

UACES 38th Annual Conference

Edinburgh, 1-3 September 2008

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Delivering Advantage? The impact of cross-border cooperation at the edge of the new European Union

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Paper for UACES Conference Edinburgh 1-3 Sept 2008

Abstract

This paper draws on a current postgraduate research thesis on cross-border collaboration in Central and Eastern Europe (Hungary, Serbia and Romania). Huxham's theory of Collaborative Advantage/Inertia identifies collaboration as a key theme in inter-organisational endeavour (Huxham, 2003). This approach to partnership and network governance allows for a focus on institutions, processes and actors.

In analysing the role of collaboration in partnership governance the paper will examine the political, administrative/bureaucratic and external (central and supranational institutions and civil society) levels of collaboration. It will identify the historical background and governance arrangements, aims and outputs of the collaboration, membership structures and leadership and concepts of power and trust within and around the collaboration.

Key words: Collaboration, Network Governance, Central and South Eastern Europe.

Introduction

My focus is on the process of collaboration either directly as participants or indirectly as 'clients' of the partnership (e.g. NGOs) or as external 'supervisors' or supporters of the partnership. The key issues identified by Huxham in her work on the advantages or inertia which result from inter-organisational collaborations (Huxham (ed) 1996, Huxham 2000 & 2003, Huxham and Vangen, 2005). Drawing on the emerging findings of a study of the DKMT (1) cross-border collaboration in Hungary, Romania and Serbia (Cernicova, 2001, 2004, Batt, 2002), this paper looks at how far the theme emerged in an international collaborative setting. This study was drawn from interviews with 50+ individuals working in and around the collaboration and also from documentation of the Council of Europe, the European Commission and of the collaboration and its constituent partners.

The term 'network governance' is particularly linked to changes in structures associated with processes of Europeanisation. Sub-national structures are an appropriate place to seek networks as "subsidiarity is a core principal of networked governance (Eising and Kohler Koch, 1999:26). Klijn and Skelcher refer to network

governance as “public policy making and implementation through a web of relationships between government, business and civil society actors” (2007:587). Campbell and Coulson describe a shift from “traditional vertical coordination ...to a horizontal approach” (2006:544). But the flexibility and collaborative nature of network governance is seen as having a matching down side. Skelcher et al talk of partnerships not being in accord with” the doctrine of the primacy of politics” (2005:574) and Davies warns of creeping managerialism and cultural inequality (2007:787).

The questions this research was seeking to answer are:

to identify **what are the advantages or barriers created by inter-regional collaboration across state borders?** What advantages does the collaborative process give to the participants and at what cost? Why can national governments not deliver equivalent benefits? How are the collaborative ventures operationalised, how managed, what are their governance arrangements and specifically how are the outcomes of collaboration assessed and evaluated against the initial aims? What barriers exist to successful collaboration which may prevent or hinder the achievement of advantage through collaboration? Do partnerships become an end in themselves rather than a means to an end?

I sought to explain the nature of collaborations how they function, what are the nuts and bolts which hold them together. I have attempted throughout this research to refer back to the themes of advantage and inertia as results of collaboration. I have also tried to emphasise the varying roles of institutions, processes and actors in collaborative endeavours.

I think it important to consider whether advantage and inertia are not so much opposites as double edged: two sides of the same coin. SWOT analyses frequently parallels between strengths and weaknesses and between opportunities and threats. In the same way something that creates advantage may also be a cause of inertia. For example, the influence of the EU creates the conditions and possibly an imperative for collaboration yet at the same time it can create barriers to the collaboration being successful. Similarly barriers which appear to impede collaboration may if overcome or circumvented lead to the collaboration being strengthened. All this emphasises that the line between success and failure; between creating advantage or experiencing inertia may be a very fine one and that, as collaboration is a dynamic process any collaborative partnership may find itself crossing this line not once but on many occasions.

I will structure this paper by looking at the themes of Borders, Culture and Governance and seek to the impact of these on the progress of the cross-border collaboration. I will then draw on the research findings to look at the themes Common Aims and Outcomes, Leadership and Membership and Trust and Power and identify how these have contributed to the creation of advantage and inertia in the DKMT. Finally I will draw these themes together to assess the collaboration and reflect on the way theories of Collaborative Advantage can contribute to an understanding of networked and multi-level governance.

Borders, Culture and Governance

In setting the context, I suggest that, while rejecting a rigidly deterministic path dependency model, the history of the borderlands is an important influence on the prospects for successful collaboration. I also argue that borders should not be seen simply as lines on maps but that they brought with them concepts of identity, space and culture. I see the imbalance between the centre and locality in the Governance structures three countries as a potential threat to collaboration and partnership. I also look at the influence of the EU and EUification on the development of collaborative working.

Borders and borderlands contribute to both advantage and inertia. The advantage borders provide lies in the imperative to cooperate. The economics of peripherality can lead to exclusion; to challenge this it is in the borderlands interest to become part of a greater economic whole where they are no longer on the edge. This means creation or recreation of transport links, enhancing labour mobility and exploiting any specific advantages the border may bring. Borders are no longer the end point but are a new arena for development. Successful and successfully managed border regions are also spared the instability caused by factors across the border (Mungiu-Pippidi, 2004:56). Borderlands can take advantage of the changing nature of borders through processes of deterritorialisation and by implementing policies with “the explicit aim of fostering EU-CEE trans-border cooperation” (Kennard, 2002:191). The influence of the changing status of borders is emphasised by Langer: “whereas Schengen only abolishes the gates (between member-states) cross-border cooperation has the potential to completely transform national boundaries” (2007:18).

The inertia created by borders is focussed on the borders themselves. We do not live in a utopian borderless world – they remain as barriers. Schengen may dismantle some borders but it reinforces others; a process made all the more frustrating when freedoms only recently gained appear to be being taken away (Partos, 2003:117) This reassertion of the traditional function of borders saw “new barriers going up for certain people at the same time as they are being torn down for others (Besseny-Williams, 2005:445). Nationalism and national identities remain barriers. Tamminem states that the potential for cross-border cooperation “changing micro-level identities is far from certain” (2004:413) and that changes to local identities and definitions will need to take place for successful transnational partnerships to become embedded.

Advantage and inertia have cultural as well as territorial roots. Culture encompasses the issues of history and historical identity as well as exchange, civil society and the working practices of government agencies. Stoklosa sees cross-border identity as having positive attributes a “special kind of regional identity marked by a feeling of attachment to both sides of the border” (2007:240). While cross-border minority communities can be a basis for cross-cultural understanding in times of stability, they can be a source of tension and instability in times of crisis. This potential for both cultural inclusion and exclusion is mirrored in the need to adapt administrative cultures to achieve successful cross-border working. As Kennard points out cross-border collaboration is most successful “when undertaken by partners with a tradition of and structures for cooperation” (2002:190).

If borders and culture contribute to the creation of both advantage and inertia, so too does the structure of governance. In none of the three countries do regions function as effective “third levels of policy steering and governance” (Haller, 2007:47). The reluctance of the centre to devolve power and resources together with uncertain legal competences and turbulent political experiences since 1989 all serve to make cross-border collaboration a low priority for central governments and also, at times, a source of suspicion. Nation states and border regions may well have different real interests and different expectations of the desired outcomes of cross-border working. The response of central government to the EU led expectation of regional structures has been the creation of essentially administrative agencies rather than devolved political units with direct accountability. Yet the EU itself has chosen to take a pragmatic approach to seeking managerial effectiveness in programme management rather than enforcing the partnership principle the ‘Faustian bargain’ referred to by Peters and Pierre (ref).

The counter to this source of inertia has been the attractiveness of cross-border cooperation as a means of developing regional identity, boosting political esteem through emulation and as a means of accessing early resources from the EU. Cross-border working has been established among local political, bureaucratic and civil society leadership, but as an essentially elite activity. The benefits of collaboration, particularly where cross-border links have a historical root or a contemporary resonance (such as environmental concerns) are recognised and coherent, integrated joint strategies can be developed. Local interests need not be subsumed within these collaborations: Tarlao has a neat concept of “a reality which sees a kind of competitive cooperation prevail” (2007:177).

Aims and Outcomes

I recognise that the evaluation of collaborative outcomes should be a specific theme and it naturally links with the identification of common aims. Explicit aims identified in the research focused on a broad consensus around economic development, communications infrastructure, environment and culture but, as Huxham and Vangen describe, there is more to aims than the open and explicit. Not only does the collaboration have aims but so to do the participating institutions and individual actors. Aims may be assumed and hidden as well as explicit and this complexity could, if not managed, contribute to inertia.

In reality, if either institutions or individuals have aims they wish to realise through the collaboration, this heightens their interest in ensuring the collaboration is successful and continues thus giving them an added commitment to achieving the explicit aims of the collaboration and even the aims of others providing these aims do not conflict with their own. Further, as with implementation structures, participants working on collaborations within participating agencies may shift their loyalty from their host institution to the collaboration itself.

An issue in the DKMT was the importance of the aim of cohesion – a clear EU priority and one specifically identified in the DKMT strategy yet not identified by respondents except as an element of culture nor a focus of evaluation or monitoring. I have sought to treat cohesion in two ways – either as an assumed aim, in some way taken for granted as an outcome of the collaborative activity around economic growth

and the creation of transport and communication infrastructure or to see it as an outcome of the cultural exchange activity. Neither approach appears particularly satisfactory and the issue must remain unresolved.

With this exception and the previously noted difference of emphasis between the NGO sector and local government around the relative balance of importance between cultural and infrastructure projects, the identification of common aims appears to be an example of positive collaborative experience. The only reservation is that at present the supply of funding is increasing offering the prospect of continued growth and development. The test of making tough choices about priorities has not yet been reached.

The identification of outcomes presents a less positive picture. The experience of the process of monitoring and evaluation, focusing on projects and programmes rather than the collaboration itself has not been without problems. National rather than locally driven priorities appear to predominate. This has had a negative impact on perceptions of the outcomes of the collaboration. I suggest that there may be a tendency to 'bank' positive outcomes and focus on the negative but, given the view that 'success breeds success', these negative perceptions may become a source of inertia.

I also suggest that intangible outcomes of collaboration such as learning, capacity building and the creation of a collaborative infrastructure through channels of exchange and communication are less easy to capture through conventional monitoring (Boydell et al, 2008). The NGO sector, as a potential beneficiary of the creation of intangible assets, does not appear to feel included in such processes. Externally directed monitoring programmes, capturing outputs which may not be linked to locally derived common aims, may be a source of inertia or at the least a limiting factor on the creation of advantage. Local perceptions of outcomes are more mixed but there does appear to be a need to identify and communicate positive outcomes more effectively if the collaboration is to be promoted and popularised more effectively.

Leadership and Membership Structures

The DKMT has shown both through its voluntary creation in 1996, its re-invention in 2003 and its adoption in 2006 of the Public Utility Company model, an ability to adapt to circumstances and to demonstrate the impact of local leadership. My findings endorse Huxham and Vangen's recognition that membership structures can be ambiguous, complex and dynamic. Both leadership and membership structures may, if not enacted effectively, lead to the weakening of collaboration. The relative positions of County and City authorities in Romania, the complex relations between executive and assembly in Vojvodina and the roles of regional agencies vis-à-vis elected authorities in both Romania and Hungary provide evidence of ambiguity and complexity in membership structures. Similarly the differing perceptions among local government and NGOs of the role of civil society organisations also create a complexity for the collaboration. While universities, chambers of commerce and some youth representation were all brought into the wider partnership, local government saw DKMT as a brand, an umbrella beneath which NGOs could create parallel structures. For NGOs this was not the 'seat at the table' they sought and this may be a

cause of some of the negative perceptions referred to in the previous section. There is little in this which is uncommon in partnership and it may not lead to inertia. Nevertheless further structural reviews may be able to lessen this source of conflict and bring a strong leadership response once again to the periodic re-invention of the collaborative structure.

The annual rotation of the formal leadership position is also not uncommon in partnership structures but it creates a potential lack of continuity and may lead to instability. The use of an informal 'leadership group' of vice-presidents appeared to work well for the collaboration and provide a politically rooted counterbalance to the possible emergence of a managerialist leadership either from within the collaboration or from participating institutions. It remains to be seen whether this is continued or needed under the PUC model.

I suggest that, while the leadership challenges of collaboration differ from those of traditional hierarchical organisations [], the skills of leadership include the ability to adapt styles of leadership to changing circumstances. I also suggest that, as organisations increasingly work in networked forms of governance, their own internal structures will adapt to adopt more decentred forms of governance. Equally, I recognise Huxham and Vangen's view that elements of hierarchical leadership may occasionally need to be deployed in collaborations. These issues raise questions of capacity, democratic accountability and the increasing role of technical expertise as well as the emergence of new sources of leadership legitimacy.

All these questions come with the collaborative territory and will be familiar to actors in a range of partnership settings. They can contribute to both advantage and to inertia depending on the effectiveness of the way they are managed by individuals and their institutions and on local circumstances. In the case of the DKMT, I would argue that the collaboration's proven capacity to reinvent itself is positive and that, while further changes may be needed to incorporate civil society elements more satisfactorily and to ensure a continuity in leadership, the collaboration is capable of managing those changes. I believe the local leadership structures ensure integrity of participation in the collaboration and a contribution to achieving advantage. I also identify a potential for NGOs to exercise a form of entrepreneurial leadership outside the immediate collaboration which could help provide a new dynamic for the region.

Trust and Power

Trust and power may seem odd concepts to link. Trust is widely seen as an interpersonal interactive concept and has at its heart mutuality and inter-dependence. Power, while it may be wielded by individual actors is also possessed by institutions. Processes may also be linked to power, control and domination. However, both power and trust are intangible concepts and trust of and between institutions is a credible concept. I also believe that processes have the capacity to undermine trust.

In this study of collaboration trust emerged as a stronger issue in the political milieu than it did for officials of the collaboration who seemed to take trust for granted. I suspect that the interpersonal nature of trust may be largely responsible for this. Political relationships are more dependent on interaction than those between officials which may be more embedded in structures and processes. While trust within the

collaboration appeared strong, different issues emerged around trust outside the collaboration. Some of these link to central: local relations and tensions; others relate to the role of civil society organisations such as NGOs. Their feelings of exclusion and powerlessness can be expressed as distrust. Trust-building and capacity-building are closely connected and the cultural change demanded by the increased opportunities of European funding will exacerbate this. Nevertheless, trust is also a form of elite activity. I have referred to Hindmoor's view that trust creation demands an element of inclusion of the trusted and exclusion of others (1998:40). The creation and recreation of elites has been a recurrent theme in this analysis of collaboration. Trust is vital to the effective functioning of collaboration but this demonstrates that collaborations are not open-ended: they have limits and borders.

If trust demands mutuality, power might initially be seen as demanding individuality – an instinct among power-possessors not to share or distribute power. The counter to this is the view that sharing power can increase the sum of power but, more importantly, in the context of the DKMT, the predominant perception of powerlessness among participants was part of the process of disempowerment. The belief that power was held by others had the potential to prevent some actors from exercising the power that they possessed. These perceptions also had the potential to prevent people from taking advantage of the dynamics of power: shifts in circumstances and the locus of power. There was a tendency to view power hierarchically in terms of legitimacy and authority when some of the 'newer' power resources, such as reputation, communication competences and adaptation, tend to be distributed horizontally.

This does not alter the fact that in any collaboration and its wider environment there will be inequalities of power. One of the threats to collaboration is the assumption of a false equality. Klijn and Skelcher speak of governance networks being "based on interdependencies but not necessarily equity" (2007:587). Equally, it is important to recognise that everyone in a partnership has a degree of power (even if only the power of exit) and that for a variety of reasons the more powerful participants may not exercise their power, whether through choice or because their focus is elsewhere. Power imbalances need to be managed but power in collaborations is perhaps best seen as a non-zero sum game in which sharing power increases the stock of power. In the analysis of dimensions, discourse and design of power, I see the DKMT as most closely resembling the elite/consociational/club model. It may remain an elite model but in different circumstances it may shift either towards a more participatory, power pooling democracy or towards an Agency/managerialist form of disempowerment.

Creating Advantage or Experiencing Inertia?

I believe that understanding the DKMT collaboration requires an understanding of the historical background to the collaboration and of the governance of emerging democracies in Central and Eastern Europe as they join or approach the European Union. While rejecting a crudely deterministic model, I accept that the constraints of history and the centralising traditions of the region impact on the collaboration. I also argue that for a collaboration to work it requires a means of determining and reviewing clear common aims and that outcomes are evaluated and captured. Membership structures need to be fit for purpose and leadership exercised although not in traditional forms. Trust and trust-building is crucial to the functioning of

collaboration and so to is the management of power inequalities. Despite this I also take the view that there is a strong tendency for collaboration to become essentially an elite activity – indeed the need to limit collaborative partners may make this inevitable. There is also a real prospect that collaborative practice can become seen not just as an elite activity but also as a primarily technical or managerial issue.

Assessing these themes in this research is inexact but in the case of DKMT I believe that the agreement of common aims, trust-building and leadership all contribute to positive achievements. The membership structures have shown the capacity to be re-invented but this may need to be revisited if there is a desire to adapt to NGO concerns and aspirations. The management of power imbalances and the failure to challenge perceptions of powerlessness and disempowerment together with the lack of effective evaluation of collaborative outcomes are the two themes which are least developed and most likely to lead to inertia.

The advantages generated by collaboration go beyond those of the achievements of individual projects. They include a challenge to the barrier of peripherality through the creation of a cross-border identity and a transnational polity. The paradox of this is that while rigid borders may lead to demands for cross-border activity; as borders weaken the need for cross-border cooperation may be seen to diminish even though the opportunities are enhanced. Cross-border collaborations also lead to external recognition of the area and a headstart in acquiring funding. This then demands the development and of capacity-building and of trust-building. Collaboration also offers opportunities for emulation – seeing cross-border structures as symbols of a wider ‘return to Europe’: “institutionalising regional cooperation is a process of region-building” (Tamminem, 2004:405).

The prime sources of inertia in the collaboration are the tensions caused by lengthy bureaucratic delays associated with the funding programmes and exacerbated by weak central-local relations and lack of investment in capacity building. A further source of inertia is the marginal nature of the collaboration for some of the key players in the region, particularly as the much larger, mainstream structural funds become available. This, together with the technical; demands of EU funding programmes, may lead to an over reliance on a few people, a lack of clear accountability and a reinforcement of a managerialist dominance of collaborative partnership.

Huxham and Vangen note that collaboration brings with it costs as well as benefits: “seeking collaborative advantage is a seriously resource-consuming activity so it is only to be considered when stakes are really worth pursuing” (2005: 13). Access to European funding is one set of such stakes but perhaps even more important to the DKMT is the recreation of strong, cohesive links across borders and across minority communities. Successful collaboration around economic development, environmental management, improved communications and stronger cultural ties will help to desensitise border issues and enhance cohesion. These outcomes need to be tested more rigorously but demonstrate that the collaboration is more than an end in itself.

Theories of collaborative advantage and inertia are building blocks which identify the factors which contribute to collaborative outcomes. I believe that these themes do identify the nuts and bolts of partnership working and can explain the achievement or otherwise of advantage from collaboration. I also argue that, by building on this

bottom-up approach a new model of European Governance could be derived. I reject a rigid interpretation of models of multi-level governance in favour of recognising that, while there are (and perhaps always have been) multiple levels of power, these powers are not evenly distributed across different spheres. Neither are they static. Theories of networked governance need to be able to recognise and account for the dynamic nature of governance and power relationships as change will be uneven and will flow in different directions, often at the same time. As a result I believe that a metaphor of 'variable geometry' better describes the range of experiences of regional and local structures in the European Union. By understanding the nature of collaborative relationships the variations which may emerge across policy areas such as regional policy, environmental protection and labour mobility may be explained and the changing nature of horizontal and vertical linkages demonstrated. My approach has focused on the internal operation of collaboration but it has been necessary to recognise the impact of institutions processes and actors outside the immediate collaboration as well. It is necessary to understand collaboration as a complex activity in a complex policy environment:

“Decision-making has been made more complex by the involvement of many actors, by the fact that problems often transcend traditional borders of actors and networks and by the fact that often complicated value conflicts are involved” (Klijn and Skelcher, 2007:597)

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