

# Evaluation of the Potential for Development of the Economic Cooperation in Euro-region Ruse-Giurgiu after the end of the Programming Period 2007-2013

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## **Abstract**

*Important part from the process of evaluation of the impact from the program for Cross-border cooperation Romania – Bulgaria 2007-2013 on the economic development of the territorial units from the lowest level of influence – municipalities and cross-border territorial unions, created on their basis – is the task for evaluation of the reached level and potential for development of economic cooperation, right after the end of the programming period.*

*For solving of this task, a survey has been carried out, directed towards all the participants in the cross-border process.*

*The purpose of the article is to evaluate the reached level and the potential for development of the economic cooperation in Euro-region Ruse-Giurgiu, directly after the end of the programming period 2007-2013.*

**Keywords:** European Union, Cross-border cooperation, Economic cooperation.

**JEL classification:** F10, G20, M10

## **1. Introduction**

The first results from research, directed towards the evaluation of the potential for economic development of the regions, have been published in the middle of the previous century. For the period from around 60 years, despite the lack of commonly approved approaches, to a significant extent has been clarified the structure and criteria for evaluation of the economic potential of the territorial units on a national context. (Butova, etc., 2014; Kozina, etc., 2016; Shulaeva, etc. 2015; Hmelova, etc., 2016; Antonova, 2008). The analysis of publications in the scientific literature also shows that there is a tendency towards the rising of the weight of the innovation potential as a basic element from the complex evaluation of the economic potential. (Kirova, 2011; Mihaylova end al., 2016). On the other hand, during the last years have been published results from researches, from where could be seen that the accumulated theoretical experience could not be directly used for measuring the potential for economic development of the cross-border territorial structures. (Lundquist, Trippl., 2011; OECD, 2013; Trippl, 2006;

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Trippl, 2010). The economic cooperation in the cross-border region in these researches is measured mainly from the point of view of the reached stage for the establishing of common functional area and common innovation potential. One of the basic methods for gathering of the necessary empirical information, used in the cited researches, is the method survey. In correspondence to this tendency, a survey has been carried out for the evaluation of the potential for growth of the economic cooperation in Euroregion Ruse-Giurgiu.

## 2. Methodology of the research

**Object of the survey** are all participants in the cross-border cooperation, located in Euro-region Ruse – Giurgiu – national and local authorities, educational institutions, non-governmental organizations and business organizations.

**Subject of the survey** is the potential for economic cooperation in the Euro-region Ruse-Giurgiu.

**Main purpose of the survey** is to evaluate the reached level and the potential for development of the economic cooperation in Euro-region Ruse-Giurgiu, directly after the end of the programming period 2007-2013.

### **Tasks of the survey:**

1. Evaluation of the degree of awareness of the participants in the cross-border process about the economic situation in Euro-region Ruse-Giurgiu and the perspectives for development.
2. Evaluation of the degree of satisfaction from the executed projects under the program Cross-border cooperation Romania-Bulgaria 2007-2013 (or other programs with European funding) and the willingness for participation with project proposals in the next programming periods.
3. Evaluation of the degree of economic engagement of business organizations from both sides of the border and the evaluation of these organizations, regarding the possibilities for furthering of the economic cooperation in the Euro-region.

**Method for carrying out of the survey:** Questionnaires for the survey have been placed in the virtual environment Google Forms [<https://docs.google.com/forms/>] this environment allows sending of electronic invitations for participation in the survey personally to each one of the respondents. The filling in of the questionnaire is done online and the information is added automatically in the common data base. The platform ensures continuous access to the created data base and possibility for graphic interpretation of the available information.

**Questionnaires:** In correspondence with the main purpose and tasks of the survey, the questionnaire includes questions, which can be related to one of the following four groups:

- Questions, defining the profile of the participants in the survey.
- Questions, defining the degree of awareness of the participants about the

cross-border process, regarding the economic situation of Euro-region Ruse-Giurgiu and the perspectives for its development.

– Questions, defining the degree of satisfaction from the execution of projects under the program Cross-border cooperation Romania-Bulgaria 2007-2013 (or other programs with European funding) and the willingness for participation with project proposals in the next programming periods.

– Questions, defining the degree of economic engagement of business organizations from both sides of the border and the evaluation of these organizations, regarding the possibilities for furthering of the economic cooperation in the Euro-region.

Working hypothesis: The economic integration in the frames of the Euro-region Ruse-Giurgiu at the end of the programming period 2007-2013 has reached the level of intermediate integrated cross-border regions, according to the scale of Lundquist and Tripl.

### **3. Results from the survey**

The questionnaire has been elaborated in three versions – the first one is directed towards the institutions from the national and local authorities and educational institutions, the second – towards the non-governmental organizations, and the third – towards the business organizations (Boschna, 2005). It has been planned that the survey would include the whole territory of the Euro-region, so the questionnaires have been prepared in Bulgarian language and English language. Due to the big volume of the survey in the article have been included parts of the gathered results.

#### **Profile of the participants in the survey**

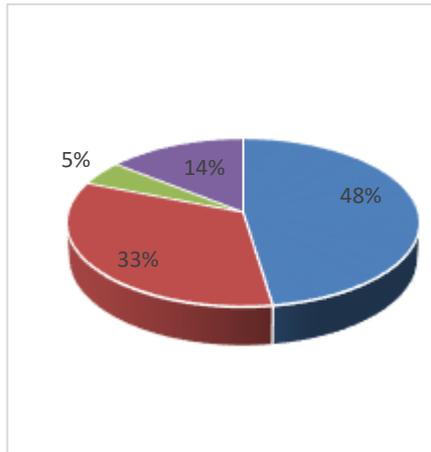
From the national and local governmental institutions, located on the territory of the Euro-region Ruse – Giurgiu, in the survey have participated totally 20 respondents – 80% of them are from Municipality of Ruse and 20% from Municipality Giurgiu. Half of the representatives from this target group are from the area of the higher education (all of them from Municipality of Ruse) and 35% are representatives of the local governmental institutions (43% from Municipality of Ruse and 57% from Municipality Giurgiu). The rest 15% have been equally distributed among the representatives of the schools, the structure of the Regional governance of Ruse Region and the representatives of the governmental governance in the Euro-region (all of them located on the territory of Municipality Ruse). Institutions from this target group with over 500 people staff are 40% (all from Municipality Ruse), with number of the staff between 251 and 500 are 30% (66,7% from Municipality Ruse and 33,3% from Municipality Giurgiu), with number of the staff between 51 and 250 are 20% (distributed equally between both Municipalities) and with number of the staff between 1 and 50–10% (all from Municipality Ruse).

Nine representatives from the non-governmental institutions participated in the survey – all of them located on the territory of Municipality Ruse. The Public Benefit Associations are 88% from this target group, and the Private Associations – 12%. The activities of the non-governmental organizations, which participated in the survey, are directed towards: encouraging of the economic development (37%); education (12,6%); cross-border cooperation in all areas (12,6%); representing of the business interests on local level (12,6%); culture and art (12,6%); environment (12,6%).

The number of the business organizations, which took part in the survey is 25–80% of them are from Municipality of Ruse and 20% are from Municipality of Giurgiu. According to the type of their activities, the representatives from this target group are from the following industries: construction – 24% (66,7% from Municipality of Ruse and 33,3% from Municipality of Giurgiu); Electricity and electronics – 16% (all of them from Municipality of Ruse); production of construction materials – 12% (all from Municipality of Ruse); services, transport and communications, machine building – each of 8% (all of them from Municipality of Ruse); hotels and restaurants, regulation and supporting of the effective functioning of business, R&D and research – each of 4% (all of them from Municipality of Giurgiu); production of textile, commerce, production of cosmetics – each of 4% (all from Municipality of Ruse). According to their size the business organizations are divided as follows: middle – 35% (89% from Municipality of Ruse and 11% from Municipality of Giurgiu); small – 42% (73% from Municipality Ruse and 27% from Municipality of Giurgiu) and micro - 23% (83% from Municipality of Ruse and 17% from Municipality of Giurgiu).

### **Evaluation of the economic situation in Euro-region Ruse-Giurgiu**

According to 48% from the representatives of the national and local authorities and the educational institutions, which participated in the survey (90% from Municipality of Ruse and 10% from Municipality Giurgiu), the perspectives for economic development of the Euro-region Ruse-Giurgiu are good and this to a great extent is due to the program Cross-border cooperation Romania-Bulgaria 2007-2013. (fig. 1). The statement that the perspectives for economic development of the Euro-region are good and this is due to the integration policies of the European Union is shared from 33% from the respondents of this target group (57% from Municipality of Ruse and 43% from Municipality of Giurgiu). The statement that the economy in the Euro-region is in slow uplift is shared by 14% from the respondents (all from Municipality Ruse). Only 5% from the representatives of the participants in the survey think that the economy in the Euro-region could be described as unattractive for investments.



**48%** – The economy of Euro-region Ruse-Giurgiu has good perspectives, due to the program Cross-border cooperation Romania-Bulgaria.

**33%** – Euro-region Ruse-Giurgiu has good perspectives for development, because of the integration policies of the European Union.

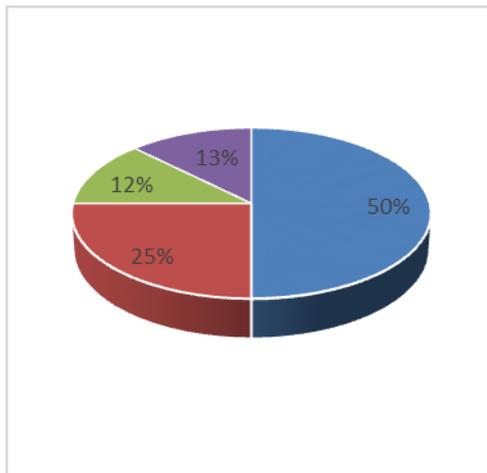
**14%** – The economy of Euro-region Ruse-Giurgiu can be defined to be in a stage of slow uplift.

**5%** – The economy of Euro-region Ruse-Giurgiu can be defined as not attractive for investments.

**Figure 1. Evaluation of the economic situation of Euro-region Ruse-Giurgiu, according to the representatives of the national and local authorities and educational institutions**

According to 50% from the non-governmental organizations, which took part in the survey, the economy of the Euro-region Ruse-Giurgiu is in a state of slow uplift (fig. 2). The opinion that the economy of the Euro-region has good perspectives, due to the integration policies of the European Union is shared by 25% from the respondents in this target group. The share of respondents, who think that the Euro-region has good perspectives for development, because of the program Cross-Border Cooperation Romania-Bulgaria 2007-2013 and the share of respondents, who think that the economy of the Euro-region can be defined as non-attractive for investments is respectively 13% and 12%.

According to 41% from the business organizations, which participated in the survey (all from Municipality of Ruse), the economy in Euro-region Ruse-Giurgiu is in a process of slow uplift (fig. 3). A total of 17% from the respondents (distributed equally between both municipalities) have supported the statement, that the Euro-region has good perspectives, due to the program Cross-Border Cooperation Romania-Bulgaria 2007-2013. The share of respondents, who consider that the economy of the Euro-region has good perspectives, due to the integration policies of the European Union is also 17% (all from Municipality of Ruse). The same number of participants (17%) has supported the statement, that the economy of the Euro-region can be defined as not attractive for investments (75% from them are from Municipality of Ruse and 25% from Municipality of Giurgiu). The statement that the Euro-region is in state of slow uplift is shared from 8% from the representatives of this target group (distributed equally between the two municipalities).



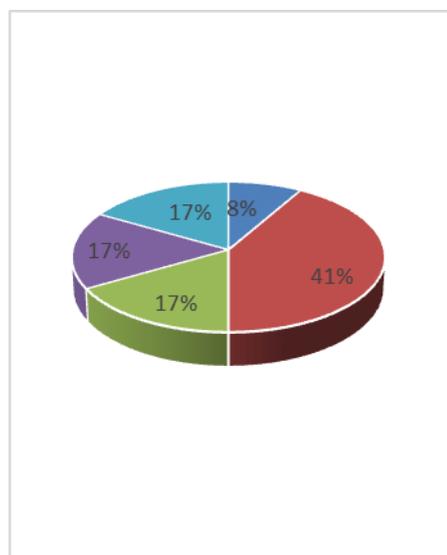
**50%** – The economy of Euro-region Ruse-Giurgiu can be defined to be in a stage of slow uplift.

**25%** - Euro-region Ruse-Giurgiu has good perspectives for development, because of the integration policies of the European Union.

**13%** – The economy of Euro-region Ruse-Giurgiu has good perspectives, due to the program Cross-border cooperation Romania-Bulgaria.

**12%** – The economy of Euro-region Ruse-Giurgiu can be defined as not attractive for investments.

**Figure 2. Evaluation of the economic situation of the Euro-region Ruse-Giurgiu, according to the representatives of the non-governmental institutions**



41% – The economy of Euro-region Ruse-Giurgiu can be defined to be in a stage of slow uplift

17% – The economy of Euro-region Ruse-Giurgiu has good perspectives, due to the program Cross-border cooperation Romania-Bulgaria

17% – Euro-region Ruse-Giurgiu has good perspectives for development, because of the integration policies of the European Union

17% – The economy of Euro-region Ruse-Giurgiu can be defined as not attractive for investments

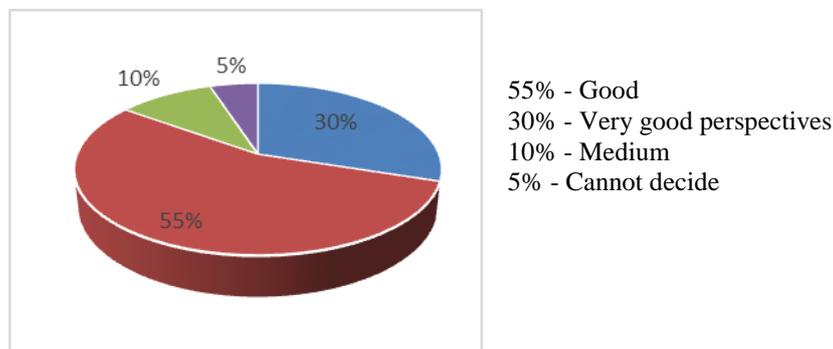
8% – The economy of Euro-region Ruse-Giurgiu is in a state of economic uplift

**Figure 3. Evaluation of the economic situation of Euro-region Ruse-Giurgiu, according to the representatives of the business organizations**

*Evaluation of the economic perspectives for development of the relations between Bulgarian and Romanian companies in Euro-region Ruse-Giurgiu.*

The statement that the economic perspectives for development of the relations between the Bulgarian and Romanian companies in the frames of Euro-region Ruse-Giurgiu are good is supported by 55% from the representatives of the national and local authorities and educational institutions, which participated in the

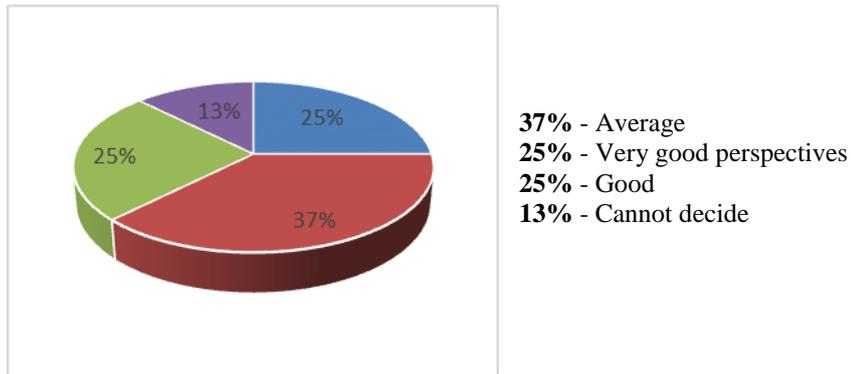
survey– 73% from Municipality of Ruse and 27% from Municipality of Giurgiu (fig. 4). The statement, that the perspectives for economic cooperation between the companies in the Euro-region are very good, is supported from 30% from the respondents from this target group (83% from Municipality of Ruse and 17% from Municipality Giurgiu). Only 10% from the respondents evaluate the economic perspectives of companies as average (all from Municipality of Ruse) and only 5% from the participants in the survey have supported the statement “cannot decide” (all from Municipality of Ruse).



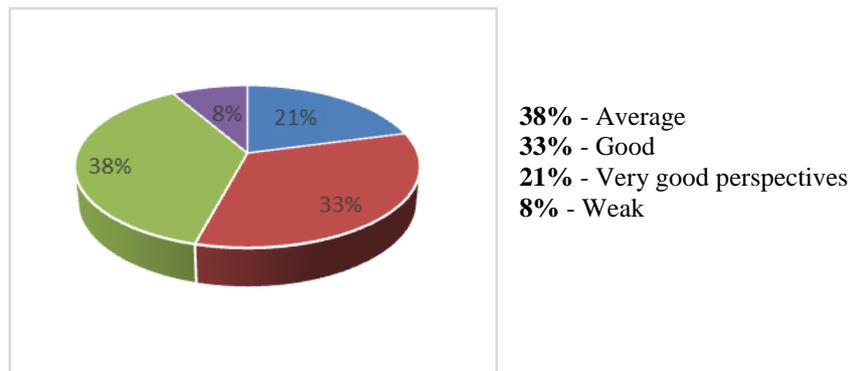
**Figure 4. Evaluation of the economic perspectives for development of the relations between Bulgarian and Romanian companies in Euro-region Ruse-Giurgiu, according to the representatives of the governmental and local authorities and educational institutions**

According to 37% from the representatives of the non-governmental organizations, which participated in the survey, the perspectives for development of the economic relations between the Bulgarian and Romanian companies are at average level. (fig. 5). The statement, that the perspectives are very good is supported by 25% from the respondents in this target group. With a 25% share are the participants in the survey, who have evaluated the perspectives for economic cooperation between the companies in the Euro-region as good. The share of respondents from this target group, who have supported the statement “cannot decide”, is 13%.

According to 38% from the business organizations, which participated in the survey, the perspectives for development of the economic relations between the companies from Euro-region Ruse-Giurgiu are at average level – 89% from Municipality of Ruse and 11% from Municipality of Giurgiu (fig. 6).



**Figure 5. Evaluation of the economic perspectives for development of the relations between the Bulgarian and Romanian companies in Euro-region Ruse-Giurgiu, according to the representatives of the non-governmental organizations**



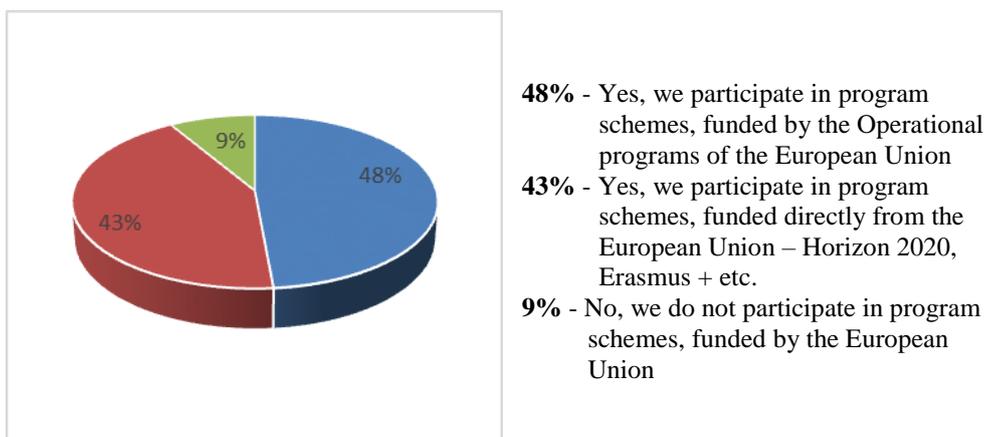
**Figure 6. Evaluation of the economic perspectives for development of the relations between the Bulgarian and Romanian companies in Euro-region Ruse-Giurgiu, according to the representatives of the business organizations**

The statement that the perspectives for development of the relations between companies in the Euro-region are good is supported by 33% from the interviewed business organization (60% from Municipality of Ruse and 40 % from Municipality of Giurgiu). The statement that the perspectives are very good is shared by 21% from the respondents in this group, and only 8% think that the perspectives for economic cooperation between the companies in the Euro-region are weak (distributed equally between the two municipalities).

*Participation with projects in programs, funded by the European Union*

The share of representatives of the national and local authorities and educational institutions, which participated in projects, funded by the Operational programs of the European Union is 48% – 82% from Municipality of Ruse and 18% from Municipality of Giurgiu (fig. 7). The respondents from this target group, who have answered with „yes, we participate in program schemes, funded directly from the European Union – Horizon 2020, Erasmus + etc. “, and are 43% (80% from

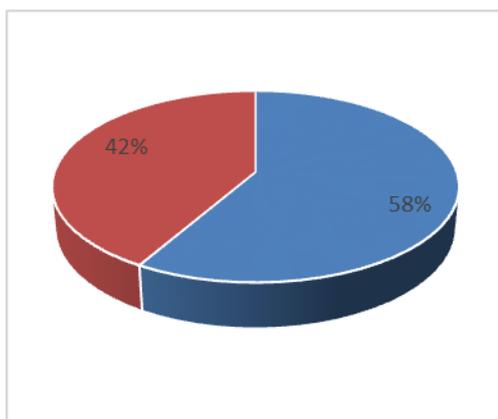
Municipality of Ruse and 20% from Municipality of Giurgiu). Only 9% from the representatives of the national and local authorities and the educational institutions, which were interviewed, have declared that they do not participate in program schemes, funded by the European Union (all of them from Municipality of Ruse).



**Figure 7. Participation with projects in programs, funded from the European Union, according to the representatives of the national and local authorities and the educational institutions**

All representatives from the target group of the non-governmental organizations have declared that they have participated in projects, funded by the European Union. (fig. 8). Projects, funded through the Operational programs, have been executed by 55% from the representatives of this group. The rest 42% have stated that the represented by them non-governmental organizations have been involved in program schemes, funded directly from the European Union.

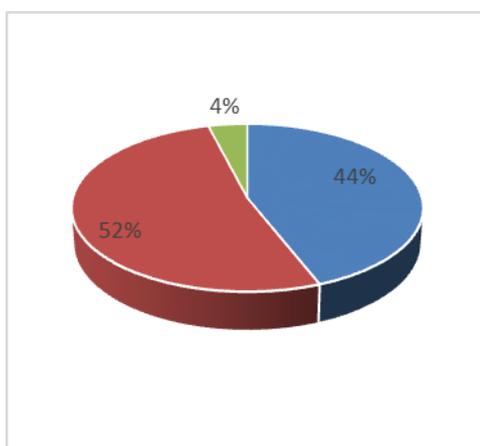
The share of business organizations, which participated in program schemes, funded by the Operational programs of the European Union is 52% – 77% from them are from Municipality of Ruse and 23% from Municipality of Giurgiu (fig. 9).



**58%** - Yes, we participate in program schemes, funded by the Operational programs of the European Union

**42%** - Yes, we participate in program schemes, funded directly from the European Union – Horizon 2020, Erasmus + etc.

**Figure 8. Participation with projects under programs, funded from the European Union, according to the representatives of the non-governmental organizations**



**52%** - Yes, we participate in program schemes, funded by the Operational programs of the European Union

**44%** - No, we do not participate in program schemes, funded by the European Union

**4%** - Yes, we participate in program schemes, funded directly from the European Union – Horizon 2020, Erasmus + etc.

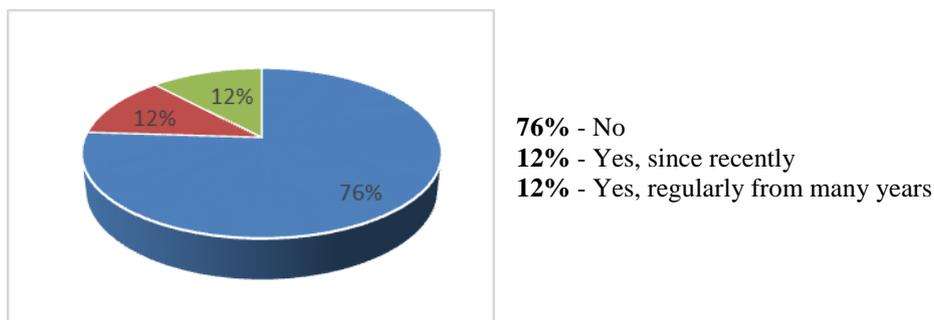
**Figure 9. Participation with projects in programs, funded by the European Union, according to the representatives of the business**

The relative share from the representatives of the target group of the business organizations, that have not participated in program schemes with European funding is too big– 44% (91% from University of Ruse and 9% from Municipality of Giurgiu). In program schemes, funded directly from the European Union, have participated only 4% from the representatives of this target group – all from Municipality of Giurgiu.

*Is your business organization using business services from organization from the opposite side?*

The share of organizations, which have not used services of partners from the other side of the border is relatively high– 76% (89% from Municipality of Ruse and 11% from Municipality of Giurgiu) from the participants in the survey

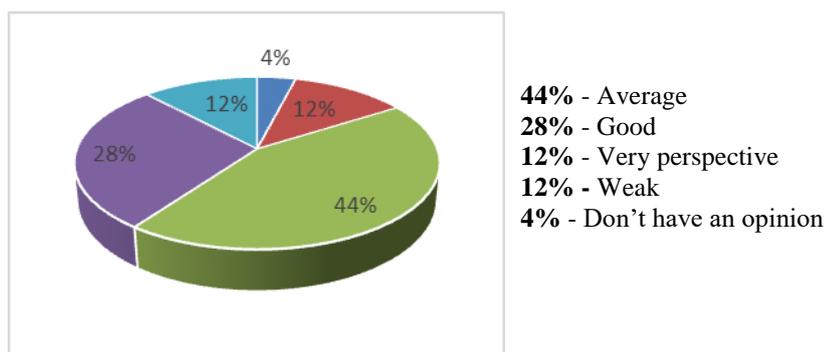
representing this target group have categorically supported the statement “no” (fig. 10). The rest two groups, with an equal share from 12%, have stated the answer “yes, since recently” (67% from Municipality of Ruse and 33% from Municipality Giurgiu) and „yes, regularly from many years” (33% from Municipality of Ruse and 67% from Municipality of Giurgiu).



**Figure 10. Use of business services from the opposite side, according to the representatives of the business organizations**

*Possibilities for internationalization of the business organizations in the frames of Euro-region Ruse-Giurgiu*

The share of representatives of the target group of the business organizations supporting the statement that the possibilities for internationalization of the business organizations are average is 44% – 91% from them are from Municipality of Ruse and 9% from Municipality of Giurgiu (fig. 11).



**Figure 11. Possibilities for internationalization in the frames of Euro-region Ruse-Giurgiu, according to the representatives of the business organizations**

Behind the statement that the possibilities are good stay 28% from the representatives of this target group (71% from Municipality of Ruse and 29% from Municipality of Giurgiu). The next two groups, with an equal share from 12% (67% from Municipality of Ruse and 33% from Municipality Giurgiu), have defined the possibilities for internationalization in the frames of the Euro-region

respectively as very perspective and weak. The rest 4% from the representatives of this target group (all from Municipality of Ruse) have not given their opinion about the question (fig. 11).

#### 4. Conclusion

- All representatives of the target groups, which took part in the survey, show high degree of awareness, regarding the economic state of Euro-region Ruse-Giurgiu and the perspectives for its development.

- The share of representatives of the three target groups, which state that they took part in the execution of projects, funded by the different instruments of the European Union is respectively: 100% from the non-governmental organizations; 91% from the national and local authorities and 56% from the business organizations.

- From the answers to the group of questions, directed towards the business organizations, it could be seen that the potential of the business organizations is not used at the sufficient degree for the development of the integration processes in the frames of the Euro-region Ruse-Giurgiu – 76% have not used business services from the opposite side, and 56% from the representatives of this group think that the possibilities for internationalization of the business organizations in the Euroregion are average and weak.

- The analysis of the results from the conveyed survey additionally show that the economic integration in the frames of Euroregion Ruse-Giurgiu at the end of the programming period 2007-2013 has reached the level of the intermediary integrated cross-border regions at the scale of Lundquist и Trippel. In the Euro-region are present prerequisites for further development of the economic cooperation and the formation of functional area with elements of common innovation potential.

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