

Original scientific paper

THE TRANS-BORDER CO-OPERATION AS THE SUCCESSFUL REALIZATION OF THE "GLOKAL"¹⁴ PHILOSOPHY

Beáta FEHÉRVÖLGYI , assistant professor

University of Pannonia, Faculty of Economics – Nagykanizsa
Campus, 8800-Nagykanizsa, Zrínyi M. u. 33.
E-mail: fehervolgyi.beata@uni-pen.hu

Zoltán BIRKNER, Director of the Campus

University of Pannonia, Faculty of Economics – Nagykanizsa
Campus, 8800-Nagykanizsa, Zrínyi M. u. 33.
E-mail: birkner.zoltan@uni-pen.hu

Dr. Erzsébet PETER, assistant professor

University of Pannonia, Faculty of Economics – Nagykanizsa
Campus, 8800-Nagykanizsa, Zrínyi M. u. 33.
E-mail: peter.erzsebet@uni-pen.hu

¹⁴ The „glokal” term we use as willing and ability of the individual, group, division, unit, organization, and community to [“think globally and act locally”](#).

THE TRANS-BORDER CO-OPERATION AS THE SUCCESSFUL REALIZATION OF THE "GLOKAL" PHILOSOPHY?

Key words:

trans-border co-operation, successful regions, development of tourism, environmental co-operation

Abstract:

Developing the cross-border regions is a preferential area of the European Union's regional policy, and it has so far provided several sources for this purpose (PHARE, Interreg, Cross-border Co-operation Programmes). In our present research, we examine how the people polled think the forms of cross-border co-operation – especially in the fields of environmental protection, tourism, local economy and commerce – contribute to the success of a region made up of a Hungarian, an Austrian and a Slovenian small region. The main areas of development are environmental protection and tourism which are supported in the period of 2007-2013, and – as experience shows – these are the two sectors where the most spectacular results can be reached in the shortest term possible.

We have examined the success and achievements of the region from the point of view of economic system, culture of innovation, regional availability, and preparedness of labour force, decision centres, social structure and cohesion.

During the empirical research, we questioned three small regions' municipal representatives as decision makers and representatives of local authority. The research sample involved municipal representatives of the minorities' (Slovenian, German, Roma), as well as the non-governmental organizations related to the fields examined.

The results of the research point out the accentuated role of the factors of connection that they play in the process of organising and realising trans-border co-operations, as well as in that of building a prospective trans-border region.

INTRODUCTION

As a result of the enlargement of the European Union and the achievement of the Schengen process, there are no more physical obstacles to broadening trans-border co-operations. As an effect of these processes, it can be expected that the previously peripheral border regions briskly start to develop by leaps and bounds both economically and socially, as they are now able to build their relationships within a radius of 360° around themselves, given that the borders are not so much an obstacle as a linking element. Economical and social upswing is supported by the European Union's regional policy also through (financial) resources, as trans-border regions are regarded as „laboratories” where advancing processes of integration in the EU can be measured and evaluated (Bufon, 1996; Knippenberg, 2004).

On the other hand, the political and economic participants were expecting at the beginning of the globalisation era, which can be characterized “from anywhere – anything –

anywhere – to anywhere”, that global companies would move to out and away the cheapest places, that is to less developed regions, where development could also start, which means that a certain kind of regional equalisation would emerge. In reality, however, the stabilisation of regional differences can be observed, of which main reason is that intangible assets, such as patents, brands, culture of organisation and networks of relationships have become primary contrary to physical goods, while taking the production of added value come into consideration. Local co-operations and „embedddness” rise into prominence in sustenance of competitive advantages of companies. Porter writes that the „more advanced dimensions of competition remain geographically bounded” (Porter, 1998), that is the sources of permanent competitive advantages of particular industries become localised. For regional participants, it also means that local co-operations become substantial to secure and sustain permanent competitive advantages of companies, the concepts of „locality” and „space” have shifted from the former passive position into an active one (Barna et al, 2005). According to these, the importance of local cultural and co-operational attitudes and that of human, social relationships grow; besides, those local organisations (e.g.: municipal and non-profit organisations, educational, training and development organisations, trade and professional associations) become determinant that are able to promote the success of companies by shaping local social conditions adequately. (Lengyel – Rechnitzer, 2004).

In our present study, we examine in which fields the trans-border co-operations can be realised in a Hungaro-Austro-Slovenian micro region and how these co-operations can contribute to the success of the region.

In the first part of the study, we summarise the characteristics of the border and borderlands, the motivations of trans-border co-operations, and the two characteristic fields of co-operation (tourism and environmental protection). In the second part, we introduce the results of our empirical research done in the Hungaro-Austro-Slovenian triple border region, the fields of co-operation and the trans-border region’s success - factors, as well as the correlations between them.

The characteristic features of the borders and border regions

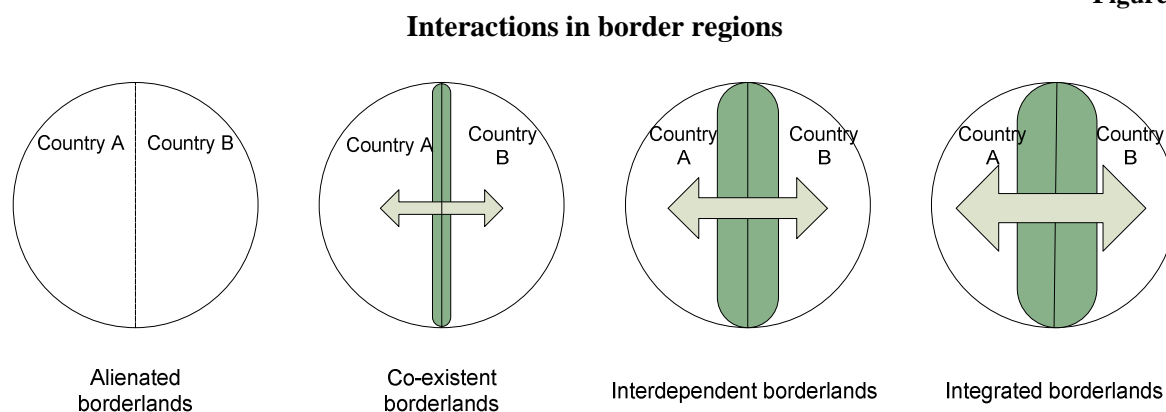
The border can work as a fence separating the regions from one another; in this respect, the border throwing obstacles in the way of co-operations. However, the border can also be such a *zone of connections and co-operation* (Ratti – Reichmann, 1993; Ehlers-Buursink, 2000; Fritsch-Németh, 2003) where those advantages, rising from the common use of

economical and cultural resources, prevail that result from the existence of the border. The most opportunities open up for economies in previously peripheral regions to get connected in the case of such open borders. The co-operation of both sides of the border getting increasingly tighter may result in border towns and villages developing, using their comparative advantages, supporting each other and getting rid of their peripheral characteristics (Hardi, 2004).

In this advanced phase of the co-operation of borders and cross-border regions, we can no longer talk about *cross-border regions*, but *trans-border regions* (Baranyi, 2007).

Martinez defined four types of border regions according to the number, depth and frequency of the interactions between the two sides of the border, (1994) as shown in Figure 1.

Figure 1



Source: Martinez, 1994, quoted by Hardi, 2004

In case of the possible best scenario the *integrated borderlands* can come into existence if stability is strong and permanent. The economies of the two countries merge functionally, and the free movement of people and goods across the borders is not restricted any more. The two countries can be looked upon as a single social system. This high level of relations has not evolved among Hungary and the neighbouring countries yet (Hardi, 2004).

The definition formulated by the EU Commission covers the integrated borderlands by and large; its most important element is based on emphasising the role of borderlands interactions, besides completely eclipsing the separating role of the borders. „If the trans-border co-operation is expected to work in a more effective way, it should gain a wider sense. First of all, it should imply all the everyday factors in the borderlands: business, work, leisure activities, culture, social opportunities, the conditions of living, planning, etc. In the second place, trans-border co-operation needs to become an everyday practice and involve all the areas and groups of society on both sides of the borders. In the third place, it

has to appear at all the levels of public administration, e.g.: at national, regional and local levels.” (European Commission, 1997).

The motivations of trans-border co-operations

The particular trans-border co-operations can be motivated by the rationality of economic advantages and its intrinsic identity-shaping and image-building power that can be used in city marketing.

The *economic motivation* can be reached by using resources together above all. The inclination and readiness for co-operation is extremely important in the case of different *investment in infrastructure* (e.g.: the agreement on the waste water management between Jennersdorf and Szentgotthárd, the cross-border Industrial Park Szentgotthárd – Heiligenkreuz), organising *civil protection services* (e.g.: setting up joint flood prevention systems), and in the case of projects of *education, cultural, religion* (e.g.: joint renovation of the church of St.Imre between Rönök – Inzenhof), projects of *tourism*, or *environmental protection and conservation of natural resources* (Őrség – Raab – Goričko Natural Park). The trans-border co-operations can be regarded as a sort of response, too. They can be a response to the regional and “networked” logic of economic activities on the one hand, and a response to the state’s limited opportunities of handling globalisation-related problems and developing geographical peripheries, such as borderlands, on the other hand (Scott, 2001).

Developing trans-border tourism

In the present concepts of the regional, urban and rural development and construction, one can find the tendency to view the development of tourism as a “magic device” to solve social-economical problems overnight. Today, it is firmly intended to develop tourism not in all the regions of countries, but also in trans- border regions. The development of tourism appears as a priority both in the areas hit hard by the structural problems of the agriculture or industry and in places that can be otherwise considered to be developed. The main reason for this being is that it is tourism by which such natural and cultural resources can be utilised that are otherwise not or less effectively exploitable (Lengyel, 2002).

The development of tourism and that of the cross-border regions have also become intertwined to a great extent, which can be traced back to several reasons.

In the process of cross-border regionalisation, tourism *have been becoming* one of the pioneer type of *trans-border sectors*, as people have always endeavoured to do away with borders while travelling. Besides tourists, experts specialised in the development of tourism

have also started to take a look at the other side of the border. This process will lead towards the development of transnational tourist destinations.

At the same time, what tourism means to people is the connection with other cultures and countries; this is how it makes both tourists and tourist receivers to be able to accept other cultures. In the EU policies, tourism is consequently considered to be such a means that promotes the development and enhancement of the regional consciousness among people (Prokkola, 2007).

The frequency and the process of trans-border co-operations depend on nature of the border. “Closed” borders typically mean obstacles to traffic and development of tourism. However, in the case of “open” borders tourism development can only be complementary, as there exist only minor differences between the two sides of the border in terms of culture, politics and economy. The worst case in this situation is that the regions lying in both sides of the border compete with each other. According to the best scenario ever, the development of tourism is an interactive process in the course of which the cross-border regions strive for joint development (Timothy, 2001).

Trans-border developments of tourism indicate also the EU integration processes more or less. The European Commission’s 2003 document on helping the more effective use of the financial support sources emphasises that tourism in cross-border regions creates jobs and secures livelihoods for people living there. The study highlights that the cross-border regions have such characteristics that offer opportunity for the development of tourism: interesting history, rich cultural heritage and an often intact natural environment. The developments of tourism make sustainable development possible in three different areas: economic development, environmental protection and the preservation of the local inhabitants’ identity (European Commission, 2003). According to the above mentioned, tourism secures real possibility of development for cross-border regions. If we are more critical, valuing the opportunities and advantages of the development of tourism, then as a matter of fact tourism comes up as a “last resort” for cross-border regions, because low population density and big distances from the middle and big centres hinder the development of other sectors (Vizvári – Bacsí, 2003).

Given the complexity of tourism, it can trigger major effects in the region to be developed; what is more, the particular effects can bring about both positive and negative changes, depending on what viewpoint we look at them from. They can be basically economic, environmental and social effects, but there is significant overlap between them at the same time (for example: creating jobs, which goes with the development of tourism, can

be a positive economic, while it is obvious that it influences the social environment, as well) (Puczkó- Rácz, 2001).

The nature of the competition also changes through the effects of the global competition, which can be observed in tourism, too: while there used to be a competition typical of tourism suppliers, now the *competition of particular destinations* has become decisive.

Besides the differences between destinations getting appreciated, the tendency has become general that all the experience that tourists get during their trips has become more important than the particular components separately (Jancsik, 2008).

*Trans-border environmental protection*¹⁵

However, it is a commonplace but it is true that environmental pollution does not stop along the borders and thanks to this, environmental issues and preventing and managing the risks are always on the agenda of cross-border projects and programmes. Normally, typical areas of intervention are projects related to joint environmental initiatives and preparations for natural disasters (Németh et al, 2011).

In the case of trans-border environmental-related conflicts, we talk about *negative externalities* that harmfully affect and concern local inhabitants, municipalities and the economic actors. These negative extern effects put off prospective investors, inhabitants and tourists, too, thus determining the course of development in the region in the long run. There are such activities where the extern effects are due to happen necessarily. These are called *necessary externalities*. The extern effects cannot be separated from the basic activities in such cases (Mozsár, 2000). When it comes to judging the occurrence of the externalities, there are significant differences among the concerned people, as the investor –who is normally the polluter – try to play down the importance of negative effects and put the emphasis on positive ones (e.g.: creating jobs, generating energy), while the sufferers of the pollution (people and organisations also) highlight the negative effects (e.g.: economical, health-related and environmental risks).

Economics aims to do away with wealth-related losses by internalising (making the extern effects intern) externalities. The main point of this is that incidental expenses and profits must be made perceivable for insiders, that is, all the profits and all the costs must appear on the side of the economic/market actors. As a result of successful internalisation,

¹⁵ Several environmental conflicts have come up on the Austro-Hungarian border in the last few years. The conflicts started by polluting the rivers Rába and Lapincs (Raab and Lafnitz in German), culminating in the building of a waste incineration plant planned to be set up right on the border. The Hungarian and Austrian parties concerned “keep hedging” and no trace of internalisation can be found, as no advance has been made in the last three years.

social and individual profits and expenses will be equal, which means that the external effects will cease (Kopányi, 2007). The internalisation of negative environmental effects raises difficulties, because the parties concerned “keep hedging”, equivocate and are not able to “bury the hatchet”. Internalisation does cause difficulties, because it is hard, impossible or at least morally alarming to put a price on the territory of a community, the individuals’ quality of life or their lives in the worst case.

The characteristics of a successful region

These days, competitiveness has become the keyword of different developments and analyses. However, competitiveness is a notion hard to define, and it has several academic interpretations primarily in approaches of economic sciences. In the present study, we deal with those theories only that state that competitiveness can be approached in territorial aspects.

According to Ádám Török, the “concept of competitiveness at a micro level means the ability to acquire a position and hold their ground against particular companies, rivals and against particular national economies from a macro-economic aspect” (Török, 1999). The concept of competitiveness in general does not mean market success only, but it also implies striving to hold on in the market competition, the skills and inclination for successful adaptation.

Krugman’s theory is based on the economy’s locality and the geographic concentration of economic activities and he thinks that if we want to understand the differences between different nations’ growth rate, we have to analyse the differences in regional growth first; but if the international specialization is to be understood first, then examining local specializations is a good starting point (Krugman, 1994; 1999; 2000).

Porter writes that living standards are determined by productivity that is why he considers the competitiveness of geographical units at different levels to be high productivity and high growth rate of productivity, which is determined by the quality of business environment, the region’s economic basis, the operation of companies and effective competition strategies (Porter, 1999).

The *territorial (regional or national) competitiveness* comes to the fore as a consequence of globalisation and its effects/impacts after territorial approach has become necessary, as one of the basic consequences of globalisation is locality, thus the change and appreciating of the role of regions and areas (Enyedi, 2000; Rehnitz 1998), since new a new economic space has evolved thanks to globalisation. The empirical researches also

prove that the global competition and market have regional specialisation to accompany, and local advantages have been appreciated, such as developing innovations, lower transaction costs, institutes offering special competitive advantages (education, training, etc.), local base of knowledge, etc.

Measuring the regional competitiveness is an extraordinarily complex task to be described by a great number of variables. Besides this, only certain dimensions of competitiveness (e.g.: competitiveness in innovation or tourism) can be measured. Competitiveness measured only by economic indicators does not give a clear picture of the given geographical unit's situation compared with its rivals, as it is an important task to reach also environmental and social-political aims besides the economic ones in the case of regional development.

As a matter of fact, competing with one another has never been unfamiliar to towns and villages, however, the main drive of the competition changed from time to time in different historical eras. They had to compete for royal privileges, resources, central subsidies, or EU grants as it is today. All the time, the aim has something to do with getting into a more advantageous economic position (Piskóti – Dankó – Schupler, 2002).

There is no single and unified background of theories, but the regional competition basically goes on according to economic aspects, the participants of the competition in the region mainly aim to increase their income in a stable way in the long run, that is, to reach successful economic development. The competition usually goes for:

- The company investments (mainly in the processing industry, IT, commerce, etc.), the competition goes on so as to settle down new enterprises, and to keep the ones already existing.
- Drawing population into the area, especially highly qualified competitive human resources, people with professions of higher income.
- Groups of people choosing the place to live there temporarily (tourists, students, etc.).
- Budget sources, public funds, creating and setting up public utilities and institutions
- Organising cultural, sports, political, etc. events and programmes drawing attention, mostly those that are part of the area / city marketing.
- All those people and organisations that influence the area's successful management by means of their decisions (Lengyel, 2003; Piskóti – Dankó – Schupler, 2002).

If the notion of competitiveness is extended, the notion of successfulness can be used, as well, to compare the competitive position of regions, cities and towns.

Enyedi draws the attention to the fact that every city, town or village has to fight to reach and maintain success day in day out, and success can be achieved only as a joint effect of several factors (Enyedi, 1997). To do so, one of the means for successful and less successful cities, towns and villages is to get organised into a *network* so as to make better use of their endowments and facilities and implement their interests more effectively.

The sixth report also contains those factors that characterise all those regions generally said to be successful and these factors are *the high rate of employment in services and the processing industry, a widespread range of innovation-related activities, regional availability, and favourable conditions of accessibility, the qualification of labour force and the high rate of employees with degrees.* (EC, 1999).

Imre Lengyel (2000) made his “pyramid model” determining competitiveness, using partly the sixth regional report, partly the factors of success of regions and cities.

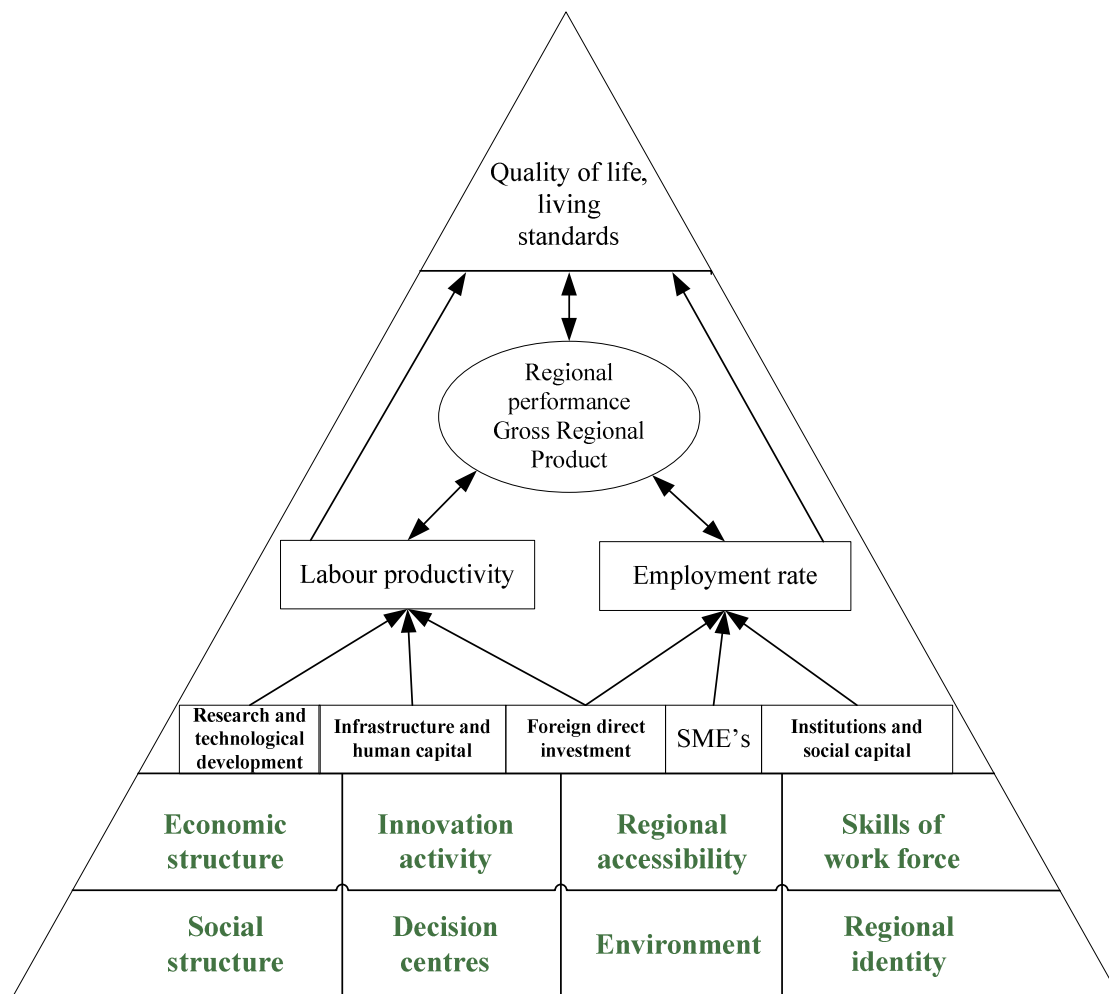
At the top of the pyramid, the main aim of a country’s or region’s growth and economic development can be found, that is, the improvement of the “well-being”, living standards and the quality of those living there.

The central category of the regional competitiveness in the pyramid model is *income*, which measures the economic growth of the economy. The *productivity of labour* and *employment* also affect the quality of life of the population.

Of particular importance are programming factors with a direct and short-term influence on economic output, profitability, labour productivity and employment rates.

Figure 2

The factors determining competitiveness, pyramid of competitiveness



Source: Lengyel, 2000

The range of factors necessary for the success, with an indirect, long-term impact on competitiveness, is extremely complex. Lengyel compiled the factors of success based on Enyedi's points of view (Enyedi, 1997), the "labyrinth" of urban competitiveness by Begg (1999) (trends of sectors, characteristics of companies, business environment, innovation and education) and on the sixth report of the EU (EC, 1999). These determinants take shape over a longer period of time and their significance reaches beyond economic policy-making. The factors serving as a basis of the "pyramid model" were used as a basis for our primary research, and we examined their trans-border aspects. The content of the particular factors are summarised in Table 3.

Table 1

The contents of factors determining success in the long run

Economic structure	Innovative activity
<ul style="list-style-type: none"> ▪ Employees mainly in services and the processing industry ▪ Products and services of high added value ▪ Companies and industries with multiplying effects ▪ Regional economic structure able to adapt easily ▪ The competitive advantage depends on business services and the base of knowledge (R+D, university, institutes of innovation) 	<ul style="list-style-type: none"> ▪ Extensive activities of innovation ▪ Effective diffusion of innovations ▪ Quick adaptation of new technologies ▪ Innovation culture, innovative skills of high level → adaptation strategy to changes ▪ Appropriate company capacities ▪ Prepared, skilled, innovative small and medium-sized enterprises
Regional accessibility	Social structure
<ul style="list-style-type: none"> ▪ Easy accessibility ▪ The infrastructure of transport and communication is able to alleviate the effects of geographical endowments 	<ul style="list-style-type: none"> ▪ Strong and thriving middle-class with high income ▪ It meets the demanding needs of the middle-class in the region
Quality of environment	Decision centres
<ul style="list-style-type: none"> ▪ High-quality environment of towns and villages ▪ Healthy natural environment ▪ The population has an active role in preserving the environment 	<ul style="list-style-type: none"> ▪ The regional headquarters of the companies are in the region ▪ Strategic units of companies in the region ▪ If the activities of companies do not get embedded in the region → the region is helpless and with weak adaptation ability
Skills of work force	Regional identity
<ul style="list-style-type: none"> ▪ The rate of qualified labour force is high ▪ Education system meeting to the needs of the labour market ▪ The education system prepares and re-trains the participants for creative, innovative activities and business services ▪ High-level work ethic and labour discipline ▪ Ambitious and demanding employees 	<ul style="list-style-type: none"> ▪ Successful management of conflicts (may derive from structural changes of economy, economic growth, inequalities within the region) ▪ Local authorities endeavour to co-operate and they mutually inform and help each other ▪ Strong regional/local identity, local patriotism ▪ Active non-profit-making organisations and population

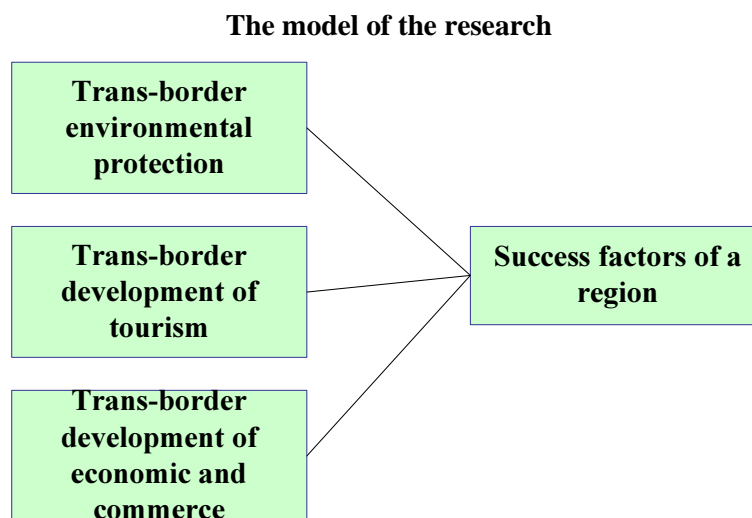
Own editing, based on Enyedi, 1997; Lengyel, 2000

RESEARCH MODEL AND METHODS OF EXAMINATION

The aim of our research is to discover the possible fields of trans-border cooperations in the micro region of the Hungarian-Austrian-Slovenian triple border area and their contribution to the region's success. The research indirectly tries to find an answer to the question of whether cooperation with neighbouring borderlands can lead to success in a region's life with a chance bigger than in the case as if they co-operated only with domestic neighbouring areas.

The exact questions of the research were aimed at defining the factors of success of trans-border environmental, tourism and commercial cooperations.

Figure 3



Source: own edition

In the model of the research, there are three fields of trans-border cooperations: *environmental, tourism, as well as economic and commercial cooperations*. Defining these three fields of cooperations were carried out based on the history of trans-border cooperations, as well as on the priorities of the 2007-2013 Regional Cooperation Operative Programmes related to the examined border regions. The cooperations in these three fields can best motivate the building of long-term connections of cross-border regions, and these are the fields that also play a role in the everyday lives of those living in cross-border regions. To map the fields of cooperation, we used 87 variables (17 of environmental protection, 52 of tourism, 18 of local economy and trade).

We defined the factors of success in the research model according to the factors defining competitiveness in the long run and making up the pyramidal model of regional competitiveness by Lengyel (economic structure, innovative activity and decision centres, social structure, environment, skills of workforce, social cohesion). We examined the factors determining successful regions with the help of 33 variables.

During the quantitative research, we made statistical and econometric analyses on the fields of trans-border cooperation, based on the data collected in questionnaires on the trans-border region's factors of success. As it was necessary to take data in several countries in the empirical survey, we also made the German and Slovenian versions of the final questionnaires.

The data collection by means of questionnaires was introduced with the support of the Nagykanizsa Campus of the University of Pannonia in June 2008 and finished in January 2009. We sent the final questionnaires in Hungarian, German and Slovenian to the answer-givers via email and by post and we also took part in municipal meetings where the representatives filled in the forms themselves (with self-filling questionnaire method) after being told about the aims of the research. Filling in the questionnaires at the site of the municipal meetings largely enhanced their willingness to give answers.

Besides the brief introduction of the research and the explanation to help people to fill it in, the name of the place and the general information of the answer-givers were involved in the introductory part of the questionnaire. The rest of the questionnaire basically included two major fields, out of which the first focused on the fields of trans-border cooperation, that is, the opportunities of environmental protection, tourism, as well as those of the economy and trade, while the other part mapped what factors determine the success of the region that came into existence as a result of trans-border cooperation. The questionnaire contained closed questions where respondents could mark their opinion on a Likert-type scale of 1-7.

We did a complete survey during the research, getting in touch with 39 municipal authorities. Besides this, as there are municipalities of minorities run in Hungary and Slovenia, we also carried out interviewing 6 Slovenian, 3 German, 15 Gypsy minorities' representatives in Hungary, while 7 Gypsy minority representatives in Slovenia. In that case of a representative being a member of both the municipality's and a minority's representative, they filled in only one questionnaire. Table 2 summarizes the data of the empirical survey.

Table 2

The data of the empirical survey

Countries involved in the research	Number of municipalities	Number of minorities' municipalities	Number of questionnaires posted	Number of questionnaires sent back to us	The rate of returning the questionnaires
Austria	12	0	140	42	32,14%
Hungary	15	24	209	167	79,99%
Slovenia	12	7	156	54	34,61%

Total	39	31	505	263	52,08%
--------------	-----------	-----------	------------	------------	---------------

Source: own research

The total rate of returning of the questionnaires – related to the number of questionnaires posted – was 52%, out of which 80% of those asked in Hungary replied, 35% of those interviewed in Slovenia, while 32% in Austria.

THE RESULTS OF THE RESEARCH

First we carried out a cross-correlation examination from the data collected in the primary research to get acquainted with the possible fields of trans-border cooperation and the correlations determining the success of the co-operating border region. Based on the values resulting from the correlation matrices, it can be said that a correlation between the variables can be experienced in several cases. Tables 3 and 4 contain details of the cross-correlation table from both the side of the fields of cooperation and that of the factors of success.

As a result of the correlation we found it reasonable to do the examination of Kaiser-Meyer-Olkin (KMO) values. The KMO indicators (fields of cooperation: 0,791, factors of success: 0,919) support the necessity of doing a factors analysis.

Carrying out factors analysis was done in both cases by means of Principal Method, which – supposing the multi-variable normal distribution of the variable – gives estimates that may have created the correlation matrix in all probability (Sajtos – Mitev, 2007).

The component model with six components describing the fields of cooperation represented the variables well, as the components kept approximately 55% of the information content of the original 87 components. After the rotation, the classified variables performed with a suitable factor weight in the case of all the six identified. The main components of the fields of cooperation and their related variables are summarized in Table 3.

Table 3

The variables of the components of the fields of cooperation

	Name of the components	Name of the variables
Economic cooperations	Structure of cooperation	The meeting of cultures National and ethnic traditions Unique natural values Trans-border joining of forces and building networks Trans-border cooperation among the government, business and civil spheres Programmes related to the trans-border region and aimed at stimulating investment Ensuring advantageous business environment The increase in the number of joint tenders handed in
	Economic and commercial effects	More joint ventures Growing number of businesses relying on their cross-border location More enterprises specialized in services Increase in the processing level of local products, thus enhancing competitiveness Increase in the population retaining ability of the region Increase in the qualifications of local population
Tourism cooperations	Advantages of tourism development	Increase in development Rise in earnings and the living standards Increase in the population's qualifications, competences and knowledge of languages Revival of local values, customs, traditions Development of infrastructure Improvement of environmental consciousness
	Problems of tourism development	Crowdedness Commercialization of culture The appearance and spreading of negative behaviour patterns Increase in environmental pollution (noise, waste material, air pollution) Damage to natural environment
Environmental cooperations	Areas of environmental protection	Air protection Waste management Protection of the natural environment Utilization of renewable energy Promoting the establishment of environmentally clean investments
	Effects of environmental cooperations	Reception conditions of tourism Activities of economic participants Settling of new economic participants Image and judgement of the region Increase in the capital of confidence among nations

Source: own research

The six components identified in the analysis adequately describes the three fields of cooperations examined: the components „structure of cooperation” meaning the basis and the tasks of the trans-border cooperation and „economic and commercial effects” including the variables describing the expected results of trans-border economic cooperation can be

categorised in the *economic cooperations*, because they cover the basis, tasks and effects of the economic cooperations. The components, the „advantages of the development of tourism” and the „disadvantages” of the development of tourism” describe the effects of the cooperations of tourism development in a trans-border region, putting the emphasis on the underlying principles of planning and sustainable development of tourism, and they sum up the advantages, brought about by the Hungarian-Austrian-Slovenian region’s joint development of tourism, and the problems waiting to be solved by the management. The component of the „environmental cooperations” and that of the „effects of environmental conflicts” - which is vulnerable because of the environmental conflicts, thus negatively influencing the development concepts of the related countries - cover the *environmental cooperations*, mainly those possible fields where cooperation is expedient and those areas that contribute to the region’s development and the enhancement of its attraction.

The component model representing the trans-border region’s factors of success kept 73% of the information content of the original 33 variables in the case of four components. The classified variables, identified after the rotation in the four components, performed with a suitable weight everywhere. Table 4 contains the identified components of the factors of success, as well as the variables related to them.

Table 4

The variables of the components of the success factors

	Name of the component	Name of the variables
	Social and economic effects	Growing number applied innovations Distribution of innovations gets faster Business headquarters are based in the region. Growing number of esthetical architecture Quality of natural environment improves Efficiency of the education system rises Strong middle class evolves
	Management competencies	Marketing Making strategies Rural development, regional development Management skills Cooperation with opinion-makers Cooperation with enterprises
	Regional identity	Local residents hold it important that new values should be created in the region Possibilities of leisure activities broaden
	Social capital	Members of Parliament, EU representatives Government bodies

Source: own research

According to the results of the component analysis, the components determining the success of trans-border cooperations are categorised into four main components. The component of „*social and economic effects*” contains the economic and innovation culture resulting in the cooperation, the environment and the skills of workforce, as well as the variables describing the social structure. The component of „*management competencies*” consists of the professional skills and cooperational abilities expected from the local economic and political elite. The component of „*regional identity*” includes the variables that describe the attachment to the place of living. The component of „*social capital*” describes regional participants’ attitudes towards building and keeping connections, which can open up new resources to development and renewal.

The factor of success of trans-border cooperation, put in four components, is a result different from the basic model to a great extent. The components of the „management competencies”, the „regional identity” and the „social capital” describe the human and social conditions necessary for cooperations, while the component of „social and economic effects” imply such variables that contain the economic, innovation, social-structural and environmental elements vital for a region’s success.

The correlations between the components of the fields of cooperation and the factors of success

While examining the correlations of the trans-border cooperations, we were searching for connections between the fields of cooperation and the components of the factors of success to find out in which fields of trans-border cooperation can be realistic and what factors play a role in the success of a trans-border region.

We examined the existence and nature of the connection between the components of the fields of cooperation and those of the factors of success through linear regression analysis. The components of the fields of cooperation were used as independent, that is explanatory variables, as these cooperations contribute to a trans-border region’s success. In the analysis, the components of the factors of success were the dependent, that is, explained variables, as these components describe the realisable region’s success.

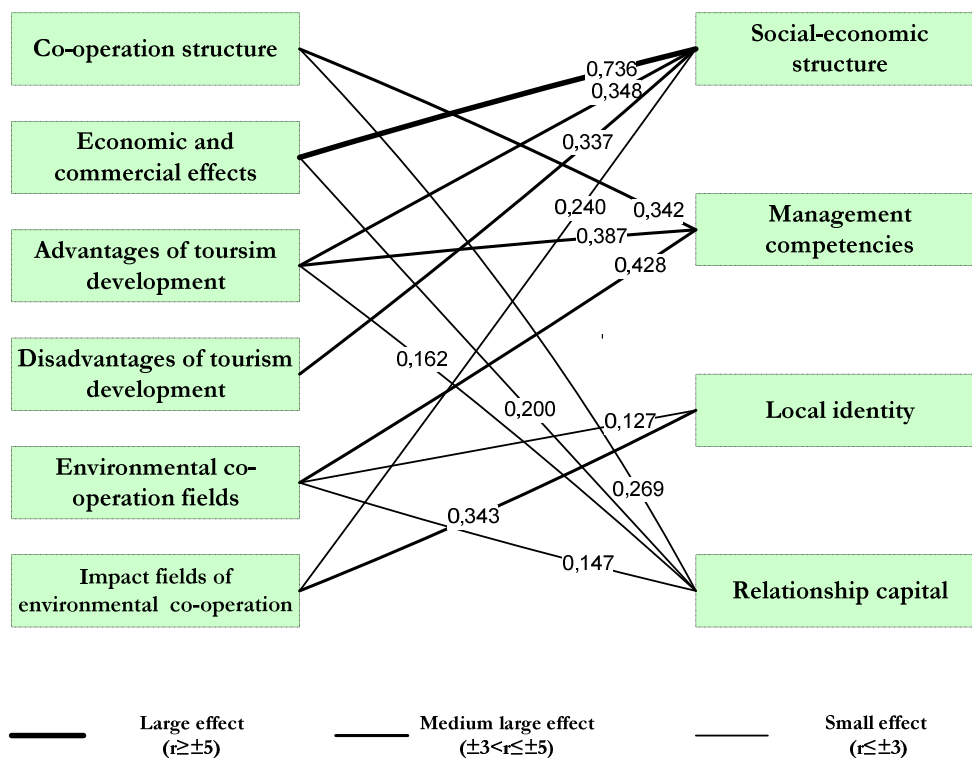
We did linear correlation analysis regarding the intensity of the significant correlations (t-test significance Sig. <0,5), and determined the correlation coefficients. The value of the correlation coefficient can change between –1 and +1, and the closer the absolute value of the coefficient to number one, the stronger the connection between the two variables. When judging the intensity of the connection, it is about a weak connection in the case of the value

$\pm 0,3$ below „r”, a medium one with $\pm 0,3$ and $\pm 0,5$, while a strong connection appears in the case of a coefficient above $\pm 0,5$ (Field, 2005). Table 4 shows the results of the correlation analysis, where the width of the lines represents the closeness of the correlation connections, while the values of the partial correlation coefficients appear on the lines.

According to the results of the regression and correlation analysis, the “*social-economic structure*” as the component of the factors of success shows a significant correlation with all the three fields of cooperation. The component of the “*economic and commercial effects*” deriving from the trans-border cooperation – many joint ventures, several service businesses, businesses based on their trans-border location, the increase in the processing level and competitiveness of local products and produces - bears a close correlation to the social-economic structure, so it can be stated that it largely contributes to the change and success of social-economic structure. The social-economic structure bears a medium strong correlation to the *tourism components*, while a weak connection to “*the effects of environmental cooperations*” can be shown.

Figure 4

The partial correlation connections among the fields of cooperation and the components of the factors of success



Source: own research

The component of “management competencies” also bear a correlation to all the three fields of cooperation, a medium strong connection to the “*structure of cooperation*”, “*the advantages of tourism development*”, as well as “*the fields of environmental cooperation*” can be shown. In setting up and running the trans-border cooperations, the knowledge and skills of the local economic and political elite, especially *marketing*, *strategy planning*, *experience in regional development and management*, as well as the *ability to keep in touch with opinion makers and businesses*, play a serious role in all the three fields examined. According to the results of the research, these are the main pillars of building a successful region.

It is surprising that the component of “regional identity” bears a correlation to the environmental components only; a weak connection to the “*fields of environmental cooperation*” can be shown, while a medium close one to the “*effects of environmental cooperations*”. These connections signal the importance and actuality of the environmental issues, as well as the effects of the current environmental problems when forming an opinion of the region.

The component of the „social capital” represents a significant, however weak, correlation to several components describing the cooperation. These areas are the following: “*the structure of cooperation*”, “*the economic and commercial effects*”, “*the advantages of tourism development*”, and “*the fields of environmental cooperations*”. The connections – mainly MPs and members of the European Parliament, government bodies – has a direction towards the centre, which also shows that decision-making is centralised in the examined regions, as for the issues of development, and keeping in touch with regional bodies is less intensive.

Evaluating the results of the research

By means of component analysis, we determined the fields of trans-border economic cooperations, as well as the factors specifying the success of the trans-border region.

According to the results of the analyses carried out, it can be ascertained that the possible fields of cooperation of the trans-border cooperations are *joint tourism development*, *the development of the economy and commerce* and *environmental protection*. The results of the research and the experience affirmed that the projects of environmental protection, tourism development and those supporting the improvement of competitiveness, included in the priorities of the Regional Operative Programmes, are viable initiatives –

accepted also by the shareholders and those concerned – to develop the trans-border cooperations.

According to the variables making up the components, the meeting of cultures, national and ethnic traditions, unique natural heritage and common historical past serve as ground for trans-border cooperations.

The component of the “structure of cooperation” also points out that co-operating has to be a controlled and managed activity on a daily basis determined by common goals, because it is the only way to get beyond cultural exchange programmes and sports events, which are otherwise important. If we expect a real economic, social and territorially trans-border region as a result of cooperation, it is necessary for decision-makers and organizations set up and financed by them to work out a policy directly based on the region’s endowments and endogenous resources and ensure a favourable business environment. To run the system efficiently and continually, it is necessary to build international and trans-border networks of sectors, which can be realised through the cooperation of the governmental, business and non-governmental spheres only.

According to the drawn-up results, it can be established that the key to cooperation can be the trans-border development of tourism, as all the three regions are planning to get involved in tourism, and it became apparent to them at the same time that they – on their own – are not able to offer an appropriate tourism experience chain to tourists, while, making the border – as an object – a joint tourist destination will give the region a chance to promote the positioning of the destination.

The identified component of tourism prove that decision-makers are aware of the importance of tourism planning and find it more important to exploit the positive effects and avoid the negative ones, but at least manage to handle them than set up a concrete range of choice.

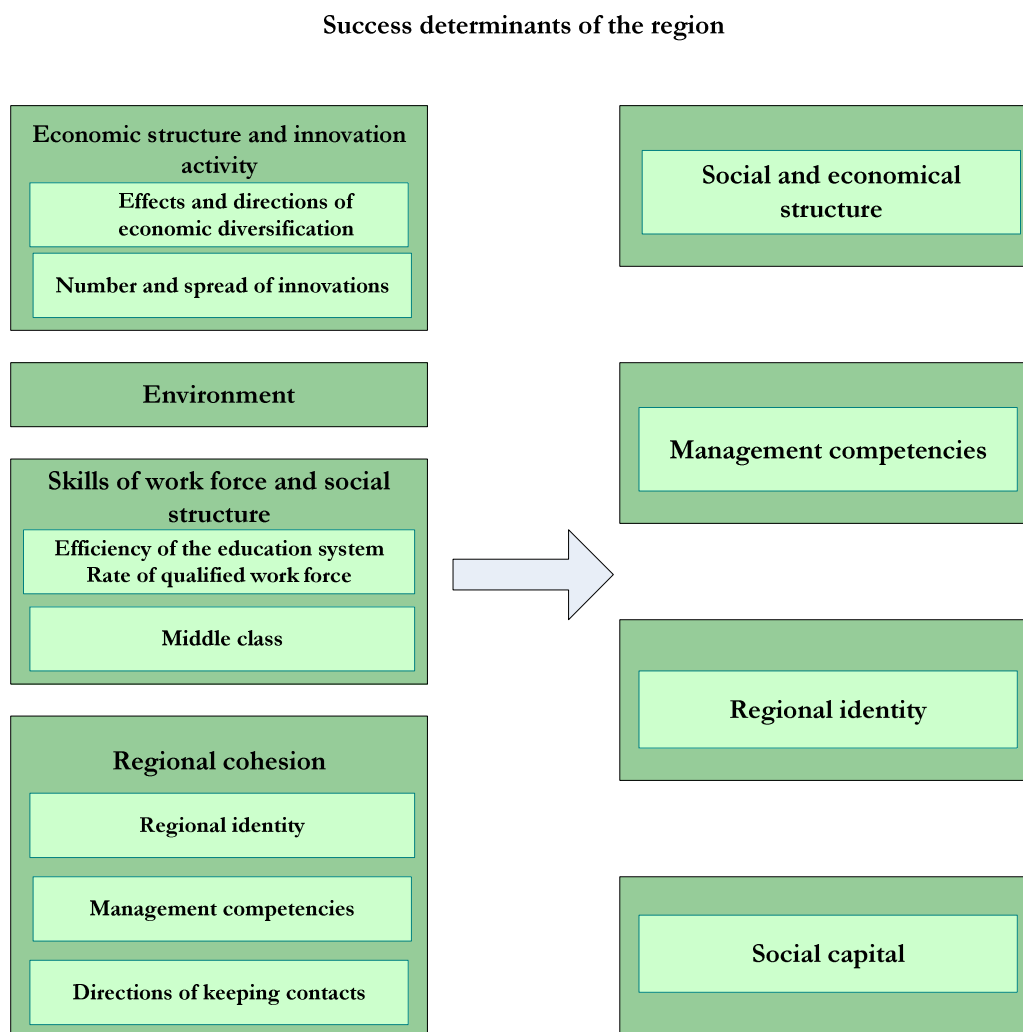
Out of the fields of environmental cooperation, the variables involved in the components are in harmony with the endowments, deficiencies of the region (air protection, waste management, building sewage system, the protection of the natural environment, renewable resources), and the preference of the environmentally clean investments acting for sustainability. The component of “the effects of environmental cooperations” implies those factors of which presence may result in significant positive progress in case it is managed to realise a constructive cooperation in controversial environmental issues. The affected variables are the following: *the reception conditions of tourism, the activities of economic participants, the settling of new economic participants, the region’s image and the growing*

capital of confidence among nations. The environmental conflicts affect these fields; let us just think about an investor into tourism who does not seem the return of his investment in case a waste incineration plant is built next to the border.

According to econometric analyses, the factors determining the success of trans-border regions make up four components. The results prove that – as for their structures – the elements determining the success of the trans-border region structurally differ from the factors supposed in the research model; connection-oriented variables are more emphasised than in the model. Figure 5 shows what difference appears between the factors supposed in the model and those represented by the analyses.

Figure 5

Factors of success supposed in the model and the resulted ones



Source: own research

There are even two variables affecting innovation within the variables of the component of “*the social-economic structure*”, which draws the attention to the fact how important the

answer-givers hold innovation in a region provided with hardly any innovation infrastructure.

The presence of the innovation milieu may mean the key to renewing the region, which assumes that the success of the trans-border region manifests itself in a quicker adaptation and forming a unique, territorial – specific type of development. In our opinion, expanding cooperation to many areas basically involves the diffusion of innovations, as getting acquainted with the models of technology, organization and process applied in every single country and taking over certain elements already mean innovation for the concerned country. The answer-givers think it an element of success that the headquarters of businesses are in the region, which can be interpreted only if such small and medium enterprises are set up and develop of which existence and successful operation are not determined by a multinational company's existence and success in the first place. To achieve this goal, it is necessary to create such joint ventures that build upon the region's internal resources, have disposal of the opportunity of unique market positioning, and are able to renew continually. It is in harmony with the above mentioned that for the sake of success it is vital to establish such an efficient system of education which is able to provide the participants with such knowledge that ensures reaching individual, organization and regional goals. As long as workplaces adjusting to the education system are set up, it can be expected that the migration / outflow of young and qualified professionals slows down and such a middle class can evolve that also contributes to the successful region's development with their high income and high-quality demands.

The other three components describing the success of the trans-border region – *“the management competencies”*, *“the regional identity”*, and *“the social capital”* – belong to the “soft” indicators of success, as these factors will make up the region's unique features. These endogenous factors may originate in the region's historical development, social endowments, cultural values, community systems and environmental effects (Somogyi Ritz, 2011).

The gaining ground of the “soft” elements – determining the trans-border region's success to a great extent – can be explained with that the examined Hungarian-Austrian-Slovenian borderland region belonged to one administration unit before the border setting of the Trianon Treaty, besides the fact that all the three small region are their own country's peripheral areas, so people living there have a sort of feeling of “we are similar”.

Thanks to this, they hold the relation factors of the cooperations, leaders with adequate competencies, and joint initiatives more efficient than the individual development of certain factor of success.

Revealing the connections between fields of cooperation and the factors of success has proved that the joint development of tourism and environmental cooperations have an important effect on the way to success; they determine not only the social-economic structure of a successful region, but also the management competencies, the regional identity and the social capital.

Summing it all up, we can say that trans-border cooperations can be realised by both the concerned and the governmental participants in the areas of economy, trade, tourism and environmental protection.

According to the results, we suggest that a professional organization be set up with experts from all the three countries. It is important that the work of the group should not be influenced by election cycles and a stable finance system ensure the efficient work. In the situation analysis, the primary task of the team is to find the breakout points that can offer competitive advantages to the trans-border region. It is a highlighted task for the concerned not to lose their motivation in the cooperation and get acquainted with the “lessons” of cooperation more effectively. The professional organization can also help encourage qualified young people to return home by ensuring jobs for them.

Besides the social-economic effects, relationship-factors contribute to the success of the trans-border region, such as management competencies, regional identity, and social capital. The role of these elements of relationships seems to be gaining ground and becoming determinant besides the economic, innovation and human factors of the regional development.

LITERATURE

- Baranyi, B.(2007): *A határmentiség dimenziói Magyarországon*, Dialóg – Campus Kiadó, Budapest – Pécs, 2007
- Barna K. - Molnár T. – Juhász R. T. (2005): *Megújuló területpolitika: előtérben a területi versenyképesség*, Területi statisztika, 6.
- Begg, I. (1999): *Cities and competitiveness*. Urban Studies. 1999/5-6. p. 795-809
- Blatter, J.- Clement, N. (2000): *Transborder collaboration in Europe and North America: Explaining similarities and differences*. In: M. van der Velde & H. van Houtum (Eds),

- Borders, Regions and People. European Research in Regional Science 10, pp. 85-103
(London: Pion Limited)
- Bufon, M. (1996) *Social integration in the Italo – Slovene Gorizia transborder region*,
Tijdschrift voor Economische en Sociale Geografie, 87, pp. 247-258.
- Buhalis, D. (2000): *Marketing the competitive destination of the future*. Tourism
Management 21, 97-116
- EC (1999): *Sixth Periodic Report on the Social and Economic Situation and Development of
Regions in the European Union*. European Commission, Luxembourg
- EC (2003a): *Space: a new European frontier for an expanding Union*. An action plan for
implementing the European Space policy, European Commission, Brussels
- EC (2003b): *Making Best Use of Structural Funds* (Luxemburg: Office for Official
Publications of the European Communities)
- Ehlers, N. – Buursink, J. (2000): *Binational Cities: people, Institutions, and Structures*. In:
M. van der Velde, H. van Houtum: *Borders, Regions, and People / European Research
in Regional Science 10*. London: Pion Ltd.
- Enyedi Gy. (1997): *A sikeres város, Tér és társadalom* 4. p. 1-7.
- Enyedi, Gy. (2000): *Globalizáció és a magyar területi fejlődés*, Tér és Társadalom, 14.évf.
1. sz. p.1-27
- Field, A. (2005): *Discovering Statistics Using SPSS*; London, Sage Publication
- Fritsch, M. – Németh, S. (2003): *Egy „binacionális” városközpont kialakításának
kezdemenyezéséről a finn – svéd határ mentén*. Falu Város Régió, 2003/2
- Gaál, Z. – Szabó, L. – Kovács, Z. (2007): *Culture, Competence, Competitiveness: Managing
Diversity at Individual and Community Level*, The International Journal of Diversity in
Organisations, Communities and Nations Vol.7 No 5 p. 131-141.
- Gaál, Z. – Szabó L. – Kovács, Z. - Obermayer-Kovács, N. – Csepregi, A (2009):
Consequence of Cultural Capital in Connection with Competitiveness, The
International Journal of Knowledge, Culture & Change Management Vol.8, Number 10
p.79-89.
- Hardi, T. (2004): *Az államhatárokon átnyúló régiók formálódása*, Magyar Tudomány,
2004/9 p.991
- Hardi, T. (2008): *A határtérség térszerkezeti jellemzői*, Tér és Társadalom, XXII. Évf. 3.
szám, p.3-25

- Jancsik, A. (2008): *Versenyképesség és annak fejlesztési lehetőségei a turisztikai célterületeken*, Menedzsment a XXI. században. Pannon Egyetem, Veszprém, pp. 155-173
- Knippenberg, H. (2004) *The Maas Rhine Euroregion: A laboratory for European integration?* Geopolitics, 9, pp. 608-626.
- Kopányi, M. (2007): *Mikroökonómia*, Akadémiai Kiadó, Budapest
- Lengyel I. (2000): *A regionális versenyképességről*, Közgazdasági Szemle XLVII., p. 962-987
- Lengyel, I. (2003): *Verseny és területi fejlődés: Térségek versenyképessége Magyarországon*, JATEPress, Szeged
- Lengyel, I. – Rechnitzer, J. (2004): *Regionális gazdaságtan*, Dialóg Campus, Budapest-Pécs, 2004
- Lengyel, M (2002): *A turizmus tervezésének néhány aktuális kérdése* In: Kutatás a turizmusban – A turizmus aktuális kérdései Magyarországon PTE Turizmus Tanszék Pécs, 2002 pp. 6-23.
- Mozsár, F. (2000): *Az externáliák szerepe a regionális gazdasági teljesítmény magyarázatában és növelésében*. In: Farkas Beáta – Lengyel Imre (szerk.): *Versenyképesség – regionális versenyképesség*. SZTE Gazdaság Tudományi Kar Közleményei JATEPress, Szeged, pp. 100–114.
- Németh, K. – Péter E., Weisz, M. – Birkner, Z. (2011): *Regional development with renewable energy utilization*, Acta Oeconomia, 10 (3), p. 5-12.
- Piskóti, I. – Dankó, L. – Schupler, H. (2002) *Régió –és településmarketing*, KJK – Kerszöv Kiadó, Budapest
- Porter, M. E. (1998): *On competition*, The Free Press. New York
- Porter, M. E. (1999): *Microeconomics competitiveness: Findings from the 1999. Executive survey*. World Economic Forum, The Global Competitiveness Report, Davos, 30-53.
- Puczkó, L. – Rácz, T. (2001): *A turizmus hatásai*, AULA Kiadó, Budapest
- Prokkola, E. K. (2007) *Cross – border Regionalization and Tourism development at the Swedish – Finnish Border: „Destination Arctic Circle”* Scandinavian Journal of Hospitality and Tourism, 7, p. 120-138
- Ratti, R. – Reichman, S. (1993): *Theory and practice of transborder co-operation*. Basel: Helbing&Lichtenhahn
- Rechnitzer, J. (1998): *Területi stratégiák*. Dialóg Campus, Budapest – Pécs

- Saarinen, J. (2004): „*Destinations in change*”: *The transformation process of tourist destinations*, Tourist Studies, 4, pp. 161-179.
- Scott, J. W. (2001): *Transnational Regionalism, strategic Geopolitics and European Integration: The Case of the Baltic Sea Region*.
<http://www.crossborder.ifg.dk/workshop2000/papers/index.html> Letöltve: 2005. február 25.
- Somogyi S. – Ricz, A. (2011): *A kreatív gazdasággal kapcsolatos tanulságok*, A Magyar Tudomány Napja Délvidéken 2010 Konferenciakötet, Vajdasági Magyar Tudományos Társaság, Újvidék
- Timothy, D. (2001): *Tourism and Political Boundaries*, London, Routledge
- Török, Á. (1999): *A versenyképesség és a technológiamenedzsment* – In: Inzelt A. (ed): *Bevezetés az innováció – menedzsmentbe*. Műszaki Könyvkiadó, Budapest, p. 74-95.
- Vizvári B. - Bacsó Zs. (2003): *Structural problems in the Hungarian agriculture after the political turnover*, Journal of Central European Agriculture, Vol. 4 No. 2, 175-184. p.