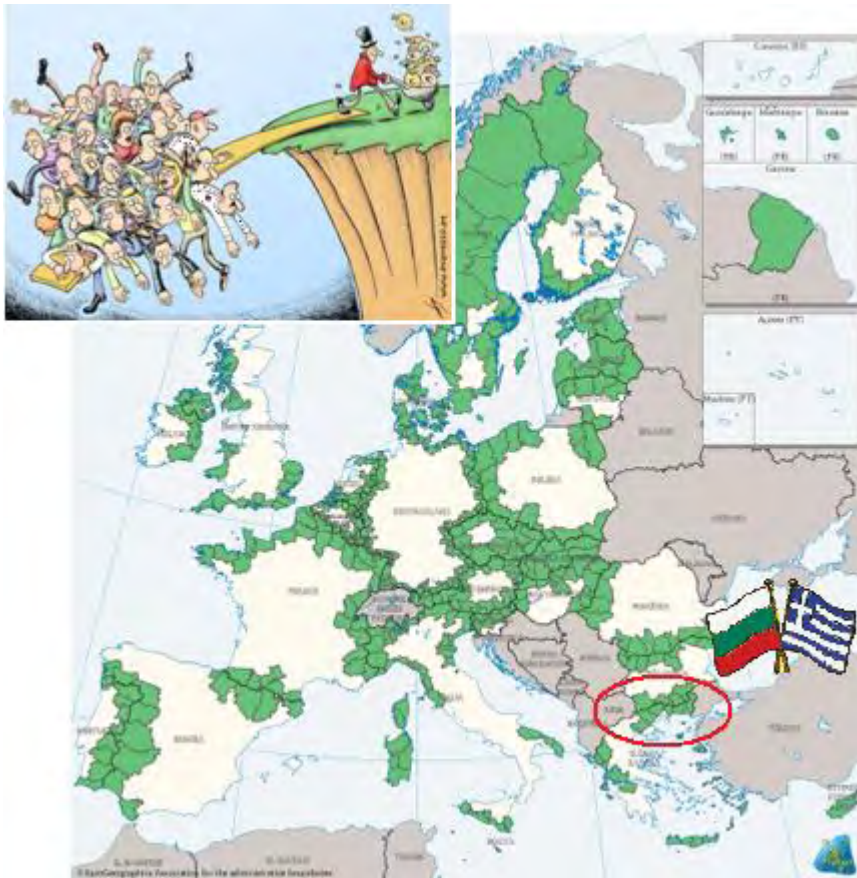


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**“The Territorial Cooperation and the Impact on  
Territorial Cohesion: Case Study Greece and Bulgaria”**

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## ABSTRACT

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Nowadays, the world is moving fast and long-term challenges – such as globalisation, pressure on resources, ageing – intensify. The current global recession and the national fiscal crises of several member states have wiped out years of economic and social progress and exposed structural weaknesses in Europe's economy (European Commission, 2010). The European Union's expansion and borders' abolition caused a reform of European boundaries and the geographical conditions of many border regions are reshaped radically as the former external boundaries became internal. Thus, nowadays European Union constitutes a highly heterogeneous environment leading to the sharpness of regional disparities and to the limited integration effects. Territorial policies must become capable to alter these conditions in order to succeed convergence. Among other newly created Cross Border Regions, Greece-Bulgaria consists a lagging behind cross border area that the external borders transformed into internal but still away from the EU market. Both sides concede that cooperation is the best available strategic choice in order to overcome the multiple problems and constraints, geographical isolation, and deal with regional problems and disparity issues as well as the difficulties of the European integration process.

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## ACRONYMS

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AEBR	Association of European Border Regions
CBC	Cross Border Cooperation
CBR	Cross Border Region
EEC	European Economic Community
EGTC	European Groupings of Territorial Cooperation
ElStat	Hellenic Statistical Institute
ERDF	European Regional Development Fund
EU	European Union
FYROM	Former Yugoslav Republic of Macedonia
GDP	Gross Domestic Product
GVA	Gross Value Added
LAU	Local Administrative Unit
NATO	National Atlantic Treaty Organisation
NUTS	Nomenclature of Territorial Units for Statistics
OP	Operational Programme
R&D	Research and Development

## 1. INTRODUCTION

In terms of European enlargement, the abolition of artificial obstacles of cross border interaction is essential creating opportunities and/or threats, and also, affecting not only the economy, but also the space and the market size (Kallioras et al., 2009), and will create social, cultural, migratory and economical flows promoting the attractiveness of Cross Border Regions (CBRs) but simultaneously will make them vulnerable to competition (Topaloglou and Petrakos, 2008b; Kallioras et al., 2009). Thus, cooperation between neighbour countries is significant issue especially inside the European Union (EU) borders where the gap of spatial regional disparities must be narrowing, and the integration must be achieved between different or similar political, social and economic national systems, by addressing common problems and issues and contributing on the region's competitiveness, and sustainable social and economic development. However, because territorial cooperation results are more qualitative than quantitative, there are no clear evidences about the accomplishing of economic efficiency and geopolitical stability.

The dissertation focuses on the evolution of territorial regional inequalities and the influence of territorial cooperation policies by a critical approach of the spatial dynamics in cross border area of Greece (before and in the core of period of economic crisis) and Bulgaria (in its transition period and after the accession in EU). It is significant to examine the correlation between regional disparities and the contribution of Cross Border Cooperation (CBC) to the development of peripheral regions.

Depending on specific circumstances, border regions might benefit, lose or not be affected by the abolition of borders. Thus, the persistence and the evolution of regional disparities and cooperation between adjacent regions are topics of great importance for both theory and policy. The theory framework of these issues is presented in Chapter 2. The evolution of regional inequalities and the impact of territorial cooperation can serve as an empirical test among alternative growth theories with sharply different policy implications.

In the context of territorial policy framework, the main priority and objective of the European Union and national regional policies is to promote growth in lagging

regions and reduce regional inequalities. Therefore, Chapter 3 deals with the bordering phenomenon in Europe as a complex process and the historical review of the shaping of territorial cooperation policies, specifically, with INTERREG Programme and European Territorial Cooperation Programme, and also with Cohesion Policy.

Chapter 4 analysis the features of the case study area, CBR of Greece-Bulgaria, which indicate the tendencies of regional development and disparities generating. Chapter 5 present the most significant territorial cooperation programmes that has been implemented in the eligible area. Finally, Chapter 6 summarizes the findings to provide some tentative conclusions.

As it concerns methodology, research was based on secondary sources consisting of books, papers, scientific journals and internet sources, and also, was used data from statistical databases and other researches and reports.

## **2. SETTING THE GENERAL FRAMEWORK AND THE LITERATURE REVIEW**

### **2.1 The bordering phenomenon**

The scientific discussion about the “bordering phenomenon” and the issue of territorial cooperation and cohesion between the member states of EU still matters the existing literature and the European policy mostly since the last decade of the 20<sup>th</sup> century. Furthermore, according to Berg and Van Houtum (2003) the processes of globalization, liberalism and post-modernization have contributing to the shaping and the evolution of the border studies.

Borders are artificial boundaries and/or sometimes can be natural dividing lines (mountain, sea, river, etc.) and also, they can be conceived as geopolitical spots that divide states. Simultaneously, borders are nothing else but meeting points between different ways of life (Labrianidis, 1999). In addition, border is “time written in space” (Rupnik, 1994 in Topaloglou et al. 2005; Waever, 1997 in Topaloglou et al. 2005; Farago, 1995 in Topaloglou et al. 2005; Brague, 1993 in Topaloglou et al. 2005; Mourier, 1993 in Topaloglou et al. 2005) which allows us to conceive that all historical events which are embedded to this area have actually defined this dividing line. As Van Houtum (1998) notes, borders can be freeze only on maps, because borders are not just static lines as dynamic procedures are occurred there.

In contrast, border lines can be an obstacle and can discourage the intensity of spatial interaction and mobility between the cross border areas. Topaloglou notes that barriers often emerge due to differences in culture, language, religion, geographical characteristics or institutional difficulties among other things. There are various barriers which are may be perceived as obstacles that are having a substantial impact on spatial interaction. Furthermore, Batten and Nijkamp (1990) notes that the direction of flows changes according to differences in the barriers across the border.

Border barriers could be the factors that impede the mobility of persons, goods, capitals but also ideas, cultural standards, regulations or other intangible items

(Topaloglou, 2009). Also, trade conditions – duties, quotas, bureaucratic procedures, technical requirements – are concerned as border barriers that impede mobility (Topaloglou, 2009) and could distort the market and increase the business production cost of the cross border businesses and the international trade cost (Topaloglou and Petrakos, 2008b).

Border regions are areas where spatial, social, economical, cultural and historical dynamic conditions and procedures take place. In the context of restricted economy, the CBRs could be perceived as territorial areas with unfavorable growth prospects in contrast with the metropolitan areas which are located in core regions due to the agglomeration economics and the elimination of transport cost (Topaloglou and Petrakos, 2008b; Giersch, 1940 in Kallioras et al., 2009; Lösch, 1944/1954 in Kallioras et al., 2009; OECD, 2009). But there is not always consistent relationship between urban concentration and economic performance (OECD, 2009). Consequently, the role of transport, telecommunication and R&D policies is an element key for interaction (Engel, 1999 in Kallioras et al., 2009; Heimpold, 2000 in Kallioras et al., 2009) and also, the investment policies is a path for development (OECD, 2009).

Traditional location theory assumes that national borders are important barriers for interregional economic relationships (Neibuhr and Stiller, 2002). In terms of European enlargement, the abolition of artificial obstacles of cross border interaction is essential creating opportunities and threats and also affecting not only the economy but also the space (Kallioras et al., 2009). Therefore, the economy of border areas are influenced significant by the liberalization of trade that leads to the abolition of cross border barriers (Hanson, 1996 in Topaloglou and Petrakos, 2008b; Hanson, 1998 in Topaloglou and Petrakos, 2008b). However, removing the borders means that not only the space will be altered but also the market size (Topaloglou, 2009) and simultaneously will be create social, cultural, migratory and economical flows promoting the attractiveness of CBR but simultaneously will make them vulnerable to competition (Topaloglou and Petrakos, 2008b; Kallioras et al., 2009). On the other hand, the economic influence might be more obvious in metropolitan centers rather than in border areas causing the *tunnel* phenomenon (Petrakos and Topaloglou, 2008 in Kallioras et al., 2009).

However, removing a border does not necessarily mean that the role of border and the existence obstacles will be reduced or be disappeared automatically. According to Fischer (1949 in Topaloglou and Petrakos, 2008a), the longer the barriers functioned, the harder it was to alter. The persistence of barriers in people's mind constitutes the most significant obstacle of the complete elimination of borders (Van Houtum and Struver, 2002). Even among the first six fundamental member states, whose borders impediments have been reduced 50 years ago, are still existing significant differences on their social and economical fields (Kallioras et al., 2009).

According to Krugman (1991; 2004), both distance and border still matter even the technological progress and the new trade arrangements. The general experience of spatial proximity among countries indicates strong relationships, common infrastructure networks, investment links, economical cooperation and integration (Kotios and Petrakos, 2003). Hence, the spatial proximity of a region to the foreign market is an advantage, improving the local conditions (Neibuhr and Stiller, 2002). Even though, the commercial exchanges are affected also by the level of economic growth of both countries, so developing countries are trading basically with the developed countries regardless of the distance (Kallioras et al., 2009).

## **2.2 Cross border cooperation in the context of territorial cooperation**

Territorial cooperation is the collaboration between neighboring areas across border and their public authorities and other administrative bodies and/or public stakeholders which could be involved in the cooperation structures (TERCO Interim Report, 2011). Also, territorial cooperation differs significantly regarding its rationales, focuses (TERCO Interim Report, 2011) and thus includes three different types: cross border cooperation, transnational cooperation and interregional cooperation.

Through transnational cooperation, groups of non adjacent regions from different countries (Euroregions), that experience joint issues or comparable problems, collaborate in order to succeed better integration within EU. In addition, interregional cooperation aims to promote and reinforce the effectiveness of regional development

policies and instruments by creating an exchange network of information and experiences of the implementation of structural funds programmes in order to assist non contiguous regions all over Europe (Interreg III, 2012). However, the type of territorial cooperation that this dissertation will further investigate is the former, CBC, which refers to contiguous regions intending to promote common development strategies.

CBC becomes an important driving force for integration between different or similar political, social and economic national systems. The areas which are involved in CBC are interested in addressing common problems and issues – such as transport, pollution, tourism, infrastructures, land use planning – which are exacerbated because of the neglect and the lack of attention by the national stakeholders to the specificities of border areas (Levrat, 2007; TERCO Case Study Report, 2011). The considerations, the directions and the context of European policy influence the spatial environment of border areas, thus, in the context of European CBRs there are range of effects regarding the proximity and the access to the broader market (Topaloglou and Petrakos, 2008b).

In practice, according to Perkmann (2003), CBC has four basic characteristics. The CBC is mostly concerned with practical problem-solving with regards to a broad range of issues concerning administrative life. Secondly, the collaboration within the CBC consists of regional or local authorities in different countries, providing that these actors in normal circumstances are not subject to international law. Also, its main protagonists are always public authorities, since CBC's must be located in the public realm. Finally, the CBC includes a certain extent of stabilization of cross-border contacts over time.

The extent and therefore the success of the CBC are dependent upon specific factors which are placed – among other factors (*see* table 1) – within a political-administrative context (Godfried, 2009). In addition, Kennard (2005: 4) argue that:

*In order to enhance cross-border cooperation, two simultaneous processes are important. On the one hand, legal, institutional and other frameworks have to be made available, in order to provide a context for cooperation to take place. On the other hand, a bottom-up development, generated by actors involved, must be supported by a long-term development strategy of both countries which are involved.*

In fact, the reduce of borders and therefore the increased movement of workers, goods, services and capital and the freedom from legal and economic obstacles generate a greater need for cooperation but in various cases due to a lack of appropriate legal instruments and mechanisms, remain confined to national regional spheres (Levrat, 2007). In addition, the intensity of cross border interaction and the cross border cooperation is influenced and is often confined by several factors such as the existing policies, the infrastructures, general conditions (language, religion, culture, history) and trade conditions, the ease/difficulty of crossing the borders, the level of assistance and the economic geography conditions.

**Table 1:** Operationalization key elements of successful cross border cooperation

<b>Key element of successful cross-border cooperation:</b>	<b>Operationalization:</b>
<b>Proximity to citizens</b>	Issues dealt with in the CBR are of concern in the everyday life of the citizens of the region; extent of participation of citizens; extent of contact with citizens
<b>Involvement of politicians</b>	Involvement of politicians in CBR
<b>Partnership and subsidiarity</b>	Extent of internal and external partnership in relation to other authorities; and decisions are taken as closely as possible to the citizen
<b>Cross-border cooperation structures</b>	Existing joint bodies, offices and budget in the CBR

**Source:** Godfield, 2009

There are several factors that influence the emergence and development of CBC structures, both negative and positive (AEBR, 2008 in Godfried, 2009). The framework agreements (bilateral treaties) have a positive impact to CBC, also, the more specific the purpose of agreements is, the easier may be implemented. In the meanwhile, the availability of funding and the flexibility and the experience of the project team in CBC – in order to overcome successfully and easier many problems – are significant factors for successful cross border actions. On the other hand, many times the national legislation restricts the effective functioning and the role of local/regional authorities in CBC issues. In addition, the lack of political will, especially at national level, in order to remove the existing constrains and differences



in structures and powers of different levels of agreement and administration on either side of the border hinder the emergence and development of CBC structures.

In the meantime, the world is moving fast and long-term challenges – such as globalisation, pressure on resources, ageing – intensify (European Commission, 2010). The crisis has wiped out years of economic and social progress and exposed structural weaknesses in Europe's economy (European Commission, 2010). Due to the current global recession and the national fiscal crises of several member states, nation states that are part of transnational governance granting several national political functions to the EU express the necessity of the enhancement of their national domination in order to overcome the difficulties. In this case, the borders are tending to become protective “walls” or “guards”.

However, European Commission (2010) suggests that Europe can succeed if it acts collectively, as a Union. The EU’s vision is the integration, economic basically, through a series of cohesion and territorial policies. There are various initiatives that promote CBC and they target to the creation of the appropriate legal and institutional framework. Also, there is another context which is referred to specific funds that supports cross-border actions.

### **2.3 Theoretical framework of territorial inequalities and cohesion**

Nations have different social, economic and trade policies; different educational and legal systems and institutions; and different economic histories. Therefore, it is not a surprise that regions have different growth levels and disparities that persist for decades (OECD, 2009). So, territorial inequalities/disparities have become an increasingly significant issue in the international literature and European policy-making, mainly since the last three decades, leading to the constitution of individual economic sectors, as the urban and regional economy, regional development and regional policy.

Inequalities are the result of an uneven distribution of natural and human resources, the effect of many different economic, social, politic and demographic variables and

of the way they spatially interconnect, and marked by the historic evolution of the regions. According to Petrakos (2001) the level of inequalities is affected by national characteristics, economic factors, the success of restructuring and catching up, also by the size and geographic coordinates of country. The efficiently operating regions tend to grow faster than regions with less favorable development conditions, so that an inbuilt tension is created between efficiency and equity among a system of regions, at least in the short run (Iliakopoulou, 2012). Thus the evolution of inequalities is influenced by high specialization and other sociological and cultural factors, that lead to an increased concentration level in certain areas which ensure the appropriate conditions and avoidance of other regions which are isolated or hardly accessible (Sirgi et al., 2009).

Depending on specific circumstances, border regions might benefit, lose or not be affected by the abolition of borders and the integration (Neibuhr and Stiller, 2002). It has not yet developed a clear theoretical framework to explain the regional disparities and therefore, the literature is full of different approaches. Many empirical studies try to reveal what the tendency of region inequalities is but still do not allow drawing clear-cut conclusions. Consequently, has prevailed two basic opponents schools of thought, the convergence versus the divergence school. Diachronically, an unequal coexistence of these schools of thought is observed, a fact that could raise the question about the existence of theoretical cycles (Iliakopoulou, 2012).

### *2.3.1 The Neoclassical Growth Theory of Regional Convergence*

The first part of literature, prevailed in the decades of '60s, '70s and '80s, is characterized by microeconomic theory developed to examine static rather than dynamic equilibrium within economic systems. The main focus of the theory is the understanding of disparities between regions. They use various assumptions including, among others, the perfect competition, constant returns to scale, diminishing returns on capital and free access to the technology (Artelaris et al., 2011). Also, regional output growth is assumed that is dependent upon the growth of three factors of production: capital stock, labour force and technology (Pike et al., 2006). In this approach, this school of study supports that in long run context, geographical inequalities in income per capita and output are about to be diminished and finally eliminated by the market forces, so as to succeed convergence.

Also, another assumption of neoclassical growth theory is that mobility across and between regions is perfect. Thus, capital and labour move to regions offering the highest relative rates of return. In other words, capital moves from the most prosperous to the poorest economies, creating convergence conditions to a common point of long-term equilibrium (steady-state) in their per capita Gross Domestic Product (GDP), and also, labour, seeking the highest wages, moves in the opposite direction. High wage regions lose capital and attract labour and in the same time, conversely, low wage regions lose labour and attract capital. Consequently, the theory suggests that the eventual equalisation of labour migration rates, the development of capital market, the growth of inter-regional linkages, and the simultaneous restriction of public policy acting in the interests of core regions, contribute to convergence effects (Iliakopoulou, 2012). This market adjustment mechanism works over the long run to reduce regional disparities and to achieve equilibrium between regions (Pike et al., 2006). However, convergence to this point will be achieved only when economies are quite homogeneous and characterised by similar level of technology, savings rate, depreciation rate and population growth rate (Artelaris et al., 2011).

Therefore, the basic problem of this theory is that its main assumptions are interpreted as unrealistic. Not only factor mobility, but also, information sharing and competition are less than perfect. Another issue is the lack of the geographical variable. The technology progress is profoundly uneven geographically and technology diffusion exhibits strong distance-decay effects (Malecki, 1997 in Pike et al., 2006). According to Armstrong and Taylor (2000), the long run persistence of disparities in regional growth rates may be due to the differential ability of regions to generate their own technology and adapt technology from elsewhere.

### *2.3.2 Keynesian Theories of Local and Regional Divergence*

Therefore, the other part of literature, prevailed in the decades of '40s, '50s, '90s and '00s, tends to concur with the theories of Myrdal (1957 in Artelaris, 2011), Hirschman (1958 in Artelaris, 2011) and Kaldor (1970 in Artelaris, 2011) concerning the unequal spatial concentration of productive activities. Thus, they are opposed to the convergence theory assuming that the market forces have the tendency to sharpen the inequalities so to create significant divergence. Thus, market forces could not be reliable to eliminate income differential – such as firms moving to areas where labour

is cheaper or more plentiful; or labour moving to area where wages are higher. Then, income convergence is slow or non-existent (OECD, 2009). Keynesian economics focused upon the under-employment of resources, the demand-side of the economy, and the role of the state in managing aggregate demand, seeking to reduce regional growth disparities in their approach to local and regional development. In this theory, regions are also the geographical focus. In contrast with neoclassic theory, it emphasises the medium rather than the long run, and in the role of demand rather than factor supply.

Although, export base theory has been criticised as oversimplistic, ignoring significant factors within regions (e.g. entrepreneurialism, public policy) and not providing a systematic explanation of the determinants of demand for a region's exports (Armstrong and Taylor, 2000). Also, it has been criticized for failing to specify the type of exports – as the only source of regional growth – in which a region may specialise.

Although the polarisation effects can be strong stimuli to regional divergence, Hirschman (1958 in Iliakopoulou, 2012) argues that they are countered by trickle-down processes and benefit both developed and growing regions, especially when supported by interventionist regional policy, but eventually, Pike et al. (2006) notes that they are insufficient to promote regional convergence.

### *2.3.3 Extended Neoclassical Theories*

The endogenous growth theories and the new economic geography (Krugman, 1991) tend to agree with the basic claim of Myrdal's theory (1957 in Artelaris et al., 2010) that growth is a spatially cumulative process, which is likely to increase inequalities. The dissatisfaction with the role of exogenous technical progress in the neoclassical model had promoted the emergence of *Endogenous Growth Theory* which explicitly seeks to explain mainly the causes of technological progress (Pike et al., 2006). This school of thought conceives development as eliminative factor of regional disparities, and technological progress as both cause and effect of economic growth. Also, they attempt to explain the geographically uneven rates of regional convergence and the spatial clustering of high and slow growth. Thus, endogenous growth theory has directly influenced regional development theory. Contrary, endogenous growth theory

in the context of regional development characterized by limited empirical evidence of how increasing returns operate in specific industries and places, the inability to address historical change and to account for shifts and reversals in rates of regional convergence (Martin and Sunley, 1998 in Pike et al., 2006).

Moreover, another theory had been emerged, the *New Economic Geography* (NEG), based upon the Keynesians' critiques on neoclassical approaches. The new theory focuses upon the investigation of spatial inequalities and the role of localities and regions in shaping the trading performance of industries within particular nations. Also, theory is concerned in national economic prosperity and trade and their implications for uneven local and regional development which is interpreted as increased income and prosperity through enhanced regional and national competitiveness (Pike et al., 2006). The NEG models investigate the persistence of the core-periphery phenomenon and the agglomeration economies – emerging in core regions rather than periphery – and as Krugman (1991) suggests the divergence of output and income between cores and peripheries and multiple possible equilibrium positions are more likely rather than the long run convergence – proposed by orthodox neoclassical economics. Despite the significant contribution to the literature, geographical economics fails to consider the influence of local institutional, social and cultural structures in facilitating or constraining regional development, for example the innovation and learning and the role of local and regional institutional agency.

#### *2.3.4 Empirical studies on regional convergence/divergence issue*

The issue of regional disparities of per capita income has attracted considerable research interest, especially during the last couple of decades. Apart from its obvious policy implications, whether economies converge or diverge over time is an issue of theoretical significance (Artelaris et al., 2010). Therefore, many empirical studies attempt to investigate the level and the evolution of regional inequalities and the factors from which disparities are influenced.

In the context of Europe, the peculiarity of the EU expansion towards southeastern Europe may provide valuable insight for theory and policy. The new EU member states were relatively closed economic systems that opened, almost at once, to the world economy and, at the same time, market mechanisms replaced central planning

(Petraikos, 2008 in Artelaris et al., 2010). The market-based process of economic integration, although it is perceived to generate higher levels of aggregate efficiency, can possibly be associated with higher levels of disparities (Nijkamp and Wang, 1999; Martin, 2005 in Artelaris et al., 2010). In spatial terms, the abolition of borders is assumed to lead to further regional imbalances, with less developed regions possibly, in the integration process, weaker gains, or, even, net losses, as compared to their more advanced counterparts (Camagni, 1992; Bradley et al, 2005; Kallioras and Petraikos, forthcoming in Artelaris et al., 2010). In fact, the European enlargement makes the lagging behind regions vulnerable to the market competition and is doubtful if the cross border policies can regulate the market powers because the competitiveness and the market mechanisms are finally the key elements for discipline and regulation of economies. However, territorial policies must become capable to alter these conditions in order to succeed convergence.

However, according other empirical studies in the terms of European expansion, the border regions of new member states benefits more from the integration effects, even though this impact might be partly caused by the extremely low level of market potential before integration (Neibuhr, 2005) but this economic upswing is undertaken by forces which tend to preserve pre-integration geography of economic activities (Neibuhr and Stiller, 2002). Thus, the inequalities between member states seem to be reduced or not? There is a need for a comprehensive and systematic study addressing the convergence/divergence issue.

The EU border regions constitute a highly heterogeneous group of regions. As Neibuhr (2004) and Topaloglou et al. (2005) conclude through empirical evidences, the benefits of declining border impediments increase as one moves from the periphery to the centre of the EU. However, the opposite process occurs on the level of countries, by reducing the benefits of the integration and the abolition of borders moving from the border regions to more central regions (Neibuhr, 2004). These confirm the implication of Krugman (1991) and the NEG that the core-periphery pattern associated with the demand or supply linkages – market powers – rather than with purely technological spillovers.

Furthermore, the enlargement of EU caused a reform of European boundaries and the geographical conditions of many border regions are reshaped as the former external

boundaries became internal (Topaloglou and Petrakos, 2008b). Consequently, there were regions with favorable geographical position and/or economic development that favored but on the other hand, there were other regions with economic weaknesses, and lack of infrastructures and local resources that deteriorate even further. Indeed, external border regions face the most intense problems due to their unfavorable access to market leading to the sharpness of regional disparities and to the limited integration effects (Neibuhr, 2004). In this context of the EU's expansion and borders abolition, economic geography of the EU area altered radically benefiting the border regions of the EU-15 countries by improving their proximity to the expanding market (Kallioras, 2006).

At microscopic level, according to the analysis results of Petrakos et al. (2005) and Topaloglou et al. (2005), the dynamic character of metropolitan centers with the agglomeration economies and western border regions with the spatial proximity to the EU-15, is revealed. At macroscopic level, inequalities also intensify between Central regions with a growing dynamism and the Balcan regions with the difficulties; and the division of the *North-South* persists. Moreover, socio-economic division still exists between East and West Europe but also inside the East and inside the West. Intensify of intra-national disparities are closely coupled with the enlargement of EU and the national level differences (Eichengreen and Kohl, 1997 in Petrakos et al., 2005).

Therefore, the *core-periphery* regional inequalities have remained significantly inalterable at the EU level despite the well-funded interventions at the structural and regional level (Puga, 2001 in Petrakos et al., 2005; Straubhaar et al, 2002 in Petrakos et al., 2005). According to OECD (2009), lagging behind regions, over the past decade, have made a strong contribution to national growth (e.g. more than 50% of national growth in most OECD countries<sup>1</sup>). Thus, policies supporting lagging regions can also be a tool to promote national prosperity.

Also, the persistent disparities between regions imply unused growth potential. Every

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<sup>1</sup> Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States

region is capable of mobilising its assets to make full use of its potential growth because the simple concentration of resources in a place does not necessarily yield higher levels of productivity or higher growth rates, besides, economies of scale are an unavoidable result and not something that necessarily require corrective action (OECD, 2009). Therefore, the policies must focus on eliminating impediments of utilization of region's potentials and persistence of social exclusion through external interventions and multilevel governance (Czekalla, 2010; Bachtler, 2010).

Consequently, the existing policies for territorial, economic and social cohesion are restricted and insufficient, and also, the funding is limited and not properly allocated, so the territorial inequalities still remain, even if the cooperation is perceived as a significant channel for enhancing territorial cohesion. The policies must be adjusted to the new highly heterogeneous economic environment of EU and the specific necessities and peculiarities of each region in order to achieve cohesion.



### 3. REVIEW OF TERRITORIAL POLICIES

Even the diversity of territorial cooperation arrangements, they have as their common element the address of similar problems and challenges which are ranging from bureaucratic issues to the difficulties in demonstrating impact of cooperation (TERCO Interim Report, 2011). Although territorial cooperation policies are required, are often undermined by competition between regions and may even arise from cooperative activities (TERCO Interim Report, 2011). The INTERREG Programme contributes on the region's competitiveness in a more clear way through the networking and the knowledge sharing actions (TERCO Case Study Report, 2011). The advantages of these networks are the promoting of new ideas, entrepreneurship and sustainable social and economic development and also the enhancing of local economies, the improving of cultural and social aspects of the region and the preserving of natural environment (TERCO Case Study Report, 2011).

As TERCO Interim Report (2011) supports, the higher number – both in absolute and relative terms – of territorial cooperation projects are carried out by EU peripheral less developed regions rather than central regions probably due to the need for further support from the partners and for ensuring additional resources and opportunities in order to narrow the gap between them and the well developed regions. However, the lack of experience, competencies and skills of the lack behind regions occur an obstacle to successful cooperation and to achievement of optimum results (TERCO Case Study Report, 2011). Therefore, the most favoured regions, where the results are better achieved, are those who are already well developed in terms of integration and cooperation (Barca, 2009).

Furthermore, the European territorial cooperation policies are not flexible and adaptable and also, do not taking into account the special needs and the peculiarities of the specific region in order to achieve optimum results. The lacking behind regions has other priorities than the other regions. In addition, according to Barca (2009), only 36.9% of the funds destined for regions and only 30.5% of the cohesion funds designed for states are also administrated at regional level. However, these differ considerably between member states and only in member states with autonomous regions – Germany, Spain and Italy – administrate more resources than the states. Moreover, the economic crisis may further reduce the funds for territorial cooperation

(TERCO Case Study Report, 2011).

Thus, the horizontal nature of the territorial cooperation policies is desirable to alter in the future in order to achieve the shrink of the development gap within the EU borders and the spatial dimension of the Cohesion Policy would be desirable to exist in a more coherent definition. Also, there should involve strong partnerships, cooperation, good planning and more funding to achieve the goals (TERCO Case Study Report, 2011).

The Barca Report Summary (2009: 2) recommends for the future a priority for a *place-based policy*, that means:

*A long-term strategy to overcome problems of potentials not use up to date and for reducing sustainable social disadvantages in certain places through external intervention and multi-level governance. Place-based policy supports the supply with integrated goods and services tailored to respective circumstances and institutional situation (place-based). Starting up interventions she uses the local knowledge and actors. The territorial focus is more suitable than all other strategies which are bypassing the territorial relations and believe that the state knows everything better. A territorial social agenda as part of the cohesion policy is required (social contract of the EU-citizens).*

Up to date, the objectives of EU regional policies proved to be fuzzy in many cases. Like popular terms, such as competitiveness, productivity, innovations, and entrepreneurship, are not always adequately defined or related to specific targets and this has implications for their verifiability (Bachtler, 2010). This report highlights the necessity for policy interventions to be distinguished, between those aimed at increasing income and growth, and those aimed at reducing inequalities (Barca, 2009; Czekalla, 2010). Another problematic issue of policies is that policymakers ignore the spatial dimension of development and thus regional policy becomes more or less like economic policy (Garcilazo et al., 2010; Bachtler, 2010). Moreover, even if multi-level governance in Europe is established, mainly in the last decade, the degree of development responsibilities and powers of regions and localities varies enormously from country to country (Bachtler, 2010). So, the challenge is how to promote institutional capacity building at the local and regional levels and to develop social capital (Barca, 2009; Bachtler, 2010). Also, a culture of policy learning is still limited because the evaluation results are not being sufficiently exploited and the understanding impacts are greatly ignored (Bachtler, 2010). Finally, the most significant impediment that place-based theory has to face is that the geography of

intervention in mainstream development policies is defined. However, under a place-based policy approach, geography of intervention would be determined by development needs (Barca, 2009; Bachtler, 2010).

### **3.1 Cross border cooperation policies**

#### *3.1.1 Historical review of EU territorial policies*

In the framework of Europe, the consequence of both World Wars was a political-ideological and physical divided Europe by the establishment of the Iron Curtain. The frontiers of both sides became “protective walls” and the border regions were most affected and were turned into weak and less developed areas. Furthermore, cross border regions with various problems had to face also the isolation and the neglect of their central government. For this reason, was established in 1958 the first formal CBR-Euroregion (Topaloglou and Petrakos, 2008b), *Euregio* to a section of the German-Dutch border area so as to alleviate the neglect of the local border economies through collective actions (Perkmann, 2007; Euregio, 2012). Euroregions are small-scale groupings of contiguous public authorities across one or more nation-state borders (Perkmann, 2003). Later in 1971 was founded the *Association of European Border Regions* (AEBR) which is still active and represents the special interests of these regions at EU and national level (AEBR, 2012).

The European Commission, after the European accession in 1973 with the entrance of three new member states, showed willingness to promote development of cross border areas. To support further the existed regional development policies, European Commission have founded a new European Fund: *European Regional Development Fund* (ERDF) aiming to regulate regional economic and social imbalances (Eurofunding, 2012). Due to EU enlargement to the East Europe and due to the *Schengen Treaty* in 1985 the internal borders have been gradually abolished allowing free movement of workers, goods, services and capital, but on the other hand, the European external borders have been tightened up (Topaloglou and Petrakos, 2008b; Levrat, 2007; Topaloglou et al., 2005), and as Kallioras et al. (2009) notes, disregarding the specific social, historical, political or economic peculiarities.

Initially, in these terms, extensive cooperation between the most developed areas – Northern and Western countries – enhanced by favored factors as the preamble borders between the countries and their development level.

Into the structure of CBC almost all European border areas are involved through some type of cross-border region (CBR) that are co-located and belong to different nation states. Many CBRs are based on some sort of civil-law agreements among the participating authorities on each side of the border. Today, there are a significant number of such arrangements in Europe, usually operating under names such as ‘*Euroregions*’ or ‘*Working Communities*’ (Perkmann, 2007). Working Communities, was founded between 1975 and 1985 which often spread over several countries.

Initially, the idea of regional cross-border development strategies was pioneered by Euregio, for instance through the *Regional Cross-Border Action Programme*, presented in 1987, which outlined the general strategy for a twenty year period (Perkmann, 2007). Also, this action programme constituted the main input for a first Operational Programme under EU Cohesion Policy for the period 1989-1992, funded as a pilot project.

After the overthrow of the Communist regime in the late 1989, Europe acknowledged the need for preparation of the border areas for the opening of the single market (Interact, 2011c). Moreover, the fall of the Iron Curtain was the motive for further territorial policies in the ‘90 decade which had as goal to reinforce the cooperation between the Northern and Western countries but especially between the Eastern and Southern countries of Europe in order to restrict the obstacles of the border division and to promote the social and economic development. Therefore, 14 pilot cross border actions were come into force in 1989 (Interact, 2011c).

Euroregions have received most recent attention in policy practice, mostly because they fit to the organisational and spatial requirements of the EU support programme for CBRs via *INTERREG Programme*. The establishment of the *INTERREG Programme* in 1990 fulfils the entrance of the cross border cooperation aspect (Levrat, 2007) aiming to overcome specific development issues of EU’s internal and external border regions. Moreover, when the first INTERREG was launched, the territorial cooperation started to be officially co-funded and provided with a legal and

an institutional framework by the *European Economic Community* (EEC) (TERCO Case Study, 2011). The INTERREG contributes to the alleviation of common problems through the creation of common strategies and synergies aiming to prepare the border area for the opening of the Single Market and therefore targeting to the economic and social cohesion of the European Community (TERCO Case Study Report, 2011). The issues related to the common geographic/natural features (sea, river, lake, mountains, protected areas etc) and the common infrastructures, the transport and energy networks are addressed through the cooperation and interaction of the local actors of both participating states (TERCO Case Study Report, 2011).

Hence, INTERREG I was implemented during the period 1989-1993. INTERREG II followed in the period 1994-1999, succeeded by the INTERREG III in the period 2000-2006. Currently, in the period 2007-2013, the fourth phase of the INTERREG is being implemented, under the *European Territorial Cooperation Objective*.

The success and intensity of INTERREG cooperation has been found to be greatly influenced by geography and scale. The enlargement affected the integration and cooperation between the countries that took part in the INTERREG projects and the comparatively limited budget allocated to INTERREG limits its scope to produce large-scale tangible impacts. Thus, the target of building territorial cohesion is not always being effectively addressed by all programs (Mirwald et.al., 2009). Territorial cooperation results are more qualitative than quantitative and there are no clear evidences about the accomplishing of economic efficiency and geopolitical stability (Barca, 2009). There are various factors that impede the efficiency of the territorial cooperation policies.

National legal systems are considerably differs from one another. Thus, in order to overcome these obstacles and to promote cross border cooperation, it was set up in 2007 legal entities, the *European Groupings of Territorial Cooperation* (EGTC) which facilitate cooperation at Community level as a part of regional policy (2007-2013) (Europa, 2006; Levrat, 2007). The most significant advantage of the EGTC is that it operates as an independent legal personality, which will manage programmes or projects either co-financed or not by the EU (Structural Funds, 2010).

### 3.1.2 *EU borders formulation and the shaping of territorial cooperation policies*

National borders are defined due to a complex process. According to Topaloglou and Petrakos (2008b), the contemporary situation of the European borders is influenced specifically by three aspects. First, the setup of the Shengen Treaty has created rearrangements on borders by the reduction of the EU internal borders and simultaneously the tight up of the EU external borders. The second aspect affects the relation and interaction between EU and third neighbour countries due to different arrangements and policies and unequal treatments. Norway and Switzerland are closely associated with EU through bilateral treaties and through their membership in the *European Free Trade Association* and the *European Economic Area*. In addition, there are different kinds of relations between EU and Russia or Ukraine which are framed by a series of agreements. Also, there are significant differences regarding to the cross-border relationships between EU and potential candidates of South-East Europe and between EU and candidate countries such as Croatia and Turkey. Finally, the third aspect is outrageous based on the terrorist attack at 11/9 in U.S.A. The fear of terrorist attack, smuggling, illegal immigration and crime in EU has lead to more strictly retained borders, although empirical researches have pointed that this measure is not sufficient.

Therefore, there are three main types of territorial cooperation policies based on the statement between the countries taking place in the arrangements and specifically into the Cohesion Policy. First, the CBC policies between the national borders of EU member states – at NUTS<sup>2</sup> III level – and no directly adjacent regions on national borders in different countries – at NUTS II level – which have promoted through the *INTERREG Community Initiative I, II, III Programme* that transformed into the *European Territorial Cooperation Objective* for the funding period 2007 – 2013. As regards to the European external borders, the cooperation between the member states with non-EU countries is achieved through the *European Neighbourhood Policy*. Also, the Central and Eastern European countries had their own cooperation arrangements with their adjacent member states called *Phare* which has been replaced by the financial instrument for the EU pre-accession process the *Instrument for Pre-*

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<sup>2</sup> Nomenclature of Territorial Units for Statistics

*Accession Assistance* for the period 2007-2013. However, in this framework of EU bordering phenomenon and EU territorial policies, this dissertation will focus on a more specific analysis of the INTERREG policies.

### 3.1.3 *INTERREG Community Initiatives*

The INTERREG Community Initiatives was set up initially in 1990 by different member states involved (Germany, Netherlands and Belgium). Frequently it appeared in the academic literature on decentralisation, multilevel governance, and European development programs (Harguindeguy and Bray, 2009). The aim of these Community Initiatives was the abolition of the national borders that remain as obstacles to the EU's integration.

Initially, INTERREG I (1990- 1994) was an action programme which complemented the Structural Funds promoting cross-border, transnational and interregional cooperation (Topaloglou and Petrakos, 2008a). It was consisted by three types of actions: a) programme and contribute to the implementation of cross border projects; b) enhance the information's flow across the borders and improve the relations between public institutions, private organisations and voluntary bodies in border areas; and c) support and encourage cooperation through the setup of shared institutional and administrative structures (Commission of European Communities, 1991).

Specifically, this programme had funded 31 CBC arrangements concentrated mainly on Object 1 areas (75%) with a rather limited Community and Structural Funds contribution of €1,082 million – only for the internal borders (Interact, 2011a; Commission of European Communities, 1991).

The second INTERREG programme (II) for the period 1994-1999 enriched the previous INTERREG by covering not only the cross border cooperation but also the transnational cooperation (Interact, 2011b). Furthermore, since 1994, cross border cooperation has also been supported by the *PHARE Cross Border Cooperation* programme in the border areas of Central and Eastern Europe which have a common border with the EU. Supported 75 CBC programs with a raised funding of €3.627 million (Interact, 2011b) and are consisted by three dimensions A, B and C.

INTERREG II A promote cross border actions to the internal and external borders of EU and comparing with INTERREG I there is considerable emphasis at maritime border regions and expansion in new areas of intervention (education, health, media services, language training); through INTERREG II B the transnational energy networks enhanced; and through INTERREG II C promote the development of regional and special planning and the transnational cooperation over broader areas (European Commission, 2003).

The first dimension had several targets: the reduction of the isolation mainly of the Initiative 1 regions, the CBC between development regions in the context of environment, culture, tourism, Research and Development (R&D), health etc., the small-size programs for the enhancement of local wealth for example, and finally, the CBC without restricted context. Empirical researches have noted that the transport networks and the tourism enhancement projects between two countries were sufficient in contrast with the other sectors (Topaloglou and Petrakos, 2008b).

In the 21<sup>th</sup> century, the target of the EU was altered to the economic and social cohesion and the sustainable development through INTERREG III (2000-2006). This programme has also three dimensions. The first dimension (INTERREG III A) is the *cross border* aiming to develop cross border economic and social networks and promote the territorial development of adjacent regions and maritime regions at internal and external borders. The second (INTERREG III B) is the *interregional* which focuses on the promotion of further territorial integration in the Community, candidate and other neighbouring countries and also, on the sustainable, harmonious and balanced development in the Community. Finally, the *transnational cooperation* (INTERREG III C) have as target to improve the effectiveness of policies and instruments for regional development through networking especially for lagging behind regions undergoing development regions (Topaloglou and Petrakos, 2008b; Europa, 2005).

It have been given significant emphasis to EU's external borders and to the peripheral regions allocated 2.3% (€4,875 million) of the Cohesion Fund to 72 programs. In contrast with INTERREG II the INTERREG III had a division of the internal border to the borders of EU fifteen member states, to the borders of the new member states and to the borders with Switzerland and Norway. The improvements of this program



were based on the common strategic of the regions, the same implementing instruments, and the same financial assets (Topaloglou and Petrakos, 2008b).

The most significant clue of the implementation of INTERREG programmes – according to the Interact programme – is that the more permeable the borders are and the more unbalanced the regions are, the most sufficient the cooperation is (Topaloglou and Petrakos, 2008b). The above element may influence the form and the content of the CBC policies.

### *3.1.4 European Territorial Cooperation*

The INTERREG transformed into the *European Territorial Cooperation Objective* for the funding period 2007 – 2013. The European Territorial Cooperation, also known as INTERREG, is one of the three dimensions of Cohesion Policy: Cross-Border Cooperation, Convergence and Competitiveness. It contents projects and actions in three axes: a)cross-border; b)trans-national; and c)interregional cooperation.

The current phase of European Territorial Cooperation continues to aim at “strengthening cross-border cooperation...transnational cooperation...and inter-territorial cooperation” (Mirwald et.al., 2009). However, a series of changes were introduced for this period. Thus, the broad aims of the Objective are the development of economic and social cross-border activities; the establishment and development of transnational cooperation, including bilateral cooperation between maritime regions; and the increasing of the efficiency of regional policy through interregional promotion and cooperation, the networking and exchange of experiences between regional and local authorities.

According to TERCO Case Study Report (2011) the Objective covers three different types of programmes. Therefore, have been elaborated 52 cross border cooperation programmes (INTERREG IV A) along internal EU borders with an ERDF contribution of €5.6 billion, or more than 70% of the total budget; 13 transnational cooperation programmes (INTERREG IV B) covering larger areas of co-operation such as the Baltic Sea, Alpine and Mediterranean regions with an ERDF contribution of €1.8 billion, or more than 25% of the total budget; only 1 interregional cooperation programme (INTERREG IV C) and 3 networking programmes (URBACT II,

INTERACT II and ESPON) covering all 27 member states of the EU plus Iceland (ESPON), Lichtenstein (ESPON), Norway (ESPON, URBACT, INTERACT) and Switzerland (ESPON, URBACT, INTERACT). These programmes provide a framework for exchanging experience between regional and local authorities in different countries with an ERDF contribution of €445 million, or less than 5% of the total budget.

### 3.2 Territorial Cohesion and Cohesion Policy

According to Lisbon Treaty, if adopted, would define territorial cohesion as a shared competence between the Commission and the member states (Mirwaldt et.al, 2009), however, until now there is no coherent definition.

*‘to promote economic and social progress and a high level of employment and to achieve balanced and sustainable development, in particular through the creation of an area without internal frontiers, through the strengthening of economic and social cohesion and through the establishment of economic and monetary union...’.*

Initially, EU has undertaken policies assignments aiming to promote *economic and social cohesion*. Thus, EU developed a complex set of policy instruments labeled *Cohesion Policy*. The primary aim of this policy is to reduce intercountry and interregional disparities in order to induce the *catching-up* process for the EU regions with a GDP per capita inferior to 75% of the EU average<sup>3</sup> (Andreou, 2007).

The cooperation between regional authorities as a vector for territorial cohesion was became a priority issue in EU since the 2004 enlargement with the accession of ten countries (Levrat, 2007). According to the Lisbon Treaty, territorial cohesion has become a new objective. The Cohesion Policy was initially under two dimensions: the economic cohesion and the social cohesion. In 2004, territorial cohesion was inserted into the Constitutional Treaty as a third Union Structural Fund objective adding spatial dimension to the existing objectives – *convergence* and *competitiveness and employment*.

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<sup>3</sup> The former *Objective 1* which now renamed to *Convergence Objective*

*The concept of territorial cohesion extends beyond the notion of economic and social cohesion by both adding to this and reinforcing it. In policy terms, the objective is to help achieve a more balanced development by reducing existing disparities, avoiding territorial imbalances and by making both sector policies, which have a spatial impact and regional policy more coherent. The concern is also to improve territorial integration and encourage co-operation between regions. (European Commission, 2004).*

Cohesion policy is the only policy of the European Union that has an explicitly redistributive character addressing economic and social inequalities (Getimis, 2005). It enables regions to maximize their territorial assets, improve their competitiveness and contribute to a more cohesive Europe. The European Cohesion Policy is designed to implement measures which will promote economic growth in the 27 Member States thereby reducing the gap in their respective levels of development through various CBC Programs.

European enlargement, in 2004 with the accession of ten countries, has increased the growth and competitiveness of the European territory activating new investment fields and new open market activities but on the other hand, the economic development gap between regions has widened by doubling the socioeconomic disparities (Getimis, 2005). In the context of the CBC policies, the aspect of the territorial competitiveness must be reduced or eliminated and simultaneously, the aspect of the territorial cooperation between the regions or countries must be further promoted in order succeed convergence of the regional imbalance (Doucet, 2006).

## **4. COMPOSE THE GENERAL FEATURES OF THE CASE STUDY AREA**

A CBR can be distinguished as “a territorial unit that has historical, socio-economic and cultural commonalities, as well as, at least tentatively, its own regional identity and autonomous institutions and therefore claims its needs and interests which it is capable to articulate and defend” (Perkmann, 1999; Raich, 1995 in Godfried, 2009; Säre, 200x in Godfried, 2009). This dissertation will investigate a CBR which consists of the border area of Greece and Bulgaria.

### **4.1 General features of Greece**

Greece forms the southern extremity of the Balkan Peninsula in Southeastern Europe and located near the crossroads of Europe and Asia. Greece is adjacent with four countries: to north-west with Albania, to north both with Former Yugoslav Republic of Macedonia (FYROM) and Bulgaria, and with Turkey to the east. The country covers an area of 131,957 km<sup>2</sup> and has the 11<sup>th</sup> longest coast line in the world (*see* Table 2). Also, Greece has 11.2 million inhabitants in 2010 which is the highest number of population and has 0.16 percent of the world’s total population. Almost two-third of population lives in urban areas. The most important urban areas are Athens – capital city – and Thessaloniki. The official language is Greek language since 15<sup>th</sup> century BC. The official religion is the Orthodox faith – 97% of population – but also, there is recognized a Greek Muslim minority – about 1% of population – located mainly in Thrace.

The ancient Greece developed democratic forms of government through cities-states, but nowadays, modern Greece has a republican structure based on the constitution of 1975. Since 2011, the administrative structure of Greece undergoing changes with the aim of further decentralization and strengthening of the local governments’ role, through Kallikratis programme reform. Greece has been divided into 13 administrative regions (NUTS2) – remain the same –and 325 municipalities (NUTS4

or LAU<sup>4</sup>) – diminished from 1,034 municipalities and communities, but, 54 prefecture-level administrations the prefectures (NUTS3) are revoked (TERCO Case Study, 2011).

Nowadays, Greek economy faces its most severe crisis since the dictatorship period in 1974. The shipping industry is a key element of Greek economic activity while the second most important industry is the tourism, but also, there are significant agriculture and construction economic activities (Europa, 2012). The GDP in Greece worth 243 billion euros in 2010 (*see* Table 2) while the highest rate from 1980 was in 2008 at 277 billion Euros (Worldbank Data, 2012). The GDP per capita in 2010 was reported at 10,823 Euros per inhabitant – is equivalent to 110 percent of the world's average. The highest rate of GDP per capita in Greece from 1980 was 11,744 Euros per inhabitant in 2007 (Worldbank Data, 2012).

Greece was the first country to sign an Association Agreement with the European Economic Community as early as 1961 – applied for in 1958, in force since 1962 – but was partly frozen for seven years (1967-1974) as a reaction to the military regime – dictatorship – that assumed power in Athens (Tsinisizelis, 2007; Ministry of Foreign Affairs, 2011). Greece entered the EU in 1981 (Europa, 2011; Ministry of Foreign Affairs, 2011). Greece participated as a full member in the single currency (euro) and the Economic and Monetary Union (EMU) since 2002 (Ministry of Foreign Affairs, 2011). The Greek government actively pursued the entry negotiations in the EU of Bulgaria and Romania, verifying the existence of a strategic consensus on European Affairs.

## 4.2 General features of Bulgaria

Bulgaria is the 14<sup>th</sup> largest country in Europe with 111,910 km<sup>2</sup> and is located to the Southeastern Europe and is adjacent with Romania to the north, Serbia and FYROM to the west part, Greece and Turkey to the south, and Black Sea to the east. Its population is about 7.6 million inhabitants in 2010 (*see* Table 2), while the highest record was 9 million inhabitants in 1988. Also, Bulgaria has 0.11 percent of the

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<sup>4</sup> Local Administrative Unit

world's total population (Worldbank Data, 2012). The official language is Bulgarian as Bulgarians are the main ethnic group – 84.8% of the population – but also, there are two main minorities, Turkish and Roma – 10% and 3% of the population respectively (Europa, 2012). Also, the *traditional* religion is Orthodoxy and 85% of the total population is Orthodox Christians, but also there are other religious dominations that the main is Islam<sup>5</sup> with about 13%.

After the fall of Iron Curtain in 1989, Bulgaria has parliamentary democracy and has adopted democratic constitution in 1991. The state of Bulgaria has been divided into 28 prefectures/districts (NUTS3) and 264 municipalities (NUTS4 or LAU1) since 1999 but is still highly centralized (TERCO Case Study, 2011). Most commercial and cultural activities are concentrated in the capital, Sofia. The strongest sectors of the economy are heavy industry, power engineering and agriculture, all relying on local natural resources and the main national exports are light industrial products (Europa, 2012). The GDP value of Bulgaria in 2010 was 38 billion Euros (*see* Table 2) and is roughly equivalent to 0.08 percent of the world economy, while the highest GDP value of Bulgaria was reported from 1980 at 41 billion Euros. As regards GDP per capita of Bulgaria, was 2,030 Euros per inhabitant in 2010. The highest rate of GDP per capita in Bulgaria was 2,122 Euros per capita in 2008 (Worldbank Data, 2012).

Bulgaria has a tripartite economic and diplomatic collaboration mainly with Greece and Romania. In 2004, Bulgaria became a member of National Atlantic Treaty Organisation (NATO) and in 2005, signed the EU Treaty of Assessment and in 2007 became a full member state of EU, together with Romania. Still it is not a member of the Schengen Treaty.

**Table 2:** Basic demographic and economic characteristics of the eligible countries, in 2010

Countries	Size (km <sup>2</sup> )	Population (inhabitants) (in mln)	Population Density (Inhabitants per km <sup>2</sup> )	GDP (€) (in bln)	GDP per capita (€/inhabitant)
Greece	131,957	11.3	83	243	10,823
Bulgaria	111,910	7.6	70	38	2,030

**Source:** Worldbank Data (2012), elaborated by the author

<sup>5</sup> Bulgaria is among the EU countries with the largest Muslim population

### 4.3 General features of eligible area

#### 4.3.1 History overview and the current relations

The Thracians, an Indo-European group, was the first known civilization to dominate the territory of present-day Bulgaria. Although it was politically fragmented, it was flourishing economical and cultural. It was part of the Macedonian Empire of Alexander the Great, in 4<sup>th</sup> century BC until its decline. Then, through a series of Macedonian Wars in 3<sup>rd</sup> and 2<sup>nd</sup> century BC, it was occupied by the Roman Empire and later there was the emergence of Byzantine Empire and the introduction of Christianity. After the fall of Constantinople, in 1453, the Ottoman Empire was founded in the area until 19<sup>th</sup> century.

**Map 1:** The area in the beginning of the Second Balkan War



**Source:** Wikipedia, 2012

In particular, the relation between Greece and Bulgaria was full of intense and mutual hostility. Since the middle of the 19<sup>th</sup> century, Balkan nation states have been divided due to the *Macedonian* issue, claiming the Macedonia region. The region of Balkans was a conflict-prone area also in 20<sup>th</sup> century when have been generated a political conflict between Greece-Bulgaria-FYROM (Roudometof, 2002). However, in the first decades of the century, Greece-Bulgaria-Serbia formed a political and military coalition aiming to defeat Ottoman forces – during the First Balkan War (1912-1913) (Roudometof, 2002). A major conflict between Greece and Bulgaria was in the Second Balkan War (1913) when the Greece increased the extent of its territory and population (*see* Map 1). In the First World War (1914-1918) Greeks collided with

Bulgarians in 1918 to the *Battle of Skra di Legen* and as a result the Greek victory. In 1925, it was occurred the *Incident at Petrich*, or the *War of the Stray Dog* which it was a conflict between Greece and Bulgaria that ended soon. Finally, in the Second World War (1939-1945) Greece and Bulgaria were opponents but some decades after the end of the war, in 70's, had began the reconciliation period.

In the 21<sup>st</sup> century, Bulgaria is a new member state of EU and Greece, as an old member state, has the role of a stabilizer, promoting peace, security and development, and also, providing assistance – through cooperation – on the process of transition in order to achieve convergence with the EU (Ifantis, 2007). The Greece-Bulgaria cross border area shares a rich common history – including wars – thus the border line has been changed location various times. There are plenty of negative memories on both ethnic sides and an extent feeling of distrust among the inhabitants, as Godfried (2009) notes.

Even though, the local and regional authorities of this cross border area try to overcome the persistence of negative perceptions and memories and cooperate with each other (Godfried, 2009). In 2007, was decisive an agreement between Greece, Russia, and Bulgaria for the construction of the *Burgas-Alexandroupolis* oil pipeline and it was expected to be operational by 2012 but it was partly canceled (Livadas, 2007). In addition, the Greek banking sector has invested millions of euros to acquire and build networks in countries like Bulgaria and also, Albania and Romania (Livadas, 2007). On a bilateral basis, Greece is the third largest foreign investor in Bulgaria, as by mid-2000s, there were more than 1.200 Foreign Direct Investments of Greek interest in Central and Eastern Europe and 41% of these are in Bulgaria (Ifantis, 2007).

#### 4.3.2 *Administrative divisions*

The Greek part of the case study area is located in the northern part of the country and is adjacent to the north where are located the Bulgarian regions Yuzhen Tsentralen (NUTS2), and specifically with Blagoevgrad district, and Yugozapaden (NUTS2) which contains the districts Haskovo, Smolyan and Kardzhali.

The Bulgarian part of the case study area is located in the south part of the country,



bordering to the southeast with the Greek region Kentriki Makedonia (NUTS2) which contains the prefectures of Thessaloniki<sup>6</sup> – even though it is not a border region – and Serres, and to the south with the Greek region Anatoliki Makedonia and Thraki (NUTS2) with the prefectures of Evros, Xanthi, Rodopi, Drama and Kavala<sup>7</sup>. Hence, the case study area consists of 85 LAU1 regions, 11 NUTS3 regions, 4 NUTS2 regions and 2 NUTS1 regions (*see* Table 3, Map 2).

**Table 3:** The Case Study area in 2011

Cod.	Country	
	Greece	Bulgaria
<b>NUTS1</b>	<b>1</b> Voreia Ellada	<b>1</b> South-Western and South-Eastern Bulgaria
<b>NUTS2</b>	<b>2</b> Anatoliki Makedonia and Thraki Kentriki Makedonia	<b>2</b> Yugozapaden Yuzhen tsentralen
<b>NUTS3</b>	<b>7</b> Evros Xanthi Rodopi Drama Kavala Thessaloniki Serres	<b>4</b> Blagoevgrad Haskovo Smolyan Kardzhali
<b>LAU1</b>	<b>43</b>	<b>42</b>

**Source:** TERCO Case Study, 2011

**Map 2:** The Case Study area in 2011



**Source:** Europa – Regional Policy, 2012

<sup>6</sup> even though it is not a border region, it is assumed as one

<sup>7</sup> even though it is not a border region, it is assumed as one also

### 4.3.3 Geomorphologic features

The natural dividing line of these two countries is the Rodope mountain range but there are also the ranges of Rila and Pirin, and the area is crossed by the rivers of Evros, Nestos, Strymon and other smaller rivers, and a plethora of lakes (ETCP Greece-Bulgaria, 2008). The case study area is one of the most ecologically sensitive areas in the Mediterranean including important mountain ranges and ecosystems of ecological value and biodiversity, as well as coastal areas protected under the *RAMSAR Convention* and 76 *NATURA 2000* sites<sup>8</sup> (ETCP Greece-Bulgaria, 2008). Also, there are a significant number of cultural and natural monuments (such as forests) and sites within the *UNESCO World Heritage List*. However, there are pollution sources and thus needs sustainable management in order to avoid major threats – such as the downgrading of the quality of water, soil and air – and to protect fauna and flora species.

### 4.3.4 Transport infrastructures

Concerning the transport infrastructures (*see* Table 4, Map 3), in Bulgarian part of the case study the road transport is the main mode of transport due to the geophysical features (mountainous). As regards the Greek part, there is the Egnatia motorway that crosses the north Greece from far west (Igoumenitsa) to far east (Kipi) and connects directly the 5 of the 7 prefectures of the Greek case study area. Egnatia Motorway is linked to nine vertical road axes which five of these are linking Greek and Bulgarian border areas where the border checkpoints are (ETCP Greece-Bulgaria, 2008; TERCO Case Study, 2011). Three of them are already in operation. Greece is connected with southwest Bulgaria through Thessaloniki-Serres-Promachonas-Blagoevgrad-Sofia and Drama-Exochi-Gotse Delchev which are linking with the *Pan-European Corridor IV*<sup>9</sup>, and with southeast Bulgaria through Alexandroupoli-Ormenio-Svilengrad which is also linking with the *Pan-European Corridor IX* (TERCO Case Study, 2011). There are two more vertical axes which are planning to connect both countries through Egnatia motorway. Hence, at the southeast cross

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<sup>8</sup> This number is expected to increase since Bulgaria expects the approval of a new proposal for the protection of natural resources in the lands located in Pirin and Rila.

<sup>9</sup> Nuremberg – Prague – Vienna – Bratislava – Budapest – Bucharest – Sofia – Thessaloniki – Istanbul

border area, there is under construction the road Komotini-Nimfea-Kardzhali which would link with the *Pan-European Corridor IX*<sup>10</sup>, and there is under design the road Xanthi-Echinos-Smoljan (TERCO Case Study, 2011).

The road infrastructures would enhance and improve accessibility between the two countries, however, due to Bulgaria is not member of the *Schengen Zone* there are still border checkpoints. The Greek-Bulgarian border checkpoints that are already in use are Promachonas/Blagoevgrad, Exochi/Gotse and Ormenio/Svilengrad (TERCO Case Study, 2011). Thus, there would be two more new border check points Nimfea/Kardzhali which is under construction and one more which is under design (TERCO Case Study, 2011). On the other hand, the intraregional, inter-prefectural and inter-municipal roads of both parts are unsatisfying and in dysfunctional condition causing accessibility issues to the inhabitants of the area (ETCP Greece-Bulgaria, 2008).

As concerns the other transport infrastructures at the case study area, ports and airports, there are 3 international airports and 3 big maritime ports<sup>11</sup>, both in Greece – Thessaloniki, Kavala and Alexandroupoli. However, there are no ports and/or airports infrastructure in the Bulgarian eligible area.

**Map 3:** Egnatia Motorway and its vertical axes



**Source:** Roadtraffic-Technology, 2011

<sup>10</sup> Helsinki – Kiev – Bucharest – Alexandroupolis

<sup>11</sup> are included amongst the 13 most important Greek harbours in relation to the traffic of passengers and cargo

**Map 4:** Greek-Bulgarian railway line

**Source:** UK and Europe Travel, 2004

**Table 4:** Transportations Border crossing, Airports and Seaports in the case study area

Name	Type	State	NUTS3	Notes
Promahonas/Kulata	Motorway	Greece/Bulgaria	Serres/ Blagoevgrad	Major gate
Eksohi/Iliden	Roadway	Greece/Bulgaria	Drama / Blagoevgrad	
Ormenio/Svilengrad	Roadway	Greece/Bulgaria	Evros / Haskovo	
Kyprinos/Ivaylograd	Roadway	Greece/Bulgaria	Evros / Haskovo	New
Nymfea/Makaza	Roadway	Greece/Bulgaria	Rodopi / Karzdali	Under construction
Promahonas/Kulata	Railway	Greece/Bulgaria	Serres/ Blagoevgrad	
Ormenio/Svilengrad	Railway	Greece/Bulgaria	Evros / Haskovo	
Dimokritos Airport	Airport	Greece	Evros	
Megas Alexandros	Airport	Greece	Kavala	
Sofia Airport (Vrazhdebna)	Airport	Bulgaria	Sofia	not in Core CS Area
Plovdiv Airport (Krumovo)	Airport	Bulgaria	Plovdiv	not in Core CS Area
Makedonia Airport	Airport	Greece	Thessalonki	
Alexandroupoli	Seaport	Greece	Evros	
Kavala	Seaport	Greece	Kavala	
Thessaloniki	Seaport	Greece	Thessalonki	

**Source:** TERCO Case Study, 2011

In terms of railway connection (*see* Table 4, Map 4), there is on Greek area a railway line which connects Thessaloniki to Alexandroupoli passing through or near most major cities of the area. Also, there was a rail connection from Thessaloniki to Sofia along the Strymon river valley – through Promahon/Kulata railway border checkpoint – which was shut down in February, 2011, due to Greek economic crisis. And also,

there is a railway line on Bulgarian area, Sofia-Plovdiv-Svilengrad, which is going up to the Frontier Station of Ormenio.

#### 4.3.5 Demographic factors

There is a strong common regional identity and common religion. Also, there is a significant characteristic in this area, the existence of an ethnic minority of *Pomaks*<sup>12</sup> who are concentrated in the Rhodope Mountains – of which 83% is located in the southern Bulgaria and the remainder 17% in Greece area (TERCO Study Case, 2011). Pomaks are part of the wider Muslim society<sup>13</sup> of both countries which is composed of Turkish, Pomaks and Roma.

**Map 5:** Population (2009) and population change (2001-2009) for NUTS III regions of eligible area



**Source:** elaborated by the author

The case study area extends to 40,202 km<sup>2</sup> and has total populations of 2,817,697 inhabitants which consists of about the 17.3% of Greek total population and about the 11.4% of Bulgarian population (see Table 5, Map 5, Figure 1). The population of the Bulgarian provinces decreased by 12.5% with the biggest negative change in Kardzhali (-22.5%), while the population of the Greek prefectures of the CS area remained more or less stable (+0.4%) with the biggest positive change in metropolitan

<sup>12</sup> ethnically Slavic, Bulgarian-speaking Christians who adopted Islam (Ghodsee, 2010 in TERCO Case Study, 2011)

<sup>13</sup> Each group has its own language, traditions, schools, cemeteries, mosques

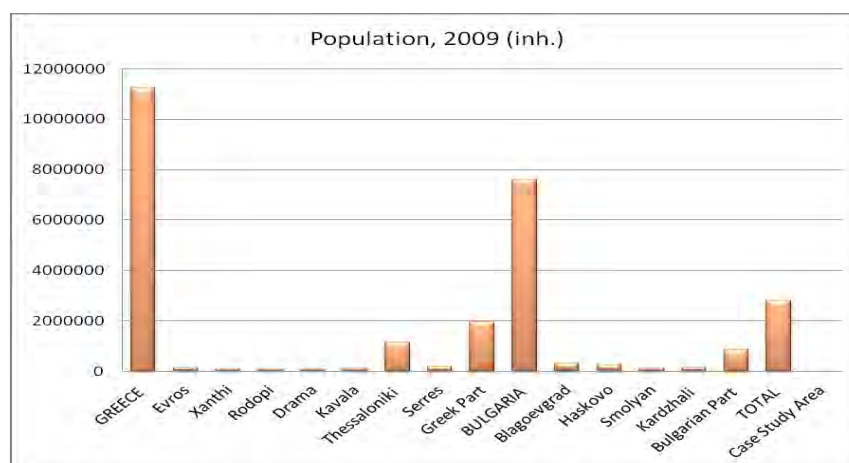
centre, Thessaloniki (+6.5%) and the greater negative change Serres (-3.9%). In terms of population density, the Bulgarian eligible area has an average population density 47 inhabitants per km<sup>2</sup> while the Greek part 89 inhabitants per km<sup>2</sup>. However, the most significant population density at level NUTS3 is noticed also in Thessaloniki 313 inhabitants per km<sup>2</sup>.

**Table 5:** Demographic facts for NUTS3 regions of the case study area in the period 2001-2009

Area	Population, 2009 (inh.)	Share of the case study population (%)	Share of the Country (%)	Population Change, 2001-2009 (%)	Population Density, 2009 (inh./km <sup>2</sup> )
GREECE	11,260,402	-	-	3.0	85
Evros	148,625	5.3	1.3	-0.4	35
Xanthi	107,117	3.8	1.0	4.0	60
Rodopi	111,114	3.9	1.0	-0.1	44
Drama	99,997	3.5	0.9	-2.1	29
Kavala	139,769	5.0	1.2	-1.2	66
Thessaloniki	1,153,959	41.0	10.2	6.5	313
Serres	186,782	6.6	1.7	-3.9	47
<b>Greek Part</b>	<b>1,947,363</b>	<b>69.1</b>	<b>17.3</b>	<b>0.4</b>	<b>89</b>
BULGARIA	7,606,551	-	-	-6.7	69
Blagoevgrad	328,783	11.7	4.3	-4.4	51
Haskovo	259,007	9.2	3.4	-10.6	47
Smolyan	126,536	4.5	1.7	-12.5	40
Kardzhali	156,008	5.5	2.1	-22.5	49
<b>Bulgarian Part</b>	<b>870,334</b>	<b>30.9</b>	<b>11.4</b>	<b>-12.5</b>	<b>47</b>
<b>TOTAL Case Study Area</b>	<b>2,817,697</b>	-	-	<b>-6.1</b>	<b>68</b>

Source: TERCO Case Study, 2011 elaborated by the author

**Figure 1:** Population for NUTS3 regions of the case study area, Year 2009



Source: TERCO Case Study, 2011 elaborated by the author



### 4.3.6 Economic factors

The economic situation of the case study area is displayed more obvious through the values of GDP. Although there are not available data for regions at Nuts 3 level, the data of Nuts 2 level, referred to the eligible area, compared with the national average of GDP and the average of EU-27, are able to provide an overview of the economic situation of the case study area.

According to the following table (*see* Table 7, Figure 3), both countries (Bulgaria and Greece) have GDP per capita values under the average of EU-27, for the period 2005-2009. Specifically for the period 2005-2009, as regards Bulgaria's GDP per capita is only in 16% of the average of EU-27, and as regards Greece's GDP per capita is in 81% of the average of EU-27. However, Bulgaria has increased over 55 percentage points, while Greece has increased percentage 18 percentage points, and the average of EU-27 has even less significant increase only 0.04%.

**Table 6:** GDP per capita in Euro in Nuts 2 case study regions compared with the average of Greece, Bulgaria and EU-27, 2005-2009

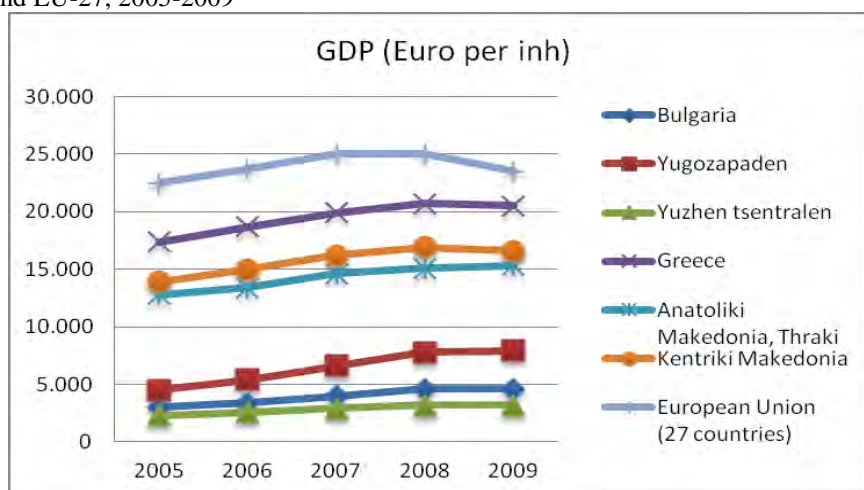
Name/Year	2005	2006	2007	2008	2009	Average 2005-2009
Bulgaria	3,000	3,400	4,000	4,600	4,600	3,900
Yugozapaden	4,500	5,400	6,600	7,800	7,900	6,400
Yuzhen tsentralen	2,300	2,600	2,900	3,200	3,200	2,800
Greece	17,400	18,700	19,900	20,700	20,500	19,400
Anatoliki Makedonia, Thraki	12,800	13,400	14,600	15,100	15,300	14,200
Kentriki Makedonia	13,900	15,000	16,200	16,900	16,600	15,700
European Union (27 countries)	22,500	23,700	25,000	25,000	23,500	23,900

**Source:** Eurostat, 2012 elaborated by the author

Concerning regions at NUTS 2 level compared with their national average, both Greek regions (Anatoliki Makedonia-Thraki and Kentriki Makedonia) are under the national average 27% and 19% respectively. In contrast, Bulgarian regions (Yugozapaden and Yuzhen tsentralen) are 64% over and 28% under the national average respectively. Also, all the eligible regions increased over the period 2005-2009. The greater increasing of GDP per capita level have occurred in Bulgarians regions (Yugozapaden 42% and Yuzhen tsentralen 22%), while less significant rise

have occurred in Greek eligible regions (Anatoliki Makedonia-Thraki 11% and Kentriki Makedonia 13%). Consequently, the smallest average of GDP per capita for the period 2005-2009 belongs to Bulgarian region Yuzhen tsentralen, while the highest belongs to the EU-27 average.

**Figure 2:** GDP per capita in Euro in Nuts 2 case study regions compared with the average of Greece, Bulgaria and EU-27, 2005-2009



**Source:** Eurostat, 2012 elaborated by the author

As concerns the economic performance of the case study area (*see* Table 6, Figure 2), the total Gross Value Added (GVA) of all the goods and services produced in the area accounts for approximately 33 billion Euros in 2008 of which the major part (93%) belongs to the Greek area production. Also, the GVA per capita in 2008 of the eligible area was about 10,000 Euros per capita while the GVA per capita of the Greek part was above the average of the eligible area (by 41.7%).

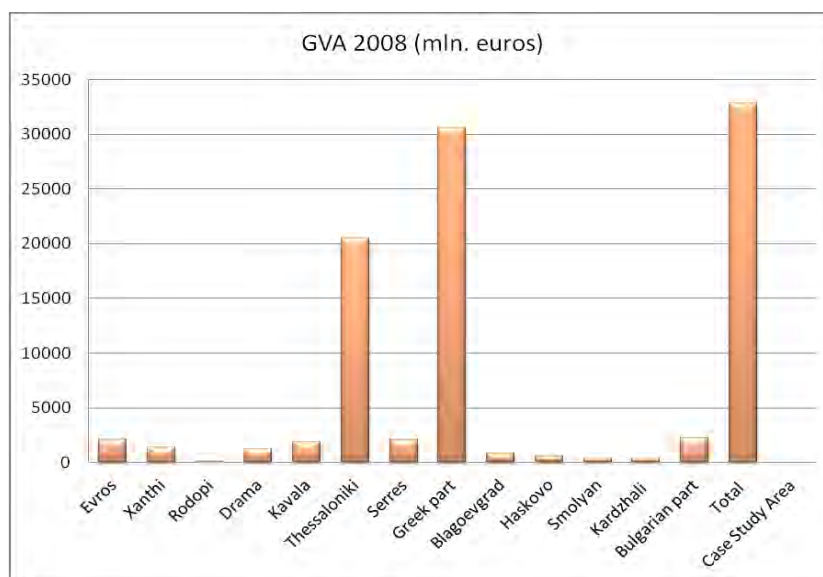
From the period 2000 until 2008 the total GVA had an impressive increase of 84.1% of which the Bulgarian GVA present a twofold increase compared with the Greek GVA. The primary economic sector of the eligible area was decreased since 2000 in both sides possessing in 2008 about the 11% while the tertiary sector possessed about the 64%. The secondary economic sector possessed in 2008 the 25% and since 2000 was the sector with the most significant positive change (4%).



**Table 7:** Economic stylized facts for the NUTS 3 regions of the case study area, 2000-2008

Name	GVA			GVA in primary sector		GVA in secondary sector		GVA in tertiary sector	
	2008 (mln. euros)	Change (2000-2008) (%)	per capita 2008 (euros)	2008 (% of total)	Change (2000-2008) (% points)	2008 (% of total)	Change (2000-2008) (% points)	2008 (% of total)	Change (2000-2008) (% points)
GREECE	209,662	72.1	18,697	3.1	-3.4	18.1	-2.8	78.7	6.2
Evros	2,097	48.5	14,099	6.0	-7.0	20.2	-2.1	73.8	9.1
Xanthi	1,401	61.1	13,141	5.3	-7.1	29.0	-1.9	65.8	9.0
Rodopi	1,340	66.3	12,050	6.9	-12.5	19.7	-1.0	73.4	13.5
Drama	1,276	59.6	12,730	7.8	-4.9	17.0	-1.4	75.2	6.3
Kavala	1,898	63.3	13,566	5.8	-4.8	23.7	0.0	70.5	4.8
Thessaloniki	20,477	67.6	17,899	1.4	-1.1	19.3	-5.5	79.3	6.6
Serres	2,078	45.8	11,063	9.6	-12.6	18.5	1.0	71.9	11.6
<b>Greek part</b>	<b>30,567</b>	<b>58.9</b>	<b>13,507</b>	<b>6.1</b>	<b>-7.2</b>	<b>21.1</b>	<b>-1.5</b>	<b>72.8</b>	<b>8.7</b>
BULGARIA	29,519	140.3	3,864	6.9	-6.7	30.4	4.5	62.7	2.1
Blagoevgrad	872	122.9	2,648	15.5	-0.8	35.7	5.3	48.8	-4.5
Haskovo	626	92.0	2,392	13.5	-6.9	32.1	9.0	54.3	-2.1
Smolyan	379	132.8	2,956	14.2	-3.6	37.9	19.5	47.9	-15.9
Kardzhali	359	89.6	2,292	31.7	5.4	21.7	4.2	46.6	-9.6
<b>Bulgarian part</b>	<b>2,236</b>	<b>109.2</b>	<b>2,572</b>	<b>18.7</b>	<b>-1.5</b>	<b>31.9</b>	<b>9.5</b>	<b>49.4</b>	<b>-8.0</b>
<b>Total Case Study Area</b>	<b>32,803</b>	<b>84.1</b>	<b>9,531</b>	<b>10.7</b>	<b>-4.3</b>	<b>25.0</b>	<b>4.0</b>	<b>64.3</b>	<b>0.4</b>

Source: TERCO Case Study, 2011 elaborated by the author

**Figure 3:** GVA for the NUTS 3 regions of the case study area, 2000-2008

Source: TERCO Case Study, 2011 elaborated by the author

As regards the employment (*see* Table 8) distribution among the different sectors of the economy in the eligible area in 2008, the picture is quite different comparing to one formed by the respective GVA figures. The 25% of the employed people in the case study area is employed in the primary sector, the 24% in the secondary sector, and the 51% in the tertiary sector. The respective figures for GVA are 10.7%, 25%, and 64.3%. Thus, the primary sector is characterised by low productivity. In the Greek part of the case study area, the 22.5% of the employed people is employed in the primary sector, the 19.1% in the secondary sector, and the 58.4% in the tertiary sector, whereas the respective figures for the Bulgarian part of the case study area are 30%, 32.1%, and 37.9%. Hence, the tertiary sector absorbs the larger part of the labor force in the Greek part, reaching the level of 58.4% – with significant divergence from the employment in the secondary sector – and the primary sector absorbs the larger part of the labor force in the Bulgarian part – while there is also approximately equal distribution of employment in economic sectors.

**Table 8:** Sectoral allocation of employment in the NUTS III regions of the eligible area, Year 2008

Area	Employment in sectors, 2008					
	(% of employees)					
	agriculture, forestry, fishing	industry (exc. construction)	construction	Wholesale and retail trade; hotels and restaurants; transport	Financial intermedia tion; real estate	public administration and community services; activities of households
GREECE	11.3	11.6	8.0	32.3	10.1	26.7
Evros	19.6	7.7	6.7	21.6	6.6	37.8
Xanthi	28.4	12.6	6.3	21.7	6.1	24.9
Rodopi	44.9	10.6	5.3	19.9	3.7	15.6
Drama	15.0	14.3	8.8	23.8	6.8	31.3
Kavala	15.8	9.6	7.6	36.4	6.1	24.5
Thessaloniki	2.8	15.3	7.4	34.4	11.5	28.6
Serres	31.5	14.6	6.9	23.0	5.2	18.8
<b>Greek part</b>	<b>22.5</b>	<b>12.1</b>	<b>7.0</b>	<b>25.9</b>	<b>6.6</b>	<b>25.9</b>
BULGARIA	19.4	21.5	7.7	24.4	7.5	19.4
Blagoevgrad	22.3	32.2	8.5	17.8	2.7	16.5
Haskovo	32.7	21.2	5.8	20.8	2.4	17.1
Smolyan	28.7	23.3	10.1	18.2	1.9	17.8
Kardzhali	36.4	22.7	4.2	15.8	1.6	19.3
<b>Bulgarian part</b>	<b>30.0</b>	<b>24.9</b>	<b>7.2</b>	<b>18.2</b>	<b>2.1</b>	<b>17.6</b>
<b>Total Case Study Area</b>	<b>25.2</b>	<b>16.8</b>	<b>7.1</b>	<b>23.1</b>	<b>5.0</b>	<b>22.9</b>

**Source:** TERCO Case Study, 2011 elaborated by the author

The active population in the case study area, in 2008, accounts for about 43.9% of the total population (*see* Table 9). The highest ratio can be recorded in the Bulgarian part of the CS area and especially in the Smolyan region (53.9%) and the lowest level in the Greek region Serres (32.1%). Comparing to national averages, the Greek part is slightly below by 1.4 percentage points, while the Bulgarian part is above by 4.1 percentage points. The active population on the case study area has been increased (2003-2008) by 2.4 percentage points. The highest increase is recorded in the Bulgarian part reaching the level of 3.9 percentage points, however, the Greek part follow with increase that reaches the level of 1.5 percentage points. At the municipal/provincial level, Evros and Kardzhali are the only spatial units that exhibited decrease, at the levels of 6.7 % and 3.7 %, respectively.

**Table 9:** Labor market stylized facts for the NUTS III regions of the eligible area, 2003 and 2008

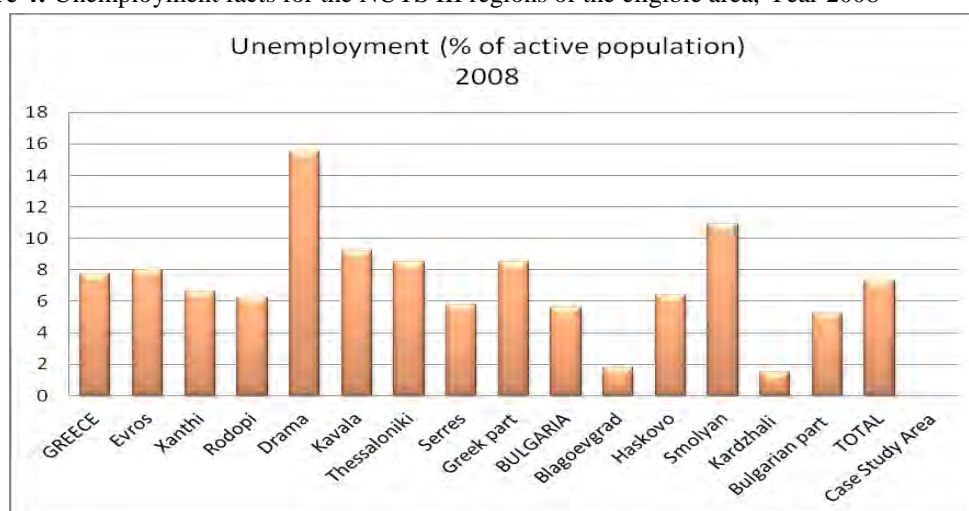
Name	Active Population (% of population)		Unemployment		Unemployment (% of active population)	
	2008	Change (2003-2008) (%)	2008	Change (2003-2008) (%)	2008	Change (2003-2008) (%)
GREECE	43.9	1.0	377,900	-17.8	7.7	-2.0
Evros	42.8	-6.7	5,100	-25.0	8.0	-1.3
Xanthi	43.8	1.0	3,100	-35.4	6.6	-4.3
Rodopi	48.5	0.1	3,300	43.5	6.2	1.8
Drama	36.0	5.9	5,600	14.3	15.5	-0.3
Kavala	41.3	1.6	5,300	-36.1	9.2	-5.7
Thessaloniki	47.4	3.9	46,400	-3.1	8.5	-1.4
Serres	32.1	4.8	3,500	-43.5	5.8	-4.1
<b>Greek part</b>	<b>42.5</b>	<b>1.5</b>	<b>72,300</b>	<b>-12.2</b>	<b>8.5</b>	<b>-2.2</b>
BULGARIA	42.0	4.7	199,700	-55.5	5.6	-8.1
Blagoevgrad	50.0	4.9	3,000	-75.4	1.8	-6.2
Haskovo	45.7	7.3	7,700	-21.4	6.4	-3.0
Smolyan	53.9	6.9	7,500	-42.7	10.9	-9.6
Kardzhali	36.7	-3.7	900	-27.2	1.5	-3.4
<b>Bulgarian part</b>	<b>46.6</b>	<b>3.9</b>	<b>19,100</b>	<b>-41.7</b>	<b>5.2</b>	<b>-5.6</b>
<b>TOTAL</b>						
<b>Case Study Area</b>	<b>43.9</b>	<b>2.4</b>	<b>91,400</b>	<b>-22.9</b>	<b>7.3</b>	<b>-3.4</b>

**Source:** TERCO Case Study, 2011 elaborated by the author

Concerning the level of unemployment (*see* Table 9, Figure 4), the case study area has approximately 150,400 unemployed people, in 2008, which corresponds to a 7.3% unemployment rate. In particular, the Greek part has 72,300 unemployed people (or

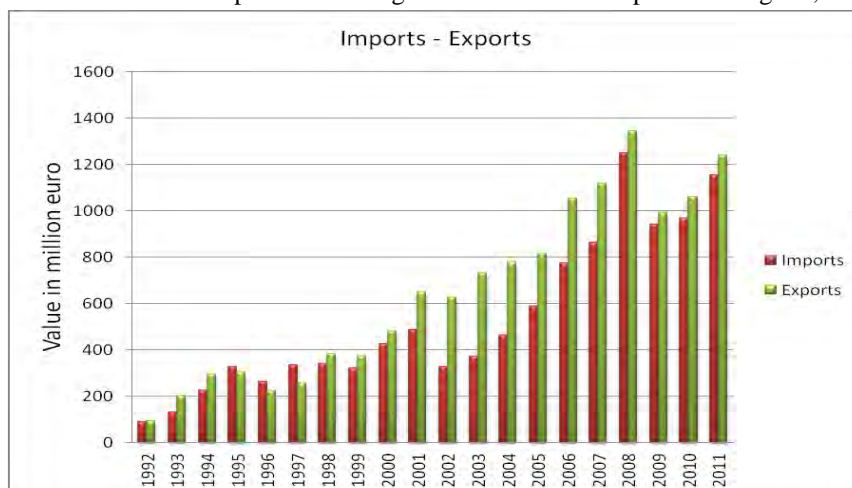
an unemployment rate of 8.5%) and the Bulgarian part has 19,100 unemployed people (or an unemployment rate of 5.2%). The number of unemployed people in the case study area has been decreased (2003-2008) by 3.4 %. In the Greek part, the number of unemployed people has been decreased by 2.2 %. Also, in the Bulgarian part of the eligible area, the number of unemployed people has been decreased by 5.6 %.

**Figure 4:** Unemployment facts for the NUTS III regions of the eligible area, Year 2008



**Source:** TERCO Case Study, 2011 elaborated by the author

As regards the commercial exchanges (imports-exports) between Greece-Bulgaria in 1992-2011 period (*see* Table 10, Figure 5), the percentage of the Greek imports from Bulgaria is considerably lower than the Greek exports to Bulgaria. The value of the exchanges between Greece-Bulgaria is increasing periodically and actually fourth-fold. In particular, in 2011 both the Greek imports from Bulgaria and exports to Bulgaria were increased 1,250% since 1992 (from 90 mln € in 1992 to 1,200 mln € in 2011). The most major volume of bilateral trade recorded in 2008, a year after the accession of Bulgaria in the EU. Particularly, in 2008, the Greek imports from Bulgaria were increased approximately 45% upgrading position of Bulgaria as a supplier of the Greek market from 18th in 2007 to 16th in 2008, and at the same time, the percentage of the Greek exports to Bulgaria in 2008 was the highest of this period placing Bulgaria to 3<sup>rd</sup> position among foreign buyers of Greek products in relation to the 4<sup>th</sup> position he held the previous year (Embassy of Greece in Sofia, 2009).

**Figure 5:** The value of Greek imports from Bulgaria and the Greek exports to Bulgaria, 1992-2011

**Source:** El.Stat, 2012 elaborated by the author

**Table 10:** The value of Greek imports from Bulgaria and the Greek exports to Bulgaria, 1992-2011

\*million euro

Year	Imports		Exports	
	Value*	%	Value*	%
1992	90	0.7	93	1.7
1993	133	0.9	204	3.6
1994	226	1.5	294	4.4
1995	329	1.9	304	4.1
1996	263	1.3	222	2.6
1997	336	1.5	256	2.9
1998	342	1.3	383	4.1
1999	321	1.2	374	3.8
2000	427	1.2	482	3.8
2001	486	1.5	650	5.5
2002	328	1.0	626	5.7
2003	371	0.9	732	6.1
2004	464	1.1	780	6.3
2005	589	1.3	817	5.8
2006	777	1.5	1,052	6.4
2007	864	1.6	1,116	6.5
2008	1,251	2.0	1,343	7.5
2009	941	1.9	991	6.7
2010	969	2.0	1,059	6.5
2011	1,156	2.6	1,239	5.4

**Source:** ElStat, 2012 elaborated by the author

### 4.3.7 People's mobility

People's mobility across border (arrivals and departures) constitutes an indicative

proxy for the intense of cross border interaction. According to Hellenic Statistical Authority (ElStat) there are statistical data about the arrivals of foreigners in Greece for the period 1991-2007 but there are not recent (2008-2011) relevant statistical data. Concerning the period 2008-2011, there are statistical data about the non-resident arrivals from aboard.

Therefore, the arrivals from Bulgaria to Greece have been gradually increased (1997-2007) (*see* Table 11, Table 12, Figure 6). The number of Bulgarians arriving by plane in Greece has been increased gradually in the period 1997-2007 by 334 %. The plane is second less common mode of transportation which Bulgarians use to travel in Greece. The highest number of Bulgarian's arrivals was 30,342 people in 2005 when was the greater positive annual change (70.5%), however, the greater negative change (-24.3%) was in 1998-1999. In this period, the arrivals by airplane have approximately 0.2% of the total number of arrivals from all over the world to Greece.

As regards the arrivals of Bulgarian citizens by train to Greece, has been increased since 1997 but with many ups and downs. The highest number of train arrivals from Bulgaria to Greece was in 2005, about 52 thousand people. Also, in 2005 the arrival of Bulgarians to Greece by plane had the greater percentage of the total number of arrivals from all over the world 50.1%, while in 1998 the percentage was 2%. Thus, the greater positive annual change has been occurred in 1998-1999 by approximately 2,250%, however, the year after that, in 1999-2000, has been occurred the greater negative annual change by approximately 100 percentage points.

The boat, of course, is the mode of transportation which is used the least from Bulgarians to travel in Greece. The higher number of Bulgarian's arrivals to Greece (11,596 people) was in 2006, while the lowest number (2,210 people) was in 1997. The share of Bulgarian's arrivals by train to Greece compared with the total train arrivals to Greece was about 0.5% in the period 1997-2001, while in the period 2002-2006 was about 1.4% and in 2007 0.8%. Thus, the greater positive annual was occurred in 2001-2002 by 75 percentage points and the greater negative annual change was in 2006-2007 by 25.7 percentage points.

The most common mode of transportation between Bulgaria and Greece is through roads. Also, Bulgarians reached in 2007 almost a quarter (23.2%) of the total of

countries who uses the roads to travel to Greece. In the period 1997-2007, there is a gradually increase. The most significant annual change has been occurred in 2000-2001 by a decrease of 87.3 percentage points. Since 1997 and until 2007 there was a positive change by approximately 500%.

**Table 11:** Arrivals of foreigners by mean of transport from Bulgaria to Greece, 1997-2007

Year	Arrivals from Bulgaria to Greece											
	Airports	Arrivals (% of total arrivals)	Annual change %	Train	Arrivals (% of total arrivals)	Annual change %	Ports	Arrivals (% of total arrivals)	Annual change %	Roads	Arrivals (% of total arrivals)	Annual change %
1997	6,929	0.1	-	837	2.3	-	2,210	0.4	-	172,362	13.1	-
1998	8,100	0.1	16.9	647	2.0	-22.7	3,380	0.4	52.9	185,220	13.2	7.5
1999	6,128	0.1	-24.3	15,087	38.9	2,231.8	4,333	0.5	28.2	177,300	13.0	-4.3
2000	7,321	0.1	19.5	23,018	36.0	-99.8	3,633	0.4	-16.2	206,247	11.8	16.3
2001	10,270	0.1	40.3	36,775	42.7	59.8	5,158	0.6	42.0	386,216	16.6	87.3
2002	13,479	0.1	31.2	30,008	33.6	-18.4	9,022	1.1	74.9	417,723	14.6	8.2
2003	16,306	0.2	21.0	27,635	29.2	-7.9	9,434	1.5	4.6	406,179	14.4	-2.8
2004	17,795	0.2	9.1	30,805	33.6	11.5	9,708	1.7	2.9	381,955	14.2	-6.0
2005	30,342	0.3	70.5	52,106	50.1	69.1	9,779	1.3	0.7	507,645	17.0	32.9
2006	27,053	0.2	-10.8	21,372	27.0	-59.0	11,596	1.1	18.6	617,347	17.9	21.6
2007	30,094	0.2	11.2	40,625	42.6	90.1	8,611	0.8	-25.7	1,020,424	23.2	65.3

**Source:** ElStat, 2012 elaborated by the author

**Table 12:** The total arrivals of foreigners from Bulgaria to Greece, 1991-2007

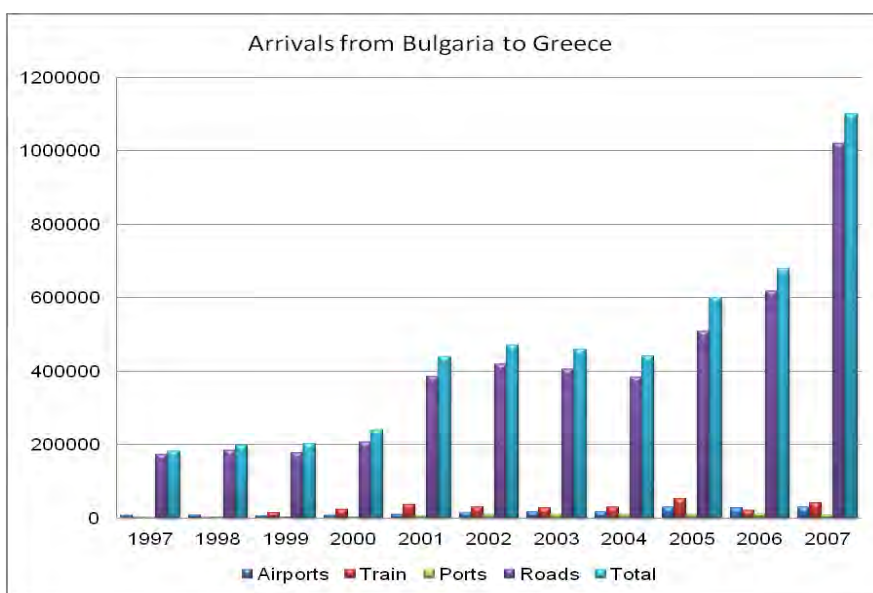
Year	Arrivals from Bulgaria to Greece		
	Total	Arrivals (% of total arrivals)	Annual change %
1991	157,910	1.9	-
1992	140,725	1.4	-10.9
1993	144,534	1.5	2.7
1994	133,764	1.2	-7.5
1995	136,504	1.3	2.0
1996	154,765	1.6	13.4
1997	182,338	1.8	17.8
1998	197,347	1.7	8.2
1999	202,848	1.7	2.8
2000	240,219	1.8	18.4
2001	438,419	3.1	82.5
2002	470,232	3.3	7.3
2003	459,554	3.3	-2.3
2004	440,263	3.3	-4.2
2005	599,872	4.1	36.3
2006	677,368	4.2	12.9
2007	1,099,754	6.3	62.4

**Source:** ElStat, 2012 elaborated by the author



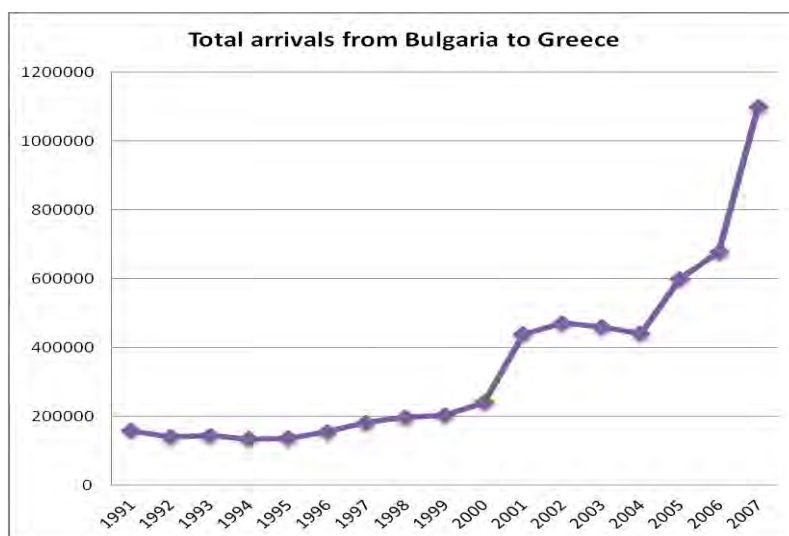
Consequently, the total number of arrivals of Bulgarians to Greece (*see* Table 12, Figure 6, Figure 7) has been gradually increased especially since 1996 culminating in 2000-2001 with annual change by 82.5 percentage points. In the period 1991-2007, there has been occurred a positive change in the number of arrivals of Bulgarians to Greece of approximately 600%, and also the percentage of Bulgarians who travel to Greece comparing with the total arrivals has been tripled since 1991, possessing in 2007 the percentage of 6.3% of the total arrivals in Greece. The major percentage of foreigners' arrivals is from United Kingdom by approximately 16%.

**Figure 6:** Arrivals of foreigners by means of transport from Bulgaria to Greece, 1997-2007



**Source:** ElStat, 2012 elaborated by the author

**Figure 7:** The total arrivals of foreigners from Bulgaria to Greece, 1991-2007



**Source:** ElStat, 2012 elaborated by the author



More recent statistical data (2007-2011) from the ElStat there are about the non-residents who visit Greece. Specifically, concerning the arrivals of non-residents by means of transport from Bulgaria to Greece, for the period 2008-2011, there have been occurred ups and downs (*see* Table 13, Figure 8). As regards the arrivals of non-residents from Bulgaria to Greek airports has only 0.3 percentage points of the total arrivals. The greater annual change is positive and has been occurred in 2009-2010 by approximately 60 percentage points. Also, the most major number of relevant arrivals through airport is 31,869 visitors in 2011.

The arrivals of non-residents from Bulgaria to Greece by train for the period 2008-2011 are characterized by significant changes. The major annual change is also positive and has been occurred in 2009-2010 by approximately 300% reaching almost 30,000 Bulgarian visitors in 2010. However, in 2011 February due to the shutdown of the railway connection between Greece-Bulgaria, the arrivals from Bulgaria reached the lowest point (2,003 Bulgarian visitors). Also, one in two arrivals of non-residents from aboard to Greece by train is Bulgarian in 2010 and 2011.

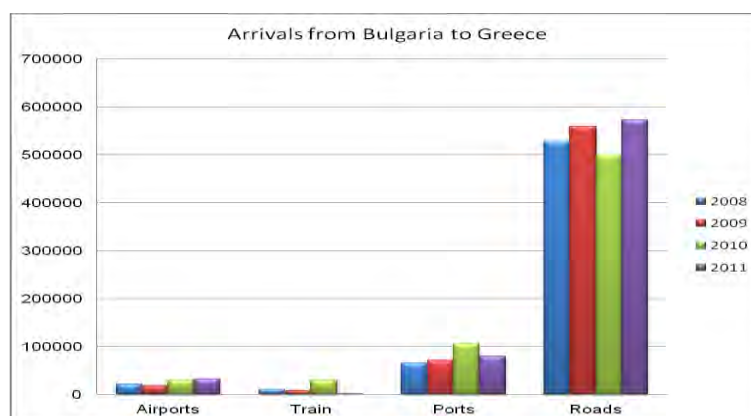
As regards the arrivals of non-residents from Bulgaria to Greece through ports reaches 10% of the total arrivals of non-residents from aboard. In 2009-2010, occurred the greater annual change 47% which is also positive, but one year after that, in 2011, the number of Bulgarian's arrivals decreased by 24%. The highest number of arrivals from Bulgaria to Greece through ports is about 105,000 in 2010 and the lowest is about 65,500 in 2008.

Furthermore, the arrivals of non-residents from Bulgaria to Greece through roads for the period 2008-2011 are increased almost gradually with the greater annual change approximately 15% in 2010-2011 when reached the highest number of arrivals from Bulgaria, 572,500 visitors. However, the percentage of arrivals from Bulgaria through roads compared with the total arrivals of non-residents from aboard to Greece is slightly decreased, from 18 percentage points to 15 percentage points.

**Table 13:** Arrivals of non-residents by means of transport from Bulgaria to Greece, 2008-2011

Year	Arrivals from Bulgaria to Greece											
	Airports	Arrivals (% of total arrivals)	Annual change %	Train	Arrivals (% of total arrivals)	Annual change %	Ports	Arrivals (% of total arrivals)	Annual change %	Roads	Arrivals (% of total arrivals)	Annual change %
2008	20,983	0.2	-	10,035	15.2		65,465	6.1	-	526,994	17.0	-
2009	19,313	0.2	-8.0	7,819	14.2	-22.1	71,397	7.1	9.1	558,600	18.0	6.0
2010	30,423	0.3	57.5	29,856	55.1	281.8	104,962	10.2	47.0	499,148	15.2	-10.6
2011	31,869	0.3	4.7	2,003	53.2	-93.3	79,825	8.4	-23.9	572,512	15.1	14.7

Source: ElStat, 2012 elaborated by the author

**Figure 8:** Arrivals of non-residents by means of transport from Bulgaria to Greece, 2008-2011

Source: ElStat, 2012 elaborated by the author

Finally, the total number non-residents' arrivals from Bulgaria to Greece for the period 2007-2008 has non-significant changes (*see* Table 14, Figure 9), but comparing the initial numbers of arrivals of the period with the final numbers is observed a slightly negative change (701,700 to 686,200 Bulgarian visitors). Also, the greater annual change is negative and has been occurred in 2007-2008 by 11.1%. The arrivals of non-residents from Bulgaria to Greece compared with the total arrivals of non-residents from abroad are approximately 4%, when the greater percentage of arrivals is from Germany by approximately 13%.

**Table 14:** The total arrivals of non-residents from Bulgaria to Greece, 2007-2008

Year	Arrivals from Bulgaria to Greece		
	Arrivals	Arrivals (% of total arrivals)	Annual change %
2007	701,666	4,3	-
2008	623,476	3,9	-11,1
2009	657,130	4,4	5,4
2010	664,389	4,4	1,1
2011	686,209	4,2	3,3

Source: ElStat, 2012 elaborated by the author

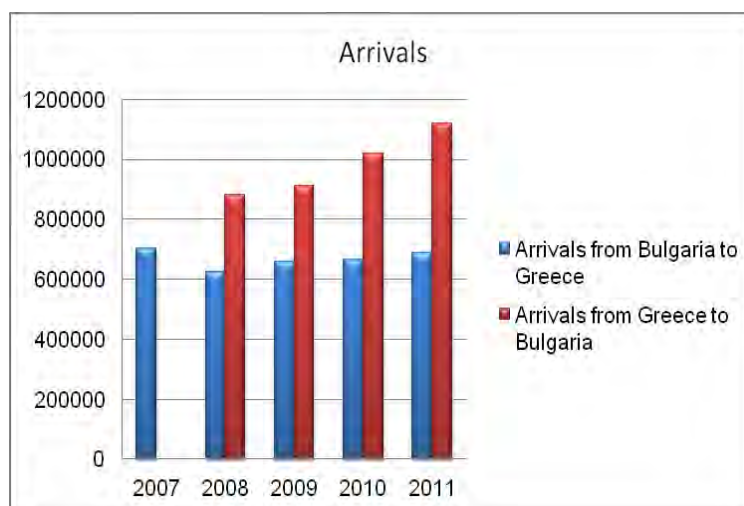
In the opposite direction, from Greece to Bulgaria, unfortunately there are statistical data only since the accession of Bulgaria in EU. According the Bulgarian Statistical Institute, this period is characterized by gradual positive change and the higher number of arrivals is observed in 2011 with about 1,121,000 Greek visitors (*see* Table 15, Figure 9). Also, one out of ten visitors in Bulgaria is Greek, in period 2008-2011, and is in the second place concerning the number of arrivals to Bulgaria. In the first position is Romania as approximately two of ten visitors in Bulgaria is Romanian.

**Table 15:** Arrivals of visitors from Greece to Bulgaria, 2008-2011

Year	Arrivals from Greece to Bulgaria		
	Arrivals	Arrivals (% of total arrivals)	Annual change %
2008	881,458	10.3	
2009	909,698	11.6	3.2
2010	1,017,914	12.2	11.9
2011	1,120,640	12.9	10.1

**Source:** Bulgarian Statistical Institute, 2012 elaborated by the author

**Figure 9:** Arrivals of visitors from Greece to Bulgaria, 2008-2011, and from Bulgaria to Greece, 2007-2011



**Source:** ElStat, 2012; Bulgarian Statistical Institute, 2012 elaborated by the author

### 4.3.8 Income Inequalities Distribution

According to EIStat (2012), there are available statistical data of income inequality distribution that expressed by the indicators S80/S20 income quintile share ratio<sup>14</sup> and Gini coefficient<sup>15</sup>, only for years 2007 and 2010 (*see* Table 16, Figure 10, Figure 11). Specifically, based on indicator S80/S20, both eligible countries have greater income inequalities compared both with the averages of EU-27 and EU-15. As regards to Greece, its income inequality in 2007 is 16% and 18% greater than EU-27 and EU-15 respectively, while concerning Bulgaria, its income inequality is 33% and 36% greater than EU-27 and EU-15. In 2010, concerning Greece's income inequality by the same indicator is decreased by 5 percentage points compared with 2007 and is 12% greater than both EU-27 and EU-15, while concerning Bulgarian income inequality is decreased by 13 percentage points compared with 2007 but is still greater than EU-27 and EU-15 by 18%.

The results of income inequalities based on indicator Gini coefficient for years 2007 and 2010, also display the same picture that both eligible countries have greater income inequalities compared both with the averages of EU-27 and EU-15. Specifically in 2007, concerning Greece, its income inequalities 6 and 10 percentage points more than EU-27 and EU-15 respectively, while concerning Bulgaria, its income inequalities 16 and 20 percentage points more than EU-27 and EU-15 respectively. As regards 2010, Greek income inequalities remain stable but compared with EU-27 and EU-15 are still greater by 8 percentage points, while Bulgarian income inequalities are decreased and compared with EU-27 and EU-15 are still greater by 9 percentage points. Consequently, the gap between Greece, Bulgaria and EU-27, EU-15 is narrowing and between Greece and Bulgaria is narrowing even further.

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<sup>14</sup> is the ratio of the sum of equivalised disposable income received by the 20% of the country's population with the highest equivalised disposable income (top inter-quintile interval) to that received by the 20% of the country's population with the lowest equivalised disposable income (lowest inter-quintile interval)

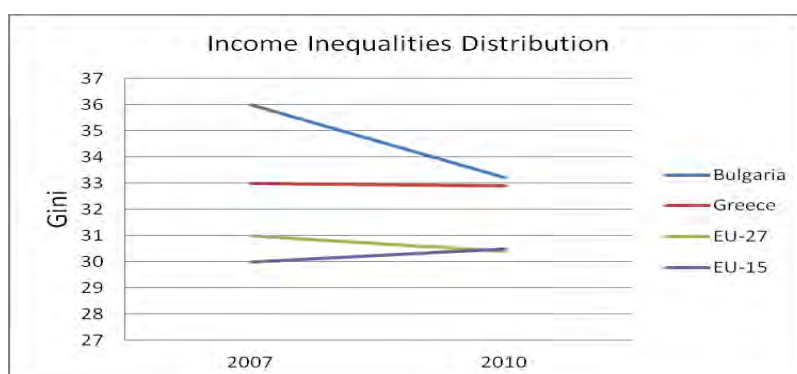
<sup>15</sup> If there was perfect equality (i.e. each person receives the same income) the Gini coefficient would be 0%. A Gini coefficient of 100% would indicate there was total inequality and the entire national income was in the hands of one person.

**Table 16:** Income inequality distribution by the indicators S80/S20 and Gini coefficient on Greece, Bulgaria, EU-27, EU-15, Years 2007, 2010

Name/Year	S80/S20		Gini	
	2007	2010	2007	2010
EU-27	5,1	5,0	31,0	30,4
EU-15	5,0	5,0	30,0	30,5
Greece	5,9	5,6	33,0	32,9
Bulgaria	6,8	5,9	36,0	33,2

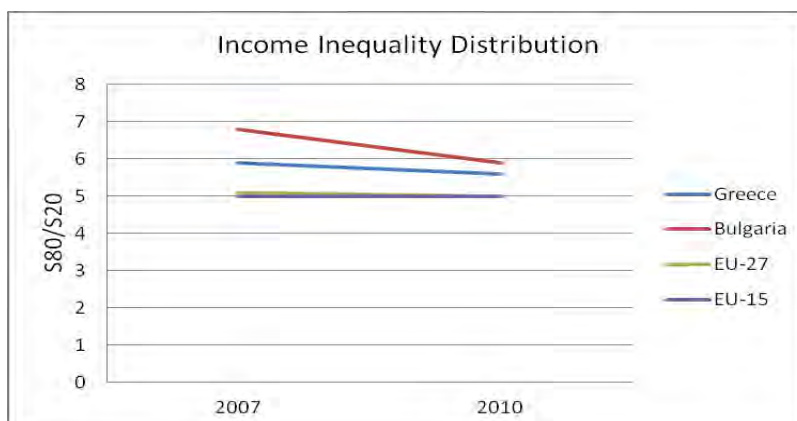
**Source:** ElStat, 2012 elaborated by the author

**Figure 10:** Income inequality distribution by the indicator Gini coefficient (%) on Greece, Bulgaria, EU-27, EU-15, Years 2007, 2010



**Source:** ElStat, 2012 elaborated by the author

**Figure 11:** Income inequality distribution by the indicator S80/S20 on Greece, Bulgaria, EU-27, EU-15, Years 2007, 2010



**Source:** ElStat, 2012 elaborated by the author

## 5. REVIEW OF TERRITORIAL COOPERATION POLICIES BETWEEN GREECE AND BULGARIA

### 5.1 Background information about the eligible involvement in Territorial Cooperation Projects

Concerning the experience of both parts of the case study area in different types of Territorial Cooperation Projects (*see* Table 12), the majority of “experienced” respondents are involved in INTERREG A activities, in contrast with “less experienced” respondent in Transcontinental projects. Quite high is the respective ratio for Twinning Cities activities, while quite low is the ratio for INTERREG B activities. In particular, most of the Greek “experienced” respondents are involved in INTERREG A, in Twinning Cities, and in INTERREG C activities. Most of the Bulgarian “experienced” respondents are involved in INTERREG A, and in TwinningCities activities. On the other hand, the least of the Greek “experienced” respondents are involved in Transcontinental activities, and concerning Bulgaria, in INTERREG B activities where there are no “experienced” respondents.

**Table 17:** Type of Cooperation and experience (%) in Territorial Cooperation Projects of the case study area

Type of Cooperation	Country	
	GR	BG
Twinning Cities	51.4	66.7
INTERREG A	71.4	83.3
INTERREG B	40.0	0.0
INTERREG C	51.4	33.3
Transcontinental	5.7	16.7

**Source:** TERCO Case Study, 2011

Concerning the period of initial involvement (*see* Table 13), it should be mentioned that both the Greek and Bulgarian municipalities in the case study area have no involvement in INTERREG B, INTERREG C, and transcontinental programmes. Concerning the Twinning Cities programme, Bulgarian municipalities involved in the period 1994-1999 by the greater percentage 32.1%. The majority of Greek municipalities first involved in the periods 2000-2006 and after 2007 no municipality involved. As for the INTERREG A programme, all Bulgarian municipalities were

first involved in the period 2000-2006 and half after 2007. Again, the Greek municipalities in their vast majority they were first involved in the period 2000-2006. In contrast, the corresponding situation is more balanced for the municipalities. As for the INTERREG B and INTERREG C programmes only Greek municipalities were involved. Most of them were first involved in the period 2000-2006. Finally, as for the transcontinental programmes, all Bulgarian municipalities were first involved in the period 1994-1999, whereas all Greek municipalities were first involved in the period 2000-2006.

**Table 18:** Period of Initial Involvement in Territorial Cooperation Projects, case study area, (%) of cases with experience in Territorial Cooperation Projects

Type	Period	Country	
		GR	BG
Twinning Cities	Before 1994	22.2	14.3
	1994-99	27.8	32.1
	2000-06	27.8	28.6
	Since 2007	22.2	25.0
	<b>Total</b>	<b>100.0</b>	<b>96.6</b>
	<i>Involvement</i>	<i>100.0</i>	<i>100.0</i>
INTERREG A	Before 1994	8.0	5.0
	1994-99	8.0	5.0
	2000-06	60.0	50.0
	Since 2007	24.0	40.0
	<b>Total</b>	<b>100.0</b>	<b>97.6</b>
	<i>Involvement</i>	<i>100.0</i>	<i>100.0</i>
INTERREG B	Before 1994	0.0	0.0
	1994-99	7.1	7.1
	2000-06	50.0	50.0
	Since 2007	42.9	42.9
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>
	<i>Involvement</i>	<i>100.0</i>	<i>100.0</i>
INTERREG C	Before 1994	0.0	0.0
	1994-99	0.0	0.0
	2000-06	64.7	64.7
	Since 2007	35.3	35.3
	<b>Total</b>	<b>94.4</b>	<b>85.0</b>
	<i>Involvement</i>	<i>100.0</i>	<i>100.0</i>
Transcontinental	Before 1994	0.0	0.0
	1994-99	0.0	33.3
	2000-06	100.0	66.7
	Since 2007	0.0	0.0
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>
	<i>Involvement</i>	<i>100.0</i>	<i>100.0</i>

**Source:** TERCO Case Study, 2011 elaborated by the author

As for the number of projects or agreements (*see* Table 14), the majority of municipalities in the case study area, in case of involvement, are involved in more than 2 projects in the framework of INTERREG A and INTERREG C programmes, since 2007. In contrast, in the framework of INTERREG B programme, since 2007, the majority of municipalities in the case study area are involved in only 1 project. Of course, the aforementioned municipalities are all Greek municipalities. Concerning Twinning Cities and transcontinental programmes, the situation seems to be more balanced.

**Table 19:** Number of Projects or Agreements in Territorial Cooperation Projects, case study area

Type	Number of project or agreements	Country	
		GR	BG
Twinning Cities	1	35.3	42.9
	2-5	58.8	50.0
	>5	5.9	7.1
	<b>Total</b>	<b>94.4</b>	<b>96.6</b>
	<i>Involvement</i>	<i>100.0</i>	<i>100.0</i>
INTERREG A	1	20.0	19.5
	2-5	80.0	75.6
	>5	0.0	4.9
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>
	<i>Involvement</i>	<i>100.0</i>	<i>100.0</i>
INTERREG B	1	64.3	64.3
	2-5	35.7	35.7
	>5	0.0	0.0
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>
	<i>Involvement</i>	<i>100.0</i>	<i>100.0</i>
INTERREG C	1	27.8	30.0
	2-5	66.7	65.0
	>5	5.6	5.0
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>
	<i>Involvement</i>	<i>100.0</i>	<i>100.0</i>
Transcontinental	1	50.0	66.7
	2-5	50.0	33.3
	>5	0.0	0.0
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>
	<i>Involvement</i>	<i>100.0</i>	<i>100.0</i>

**Source:** TERCO Case Study, 2011 elaborated by the author



## **5.2 INTERREG II Greece Bulgaria 1994-1999**

The INTERREG II A Greece-External Borders (Bulgaria) constituted the first important opportunity for Greece and Bulgaria to cooperate in an institutionalized framework with the aim of researching, joint decision-making and interventions in the whole area of their joint borders. Until then, cross border area of Greece-Bulgaria was characterized by low development, important socio-economic disparities and low cooperation in the business and research areas as well as in the areas of transport, environment, health and culture.

The Greece-External Borders programme invested about €192 million of structural funds in interventions aimed at improvement of large-scale road networks, connection of border entry points with terminating points (ports) in northern Greece (e.g. through direct road axes) and upgraded rail interconnections. Approximately 180km of existing transport infrastructure was upgraded and about 89km of new roads were built. Also, there were implemented some railway upgrading projects on the two main lines connecting Greece with Bulgaria. In addition, a number of other projects resulted in the upgrading of 17 heliports on the Greek islands. These investments have achieved a speedier transport of people and goods by different modes of transport, reducing the isolation of the Greek border regions, and benefiting the approximately 3 million inhabitants in the programme area and other users of cross border transport connections.

## **5.3 INTERREG IIIA / PHARE Cross Border Cooperation Greece Bulgaria 2000-2006**

In the framework of INTERREG III A, the report that concerning the countries under consideration is the *Greece-Bulgaria Cross-Border Cooperation Programme 2000-2006*. The general objective of the programme was “the region’s development into a centre and focal point for peace, sustainable development and expansion of the European Economic Area in the hinterland of the Balkans, the Black Sea zone and the Eastern Mediterranean Sea”. The eligible area was the same as it is currently in the ETCP Greece-Bulgaria 2007-2013. The programme allocated an amount of €420 million, of which €269 million (64%) refer to the Greek INTERREG III A

Programme and €151 million (36%) are for PHARE CBC Programme.

Hence, the CBC Programme Greece-Bulgaria 2000-2006 had 5 Priorities and 11 Measures. The Priorities had the thematic fields of Transport Infrastructure (to which it allocated 57.6% of total funds), Economic Development and Employment (with 19.9% of total funds), Quality of Life (with 18.3%), Special Aid for Areas Bordering with Candidate Countries (with 2.7%), and Technical Assistance (with 1.5% of total funds).

From INTERREG III B, of particular interest for the report is the programme *Central Adriatic Danubian South-Eastern European Space* (CADSES) in which the whole territory of both Greece and Bulgaria were eligible. The primary objective of the CADSES Programme was “to achieve higher territorial and economic integration within the cooperation area, promoting more balanced and harmonious development of the European space” (TERCO Case Study, 2011).

From INTERREG III C, the report *East Zone* is related with Greece and Bulgaria. This programme promoted interregional co-operation between regional and other public authorities across the entire EU territory and neighbouring countries. It allowed regions without joint borders to work together in common projects and develop networks of co-operation.

#### **5.4 European Territorial Cooperation Programme Greece Bulgaria 2007-2013**

From the 52 CBC programmes mentioned above (INTERREG IV A), there is an Operational Programme (OP) in which the countries under consideration (Greece, Bulgaria) participate on a bilateral level. This OP provides funding for Greece in 7 NUTS3 areas (Evros, Xanthi, Rodopi, Drama, Thessaloniki, Serres and Kavala) and for Bulgaria in 4 NUTS3 areas (Blagoevgrad, Smolyan, Kardzhali and Haskovo) covering an area of 40.202 km<sup>2</sup> and 2.812.236 inhabitants (TERCO Case Study, 2011). The amount that corresponds to this programme and for this period is €130 million from which €110 million (85%) are from the ERDF.

This programme is the most important and significant, in terms of cross-border

cooperation, between these two countries. It focuses at “strengthening the networks and the cooperation in the fields of border security, natural resources’ management, business and research networks, in order to provide viable solutions for unhindered communication via modern infrastructure” (ETCP Greece-Bulgaria, 2008). Meanwhile, the programme aims to reduce unemployed, to promote partnerships between companies of both sides, and finally to increase exports and stimulate seasonal employment on both sides.

Concerning the transnational cooperation programmes (INTERREG IV B), from the 13 programmes Greece and Bulgaria as entire countries participates only in the *South East Europe Transnational Cooperation Programme*. The programme’s global objective is “the improvement of the territorial, economic and social integration process and contribution to cohesion, stability and competitiveness through the development of transnational partnerships and joint actions on matters of strategic importance”.

Finally, as regards interregional cooperation programmes (INTERREG IV C), all the regions of Greece and Bulgaria can participate. The overall objective of the programme is “to improve the effectiveness of regional policies and instruments”.

Moreover, there is the *Black Sea Programme* which involves Bulgaria only with 2 NUTS2 regions and Greece also with 2 NUTS2 regions. The aim of the programme is to contribute to “a stronger and sustainable economic and social development of the regions of the Black Sea Basin”.

## 6. CONCLUSIONS

Even if territorial cooperation policies are perceived as significant channel for enhancing territorial cohesion, nations and regions have disparities that persist for decades. However, it has not yet developed a clear theoretical framework to explain the regional disparities and therefore, literature is full of different approaches. Neoclassical Growth Theory supports that in long run context, geographical inequalities in income per capita and output are about to be diminished and finally eliminated by the market forces, so as to succeed convergence. However, Keynesian Theories argue that the market forces have the tendency to sharpen the inequalities so to create significant divergence. Thus, the role of the state is assumed as a crucial factor in order to succeed local regional development. Also, the Endogenous Growth Theories and the New Economic Geography argue that growth is a spatially cumulative process, which is likely to increase inequalities. Also, many empirical studies try to reveal what the tendency of region inequalities is but still do not allow drawing clear-cut conclusions. In the EU framework, the enlargement towards the Southeastern Europe is assumed to lead to further regional imbalances, with less developed regions possibly, in the integration process, weaker gains, or, even, net losses, as compared to their more advanced counterparts.

The case study area, Greece and Bulgaria, belongs to the group of external border regions characterized by unfavorable access to market, economic weaknesses, lack of infrastructures and local resources that deteriorate even further may become vulnerable to the market competition and is doubtful if the cross border policies can regulate the market powers. Historically, Greece and Bulgaria was an area full of intense and mutual hostility but also common regional identity and religion. Nowadays both sides try to overcome the persistence of negative perceptions and to cooperate with each other through CBC programmes, in order to overcome common issues: ecologically sensitive areas, transport infrastructures – as Bulgaria is the midpoint of Greece with the rest of Europe – existence of a common ethnic minority, population reduction, commercial exchanges, people's cross border mobility, growth and inequality issues. Both eligible countries initially involve in Territorial Cooperation Projects mostly since 2000 through INTERREG A and the contemporary European Territorial Cooperation Programme.

In order to be achieved the goals of CBC there should involve strong partnerships, cooperation and good planning. Also, the framework agreements, the availability and the flexibility of funding, and the experience of the project team in CBC are required in order to have a positive impact to CBC. As regards case study area both parts involved in INTERREG A with “experienced” respondents, but the funding is limited – and may further reduce due to economic crisis – and is not properly allocated. However, many times the national legislation and the lack of political will in order to remove the existing constraints and differences on either side of the border hinder the emergence and development of CBC structures. Also, the lack of competencies and skills of the lack behind regions occur an obstacle to successful cooperation and to achievement of optimum results. Finally, territorial cooperation policies are often undermined by competition between regions which may even arise from cooperative activities.

The eligible area, mostly the Bulgarian part, faces significant internal people’s mobility leading to population reduction and severe urbanization. Furthermore, external people’s mobility among cross border area has been also gradually intensified. Specifically, Bulgarians travel to Greece mostly through roads and the number of mobility increased significantly since 2001 and also after 2007. However, Greeks visit Bulgaria more acutely mostly because they use Bulgaria as an intermediate country, and also because of the nearest and cheaper Bulgarian market (Bulgarian Statistical Institute, 2012). Also, nowadays in the period of adverse economic Greek reforms, it is frequent Greek firms to migrate to Bulgaria due to low taxation, cheap labor force and low functional costs.

The eligible area experiences high rate of unemployment (higher than national average) as a result of the implemented active structural changes in Bulgarian part, although, since 2003, has been slightly declined. The tertiary sector has the most notable participation in economy and employment terms throughout the eligible area, but partially in Bulgarian part decreased. At the same time the secondary sector enhanced and mostly the tourist sector. The employment in primary sector comparing with the national average is still very significant but it is not productive. As regards commercial exchanges between eligible countries are gradually intensified since 1992. Also, after the accession of Bulgaria in EU, the volume of bilateral trade

recorded a significant increase. The value of Greek exports to Bulgaria is diachronically greater than the value of imports from Bulgaria. Bulgaria is one of the main foreign buyers of Greek products.

Consequently, the economic picture of the eligible area, according GDP per capita, are adverse comparing with both national average and in even limited level compared with the EU-27 average. Although, GDP per capita of Greek part is much higher than Bulgarian, in the last decade the gap of income has been narrowing significant in national level. The reducing of income disparities between eligible countries is probably continued up to date more intensely, unfortunately, due to the economic crisis of Greece which exacerbates disparity issues.

Also, empirical evidences suggest that the persistent disparities between regions imply unused growth potential. Despite the existence of territorial policies, spatial inequalities still remain because they are restricted and insufficient. Consequently, territorial policies must be adjusted to the new highly heterogeneous economic environment of EU and to the specific necessities and peculiarities of each region eliminating impediments of utilization of region's potentials in order to become capable to alter these conditions so to achieve cohesion.

Therefore, the horizontal nature of the territorial cooperation policies is desirable to alter in the future, and the spatial dimension of the Cohesion Policy would be desirable to exist in a more coherent definition, and the third dimension *Competitiveness* must be reduced or eliminated and simultaneously, the aspect of the territorial cooperation between the regions or countries must be further promoted in order succeed convergence of the regional imbalance. Moreover, Barca (2009) developing the place-based theory, highlights the necessity for policy interventions to be distinguished, between those aimed at increasing income and growth, and those aimed at reducing inequalities. Also, Barca (2009) suggests the enhancement of the spatial dimension of development and regional policies, and the degree of development responsibilities and powers of regions and localities in order to promote the specific regional and local needs.

## APPENDIX

**Table 20:** Social infrastructure in the case study area, Year 2011

Universities and Colleges	Hospitals
<b>Greek part</b>	
<ul style="list-style-type: none"> <li>- Aristotle University of Thessaloniki (with campuses in Thessaloniki, Veria and Serres)</li> <li>- University of Macedonia (Thessaloniki)</li> <li>- Democritus University of Thrace (campuses - Xanthi, Komotini and Alexandroupoli)</li> <li>- International Hellenic University (Thessaloniki)</li> <li>- American College of Greece (Thessaloniki)</li> </ul>	<ul style="list-style-type: none"> <li>- Prefectural General Hospital of Thessaloniki "St. Dimitrios"</li> <li>- Regional General Hospital of Thessaloniki "AHEPA"</li> <li>- Prefectural Hospital "St. Pavlos", Thessaloniki</li> <li>- General Hospital "G.Genimatas", Thessaloniki</li> <li>- Central Hospital for Thorax Diseases "George Papanikolaou", Thessaloniki</li> <li>- Public Hospital for Special Diseases, Thessaloniki</li> <li>- Anticancer Hospital "Theagenio", Thessaloniki</li> <li>- General Hospital "Ipokratio", Thessaloniki</li> <li>- Venereal and Skin Diseases Hospital, Thessaloniki</li> <li>- Second Hospital of IKA "Panagia", Thessaloniki</li> <li>- Psychiatric Hospital, Thessaloniki</li> <li>- General Hospital "Papageorgiou", Thessaloniki</li> <li>- General Military Hospital of Thessaloniki</li> <li>- Prefectural General Hospital of Serres</li> <li>- Prefectural General Hospital of Kavala</li> <li>- Prefectural General Hospital of Drama</li> <li>- Prefectural General Hospital of Alexandroupoli</li> <li>- Prefectural General Hospital of Xanthi</li> <li>- Prefectural General Hospital of Komotini "Sismanoglio"</li> </ul>
<b>Bulgarian part</b>	
<ul style="list-style-type: none"> <li>- American University (Blagoevgrad)</li> <li>- South-West University "Neofit Rilski" (Blagoevgrad)</li> <li>- Medical College (branch of Thracian University of Stara Zagora) (Haskovo)</li> </ul>	<ul style="list-style-type: none"> <li>- Blagoevgrad City Hospital</li> <li>- Haskovo City Hospital</li> <li>- Kardzhali "Doctor Atanas Dafovski" Hospital</li> <li>- Smolyan "Bratan Shukerov" Hospital</li> </ul>

**Source:** TERCO Case Study, 2011

**Table 21:** Projects implemented (under different programmes) by Greek / Bulgarian local authorities

No	Project	Greece	Bulgaria	Domain
<b>Greece-Bulgaria Cross Border Cooperation 2007-2013 (Interreg IV A)</b>				
1	Joint valorisation & promotion of the old baths in the trans- border area	<i>Munic.of Didimoticho</i>	<i>Munic.of Svilengrad</i>	Cultural Heritage
2	Management of riparian habitats And visitors, dissemination of Knowledge and public awareness In the protected areas	<i>Munic.of Halastra, Munic.of Koufalia, Munic.of Chrisoupoli</i>	<i>Munic.of Stambolovo, Munic.of Harmanli, Munic.of Gotse Delchev</i>	Environment
3	Cross border recreation area of Maritsa river (Svilengrad) and Ardas river (Kastanies)	<i>Munic.of Vyssa</i>	<i>Munic.of Svilengrad</i>	Environment
4	A way to-gather: construction Of the road Zlatograd (bordercrossing point "Zlatograd") – Termes – Xanthi	Prefecture of Xanthi	<i>Munic.of Zaltograd</i>	Accessibility - Infrastructure
5	Establishment of network for The support of the mobility and the development of human Resources	Prefecture of Serres	<i>Munic.of Garmen</i>	Human Resources
6	Energy thematic network of Cross-border Greek and Bulgarian local authorities	<i>Munic.of Thermaikos Munic.of Eleftheres Munic.of Aigeiros Munic.of Soufli</i>	<i>Munic.of Mineralni Bani, Munic.of Satovcha, Munic.of Momchilgrad</i>	Environment
7	Water management and flood Protection in Trakiets village, Haskovo municipality	<i>Munic.of Orestiada</i>	<i>Munic.of Haskovo</i>	Environment
8	Joint efforts for flood risk Management	<i>Munic.of Pierion</i>	<i>Munic.of Borino</i>	Environment
9	Better employment opportunities Through cooperation, education And networking	<i>Munic.of Traianoupolis</i>	<i>Munic.of Smolyan</i>	Human Resources
10	Promoting the safe driving Consciousness at local level in Greece and bulgaria crossborder Region	<i>Munic. of Serres</i>	<i>Munic.of Petrich</i>	Public Health and Social Welfare
11	Vyssa-Svilengrad road life	<i>Munic.of Vyssa</i>	<i>Munic.of Svilengrad</i>	Accessibility - Infrastructure
12	Defence of health for the urban Population aiming at the Prevention with application of Guidelines and use of new Technologies	<i>Munic.of Ampelokipoi</i>	<i>Munic.of Gotse Delchev, Munic.of Harmanli</i>	Public Health and Social Welfare
13	Thracian and byzantine cultural Heritage in the Rhodopi Mountains and the northern Aegean sea coast	<i>Munic.of Samothraki</i>	<i>Munic.of Smolyan</i>	Cultural Heritage
14	Popularization and preservation Of the cultural and historical Heritage in the cross-border Region Gotse Delchev – Prosochan	<i>Munic.of Prosotsani</i>	<i>Munic.of Gotse Delchev</i>	Cultural Heritage
15	Biodiversity of the Rhodopes and Vistonida lake - datum for Economic rise through active Cooperation of the territories	<i>Munic.of Vistonida</i>	Municipality of Smolyan	Environment
16	Bulgarian-Greek partnership by Assistance, services, solutions To promote open regions team	Local Union of Evros Municipalities and Communities	Regional Municipalities Association "Maritza", <i>Munic.of Haskovo</i>	Entrepreneurship
17	Encouragement of culttural Collaboration by the Establishment of partnership Networks between the citizens Of Strumyani and Philippi Municipalities	<i>Munic.of Philipi</i>	<i>Munic.of Stoumyani</i>	Cultural Heritage

**Source:** TERCO Case Study, 2011



Table (continued)

No	Project	Greece	Bulgaria	Domain
18	Cooperation of municipalities For supporting local employment	<i>Munic.</i> of Kalamaria	<i>Munic.</i> of Sandanski	Human Resources
19	Investment in the health and the Prosperity of the children in the Bulgarian – Greek region	Prefecture of Drama	<i>Munic.</i> of Belitsa	Public Health and Social Welfare
20	Development of spa tourism in The border region with the use Of innovative it services	Association of Municipalities and Communities of Currative Springs and Spa	<i>Munic.</i> of Devin, <i>Munic.</i> of Mineralni Bani	Cultural Heritage
21	Cross-border transport Connections and Communications - the basis for Improving quality of life in Border areas	Prefecture of Xanthi	Prefecture of Smolyan	Accessibility - Infrastructure
22	Green center nature for us and We for the nature	<i>Munic.</i> of Organi	<i>Munic.</i> of Krumovgrad	Environment
23	Cross border environmental cell Awareness in Doxato and Banite Municipalities with bulgarian's Biodiversity foundation Contribution	<i>Munic.</i> of Doxato	<i>Munic.</i> of Bate	Environment
24	Actions for strengthening Local human capital	<i>Munic.</i> of Ehedoros, <i>Munic.</i> of Koufalia, <i>Munic.</i> of Halastra, <i>Munic.</i> of Kalithea, <i>Munic.</i> of Ag. Athanasios, <i>Munic.</i> of Axios	<i>Munic.</i> of Garmen, <i>Munic.</i> of Simetli	Human Resources
25	Voluntary blood donation in Rhodope	Prefecture of Rhodopi-Evros	Region of Haskovo	Public Health and Social Welfare
26	Common paths in Natura and Ramsar areas of Strymon river area	<i>Munic.</i> of Irakleia, <i>Munic.</i> of Alistratia, <i>Munic.</i> of Nea Zichni	<i>Munic.</i> of Strumyani, <i>Munic.</i> of Kresna, <i>Munic.</i> of Simitli	Environment
27	Lifelong training actions for Professional skills upgrade	<i>Munic.</i> of Alistrati, <i>Munic.</i> of Nea Zichni, <i>Munic.</i> of Emm. Papa	<i>Munic.</i> of Stambolovo, <i>Munic.</i> of Kresna	Human Resources
28	Diversification of the touristic Attractions and products in the Cross-border region - International cynology and Entertainment center Maritsa - Dimitrovgrad	<i>Munic.</i> of Ferres	<i>Munic.</i> of Dimitrovgrad	Entrepreneurship
29	Cross border school for Traditional folklore and Ethnography – bridge between The legend and the reality in Europe	<i>Munic.</i> of Kato Nevrokopi	<i>Munic.</i> of Satovcha	Cultural Heritage
30	Ict - a basis for integrated Sustainability of tourism and Cultural heritage in the Municipalities of Nedelino, Bulgaria and Doxato Greece	<i>Munic.</i> of Doxato	<i>Munic.</i> of Nedelino	Cultural Heritage
31	Interregional management of Human resources	Prefecture of Serres	Region of Blagoevgrad	Human Resources
32	For young people and their future	<i>Munic.</i> of Alistrati	<i>Munic.</i> of Simitly	Public Health and Social Welfare
33	Promotion of the cultural Heritage of Evros and Smolyan Through alternative tourism	Local Unions of Municipalities and Communities of Evros	Association of Rhodope Municipalities	Cultural Heritage
34	Strengthening the Attractiveness of the cross-border Area Thasos-Garmen Through upgrading of local Environmental assets	<i>Munic.</i> of Thassos	Municipaliy of Garmen	Environment
35	Through prevention to preserve The natural beauty of the Rhodope mountain	Prefecture of Xanthi	Prefecture of Smolyan	Environment

Source: TERCO Case Study, 2011

Table (continued)

No	Project	Greece	Bulgaria	Domain
<b>Greece-Bulgaria Cross Border Cooperation 2000-2006 (Interreg III A)</b>				
1	The Architecture on the Silk Road	<i>Munic.</i> of Soufli	<i>Munic.</i> of Ivailovgrad <i>Munic.</i> of Svilengrad	Cultural Heritage
2	Training of the Greek and Bulgarian Civil Servants on the European Union subjects and the Cross-border Cooperation, Governance, e-Governance and the Information Society, etc.	Public servants from the Local Authority Units of the Prefecture of Thessaloniki and Serres	Public servants from the Local Authority Units of the Prefecture of Blagoevgrad, Smolyan, Kardzhali, and Haskovo	Economic Development & Promotion of Employment
3	Strimonas River – From the Source to the Outfall	Prefecture of Serres	Prefecture of Blagoevgrad	Environment
4	Upgrading the Folklore Museum of Didimoticho	<i>Munic.</i> of Didimoticho	<i>Munic.</i> of Bansko	Cultural Heritage
5	Reconstruction and Reuse of an Old Tobacco Storage Area for Cultural Activities	<i>Munic.</i> of Vistonida	<i>Munic.</i> of Dimitrovgrad	Cultural Heritage
6	The Cultural Train	Prefecture of Evros	Prefecture of Haskovo	Cultural Heritage
7	Creating Cultural Events – Projection of the Cultural Elements of the Folklore Inheritance and the Promotion of the Cultural Exchanges of Tradition, Language and Tourism	<i>Munic.</i> of Serres	<i>Munic.</i> of Petrich	Cultural Heritage
8	Mild reconstruction of the Museum of Orestiada and cooperation with the Museum of Haskovo	<i>Munic.</i> of Orestiada	<i>Munic.</i> of Haskovo	Cultural Heritage
9	Sounds and Colours for Children	<i>Munic.</i> of Stavroupoli	<i>Munic.</i> of Smolyan	Culture/ <i>Munic.</i> of Ipsala (TR)
10	Restoration and Promotion of Acropolis (Caste) of the City of Kavala	<i>Munic.</i> of Kavala	<i>Munic.</i> Gotse Deltsev	Cultural Heritage
11	Museum of Cultural and Agricultural Heritage	<i>Munic.</i> of Iasmos	<i>Munic.</i> of Smolyan	Cultural Heritage
12	Restoration of Traditional Settlements	Province of Xanthi	Prefecture of Smolyan	Culture & Tourism
13	Restoration, Rehabilitation and Promotion of the traditional Baths and their Inclusion in the cross-border cultural path of the Byzantine Period	<i>Munic.</i> of Lagada	<i>Munic.</i> of Sandanski	Culture & Tourism
14	Restoration of listed Buildings of the same Architecture	<i>Munic.</i> of Didimoticho	<i>Munic.</i> of Bansko	Culture & Tourism
15	Restoration of meta-Byzantine period churches	<i>Munic.</i> of Orestiada	<i>Munic.</i> of Haskovo	Culture & Tourism
16	Restoration of Old Bridges	<i>Munic.</i> of Soufli	<i>Munic.</i> of Svilengrad, <i>Munic.</i> of Ivailovgrad, <i>Munic.</i> of Kardjali	Culture & Tourism
17	Creation of a Network for the Cultural and Historical Monuments of the South Balkans	<i>Munic.</i> of Thassos	<i>Munic.</i> of Smolyan, <i>Munic.</i> of Chepelare, <i>Munic.</i> of Zlatograd	Culture & Tourism
18	Networking the Environmental-Educational Parks	<i>Munic.</i> of Petrich	<i>Munic.</i> of Petrich	Environment
19	Reformation of the Coastal Urban Line	<i>Munic.</i> of Iraklias	<i>Munic.</i> of Razlog	Environment
20	Management, Development and Promotion of the Environmentally protected areas	<i>Munic.</i> of Prosotsani	<i>Munic.</i> of Gotche Delchev	Environment
21	Management and Protection of the Flora of the Nestos River	<i>Munic.</i> of	<i>Munic.</i> of	Environment
22	Creating a Mechanism for the Identification and Control of Homo and Zoo Transfer Diseases and a Network for the Monitoring of the River and Drinkable Water	Prefecture of Serres	Prefecture of Balgovevgrad	Environment

Source: TERCO Case Study, 2011

Table (continued)

No	Project	Greece	Bulgaria	Domain
23	Common Registration and Promotion of the Cultural Elements of the Cross-border area of Agistro and Koulata	<i>Munic.of Agistro</i>	<i>Munic.of Kulata</i>	Environment
24	Reformation of the Coastal Urban Line	<i>Munic.of Agios Georgios</i>	<i>Munic.of Razlog</i>	Environment
25	Preserving and Promoting the Natural Environment	<i>Munic.of Prosotsane</i>	<i>Munic.of Goltse Delchev</i>	Environment
26	Preserving and Promoting the Natural Environment	Community of Achladochori	Community of Colaro	Environment
27	Elaboration of a Common Action Plan to deal with the problem of Mosquitoes	Prefecture of Evros	Prefecture of Haskovo	Environment
28	Cross-border Joint Training Program for Greek and Bulgarian Applicants in Management, Logistics and Information Technologies	<i>Munic.of Evosmos</i>	<i>Munic.of Blagoevgrad</i>	Economic Development & Promotion of Employment
29	Cross-border Activities of Professional Training for the Support of the Local Employment	<i>Munic.of Kerkini</i>	<i>Munic.of Sandanski</i>	Economic Development & Promotion of Employment
30	Development of Basic Computer Skills for Greek and Bulgarian trainees	<i>Munic.of Skutusi</i>	<i>Munic.of Garmen</i>	Economic Development & Promotion of Employment
31	Cross-border Joint Training Program for Greek and Bulgarian Applicants in Areas of Common Interest	<i>Munic.of Stavroupoli</i>	<i>Munic.of Blagoevgrad</i>	Economic Development & Promotion of Employment
32	Enlargement of Cross-border cooperation in the fields of employment and vocational training	<i>Munic.of Em. Pappa</i>	<i>Munic.of Blagoevgrad</i>	Economic Development & Promotion of Employment
33	Vocational Training Program for Greeks and Bulgarian trainees in Computer Skills	<i>Munic.of Strymonikos</i>	<i>Munic.of Garmen</i>	Economic Development & Promotion of Employment
34	Cross-border training Programmes in the Fields of Tourism and Computer Skills	<i>Munic.of Alistrati</i>	<i>Munic.of Petritsi</i>	Economic Development & Promotion of Employment
35	Vocational Training for Greeks and Bulgarians in the fields of Marketing and Management of SMEs	<i>Munic.of Sidirokastro</i>	<i>Munic.of Sandanski</i>	Economic Development & Promotion of Employment
36	Training Actions and Support for the Know-How transfer in the case of the Association of Municipalities	Association of Municipalities and Communities of Xanthi Prefecture	Association of Municipalities of Rhodope	Economic Development & Promotion of Employment
37	Strengthening the Cross-border Cooperation through the Implementation of Vocational Training Programme	<i>Munic.of Ambelokipi</i>	<i>Munic.of Blagoevgrad</i>	Economic Development & Promotion of Employment
38	Human Resources and Regional Development	<i>Munic.of Lagada</i>	<i>Munic.of Dimitrovgrad</i>	Economic Development & Promotion of Employment
39	Cross-border Cooperation and Vocational Training for the civil servants	Prefecture of Thessaloniki	Prefecture of Blagoevgrad	Economic Development & Promotion of Employment
40	Cross-border Cooperation and Vocational Training	<i>Munic.of Halkidona</i>	<i>Munic.of Garmen</i>	Economic Development & Promotion of Employment
41	Development of Cross-border Cooperation in the field of Vocational Training	<i>Munic.of Ehedorou</i>	<i>Munic.of Sandaski</i>	Economic Development & Promotion of Employment
42	Improvement of Cross-border Employment	<i>Munic.of Kalithea</i>	<i>Munic.of Garmen</i>	Economic Development & Promotion of Employment
43	Cross-border Programme for Vocational Training of the Unemployed and Staff of the SMEs	<i>Munic.of Agios Athanasios</i>	<i>Munic.of Garmen</i>	Economic Development & Promotion of Employment

Source: TERCO Case Study, 2011

Table (continued)

No	Project	Greece	Bulgaria	Domain
44	Cross-border Measures for the Prevention of Use of Addictive Substances	<i>Munic.of Sikeon</i>	<i>Munic.of Blagoevgrad, Munic.of Kardhali</i>	Quality of life
45	Development of Cross-border area of Rodopi and Kardjali	Prefecture of Rodopi	Prefecture of Kardzhali	Economic Development & Promotion of Employment
46	Development of Cross-border area of Evros, Haskovo and Kardjali	Prefecture of Evros	Prefecture of Haskovo, Prefecture of Kardzhali	Economic Development & Promotion of Employment
47	Registration of Tourist and Cultural Resources in the Areas of the Network of Cross-border Cooperation (GR-BG-TU)	Prefectures of Evros, Kavala, Xanthi, Rodopi, Drama and Serres	Prefectures of Blagoevgrad, Smolyan and Kardzhali	Economic Development & Promotion of Employment
48	Development of Web-based Applications for the Promotion and Provision of Tourist Services of the border area Greece-Bulgaria	<i>Munic.of Kalithea</i>	<i>Munic.of Gotse Delchev, Munic.of Razlog</i>	Economic Development & Promotion of Employment
49	Elaboration and Implementation of an Integrated Plan for the Development and Promotion of the Tourist Areas Resources	Prefectures of Kavala, Xanthi and Drama	Prefectures of Blagoevgrad and Smolyan	Economic Development & Promotion of Employment
50	Development of Cross-border Cooperation between the Tourist Areas of Interest	Prefectures of Serres	Prefectures of Blagoevgrad	Economic Development & Promotion of Employment
51	Actions of the Tourism Promotion of the Cave Alistrati	<i>Munic.of Alistrati</i>	<i>Munic.of Madan</i>	Economic Development & Promotion of Employment
52	Development of Economic Cooperation in the field of Tourism	<i>Munic.of Docsatou</i>	<i>Munic.of Banite</i>	Economic Development & Promotion of Employment
53	Creation of Network of Cooperation of Tourist Thematic Parks for the increase of the Entrepreneurship between Greece and Bulgaria	<i>Munic.of El. Kordeliou</i>	<i>Munic.of Blagoevgrad</i>	Economic Development & Promotion of Employment
54	Sewage Treatment Practices	<i>Munic.of Lagada</i>	<i>Munic.of Sandanski</i>	Quality of Life
55	Promotion of Cultural and Tourist Resources – the Case of Thrakes	<i>Munic.of Thassos</i>	<i>Munic.of Smolyan</i>	Economic Development & Promotion of Employment
56	Registration and Utilization of Hot Springs	Prefecture of Xanthi	<i>Munic.of Zlatograd</i>	Environment
57	Mapping and Promotion of Special Mountain Environmental Paths of the Area	Prefecture of Xanthi	Prefecture of Smolyan	Culture
58	Hiking Routes Network	<i>Munic.of Nigritsa</i>	<i>Munic.of Hadjidimovo</i>	Tourism
59	Cross-border cooperation for the Sustainable Utilization of the Environmental Resources	<i>Munic.of Paraneștiou</i>	<i>Munic.of Smolyan</i>	Environment
<b>INTERREG IV-C</b>				
1	MMOVE: Mobility Management over Europe	<i>Munic.of Kavala</i>	<i>Munic.of Razlog</i>	Mobility
<b>South East Europe (INTERREG IV-B)</b>				
1	FATE: From Army to Entrepreneurship	<i>Munic.of Kavala</i>	<i>Munic.of Gotse Delchev</i>	Urban Regeneration

Source: TERCO Case Study, 2011

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