincides with the territory of local labor markets. |

Source: own elaboration basing on: [4, p. 9 and further].

These criteria can be used when defining Euroregional clusters, and the described here criterion of territorial limitation and local network are of particular importance due to the fact that the Euroregion is a so-called natural region of high intensity of „innate” and inherited features. The Euroregion is already a cluster by itself, while a region requires the creation of a regional cluster. Convergences and similarities of the Euroregion to a regional cluster can be traced to the convergence of the stages of creating of both of the structures. This comparison of a regional cluster and a Euroregion as a natural Euroregional cluster is contained in the table below (Table 4).

Table 4. Summary of stages of development for a regional and a Euroregional – called natural – cluster

| No. | The steps for creating a regional cluster  | The steps for creating a Euroregion – a natural Euroregional cluster  |
|-----|--|---|
| 1   | <p><b>Birth of a cluster</b></p> <p>They refer to specific knowledge acquired in research and development institutions, the needs of customers, the location of enterprises implementing technological innovations that stimulate the growth of many other companies. The genesis of clusters can be analyzed tracing the history of the events that led to their mass appearance in recent years. This step leads to the development of new businesses, leading to a geographical concentration of businesses at almost the same stage of production. It is followed by the increased regional focus, which is an important stimulator of innovation and entrepreneurship [5, p. 197]</p> | <p><b>Birth of the Euroregion</b> by reference to the tradition, historical conditions, the restoration of former unity of cross-border areas divided by different events and historical conflicts. This phase leads to renewal of cross-border ties, getting to know the socio-economic potential of areas. There is also increased regional focus, which is a stimulator of innovation and entrepreneurship</p> |
| 2   | <p>This is followed by shaping of a grouping of companies and is characterized by a build-up of positive externalities. They include initially the establishment of a network of specialized suppliers and service companies, as well as the creation of a specific labor market [6] These effects rely on lowering of collective costs and spendings, allowing for savings in the reduction of production costs to be used by both suppliers and recipients</p>   | <p>The origins of creation and the formalization of cross-border cooperation also give rise to recognition of the area in terms of, among others, endogenous potential of enterprises to further expand networks. These actions result also in changes in the local labor market, cooperation between local entities across borders</p>   |
| 3   | <p>It bases on the creation of organizations that will support the companies in the developing cluster. Those can be educational, training institutions, business organizations, etc., that support local collaboration,</p>   | <p>Bases on the creation of an organization and making cross-border projects that will support, among others, companies in the developing Euroregion – a natural cluster. These institutions have an educational, training, business, etc.</p>  |



|   |   |  |
|---|---|--|
|   | learning and diffusion of knowledge, as well as the formation of specific knowledge among executives in local companies   | character and support local Euroregional cooperation, learning and diffusion of knowledge, as well as generating knowledge specific to local companies   |
| 4 | Positive externalities are growing and appear organizations that increase the prestige and attractiveness of the cluster. This leads to the acquisition of companies and skilled labor from neighboring areas, which further increases the attractiveness and creates a more favorable ground for the creation of new businesses  | There is increasing positive effects inside and outside the Euroregion, measurable results emerge, as well as organizations increasing the prestige and attractiveness (e.g. AEBR). This leads to expansion of cooperation, acquisition and use of businesses and labor across borders, e.g. the Saar-Lour-Lux Euroregion and employment of the workforce in Luxembourg), as well as obtaining assistance funds, which creates more favorable ground for the development of the Euroregion           |
| 5 | Creation of non-market relationships that foster the circulation of information and knowledge by way of, for example, informal cooperation and assistance in the coordination of economic activities; thus the mature regional cluster includes a team of specific, differentiated relations between individuals and organizations. Communication, which includes the flow of specific knowledge, requires more frequent interpersonal contacts, which are stimulated by the proximity of people, businesses and organizations [7].   | The Euroregion itself is by definition a formalized cross-border cooperation, but its maturation leads to a particular neighborhood coordination of economic activity and development of relations and communication. This social and knowledge element becomes important after the construction of the foundations of cooperation   |
| 6 | The declining stage for clusters, although they may succeed for decades and co-create new clusters (sooner or later they enter the declining stage), because the regional socio-economic development can lock itself in its own socio-economic environment, which once was the basis of its strength. Clusters can fall into the trap of rigid specialization. Cluster development is sometimes characterized by implementation of old, tested practices and suppression of new ideas, which could pose a danger to the existence of clusters in the event of changes in the global economy [8, pp. 255-277]. | For Euroregions this stage refers to co-creation of new structures of this type in the vicinity of the non-euroregionalized municipalities. We rather do not encounter falls of Euroregions, because their development does not close in their own socio-economic environment that is recovering and there is no rigid specialization trap. The development of the Euroregion, being a part of the integration and promoting its development responds to the changes occurring in the global economy |

Source: own elaboration using: [5, p. 197], [6], [7], [8, pp.255-277], [9, pp. 56-57].

Similarities described herein are clear and significant, starting from birth of the cluster/Euroregion in which clearly dominate unity, community, tradition through the formalization of cooperation (steps 2 and 3 in the table) up to positive effects (steps 4 and 5). The main discrepancy concerns the final stage, in case of clusters we are talking about their decline, although they can stimulate

and co-create new ones before they come out of sight, they may also fall into the specialization trap. With Euroregions, so far, the practice of their functioning did not show the end of the Euroregion. It can be assumed that the natural Euroregional cluster, because of its specificity is not subject to the regularities of the last stage (Table 4). One can also risk to say that in the context of the natural Euroregional cluster can operate regional clusters.

## 5. Conclusion

Referring to the title of the work, which hides its goal, should be emphasized that the Euroregion manages structural aid, which is a consequence of the functioning of EU regional policy. This is because it alone has an organized institutional structure, which makes the Euroregion itself organized, already prepared to act and take activities at the local level.

Above the Euroregion the organizational structure is „held” by the Association of European Border Regions (AEBR). Already due to this orientation of structural aid that goes with the guarantee of its effective and useful utilization.

Euroregions, specifying in their area some interdependence between economic activity and entities that are focused, are similar to clusters. At the same time clusters tend to be created if there are conditions for doing so. However, in the case of the Euroregion these conditions already are present. These dependencies, taking into account the management function, can be illustrated by the following diagram (Figure 3).

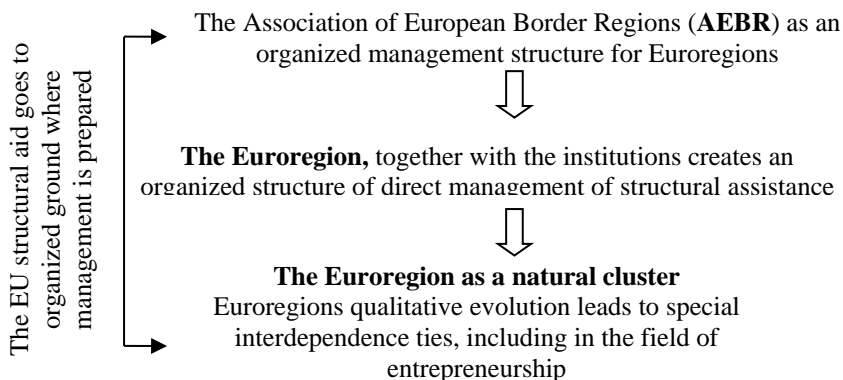


Fig. 3. Relationships, taking into account the management function of the Euroregion in structural aid.

*Source: own elaboration.*

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## EUROREGION W ROLI ZARZĄDZANIA POMOCĄ STRUKTURALNĄ ORAZ NATURALNEGO KLASTRA CITIES

### Streszczenie

Opracowanie dotyczy struktury organizacyjno-instytucjonalnej euroregionu. Jest ona wielopoziomowa i wpływa na funkcjonowanie euroregionów, w tym między innymi na zorganizowane podejście do wykorzystania pomocy strukturalnej w ramach polityki regionalnej Unii Europejskiej (UE). Poziomem najwyższym tej organizacji jest Stowarzyszenie Europejskich Regionów Granicznych (SERG), które lobbuje za euroregionami na forum UE oraz świadczy fachowe usługi w zakresie szeroko pojętych działań regionalnych. Z kolei sam euroregion jest również zorganizowany posiadając instytucje. To pozwala w sposób uporządkowany realizować zadania w wymiarze lokalnym, jednocześnie pokazując „inne” podejście do problematyki zarządzania, które może przybierać różne formy.