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Economic and management perspectives realized through the Eurocity Chaves-Verin project

Tatyana Dimitrova

*St. Cyril and St. Methodius University of Veliko Tarnovo, Faculty of Economics,
2 Teodosiy Tarnovski Str., 5000 Veliko Tarnovo, Bulgaria*

Abstract: *The enlargement of the European Union and the deepening of cross-border cooperation between the individual member states provide new opportunities for economic and social prosperity. Thanks to this cooperation, Euroregions and Eurocities are emerging between a number of European countries. A pioneer in this regard is Eurocity Chaves-Verin, in the northwestern part of the Iberian Peninsula where Spain and Portugal border. It affects not only the cities of Chaves and Verin, but also the neighboring territories.*

Keywords: Eurocity, cross-border cooperation, strategic documents

Introduction

Eurocity Chaves-Verin is a relatively new cross-border management instrument, officially created in 2007, bringing together both cities and Spanish and Portuguese organisations from the two municipalities located on both sides of the Tâmega River valley. Eurocity Chaves-Verin is part of a territorial complex with a clearly demarcated imbalance between the coast and the interior, as well as between rural and urban areas. Despite its specific characteristics, Eurocity manages to remain a point of concentration of population and economy. The structure of production is determined by the capacity of the cross-border territory to promote economic development, and the existing pattern of specialization in the border area explains the levels of economic activity and employment opportunities.

The main task of the Eurocity Chaves-Verin project is to promote common services in social policy and areas such as culture, trade, tourism, education and scientific research. The aim is to improve the quality of life of people in the region. Cooperation is possible thanks to balanced political decisions and the use of accurate management approaches that ensure the prosperity of the population.

The analysis of the main strategic documents shows three main scenarios for the development of Eurocity Chaves-Verin: functioning of Eurocity Chaves-Verin in the current territory; possibilities for expansion in territorial and institutional terms; an optimistic option with significant territorial and institutional expansion. The last option is the most difficult to implement.

The subject of the study are the characteristics related to the development of the Eurocity Chaves-Verin project. The object of the study are the specifics, advantages and sustainability in the management of this project. The aim of this study is to propose and analyze the main scenarios related to the future development of Eurocity Chaves-Verin.

The methods used are theoretical analysis and synthesis, convergent analysis and graphical methods.

Theory and Methodology

1. Previous research

Thanks to cohesion policies, it is possible to achieve the objectives of economic growth and solidarity, including the construction of a highly competitive, social and market economy, with a focus on full employment, social prosperity and sustainable development. This makes territorial cooperation and especially cross-border cooperation a key element on the path to European integration and a political priority for the countries of the (EU) [1].

Countries such as (Spain and Portugal) have the opportunity to take advantage of their border potential and have managed to transform their border territories from lagging behind into centers of growth. Of utmost importance are the treaties between the national governments of the two Iberian countries, which set the stage for bilateral relations. The national agreements do not seek points of conflict between Spanish and Portuguese political leaders, but on the contrary, considerate and reasoned solutions that support administrative cooperation. For this governance to be successful, a transformation of the existing organizational culture and improvement of governance is essential [2].

A good example of cross-border cooperation are the cities of Chaves and Verin, which are the basis for the creation of the first Eurocity in the northwestern part of the Iberian Peninsula.

A number of researchers are working on this issue [3-8], etc. This issue is poorly represented in Bulgarian scientific research.

2. Methodology

In order to prepare the strategic documents on the future development of Eurocity Chaves-Verin and the European Group for Cross-Border Cooperation (EGTC) until 2030, it is necessary to make a socio-economic

characterization of the studied territory and to foresee the different options for the future development of this cross-border region.

The analysis includes the following components:

1) Analysis of the administrative structure, size, borders and geographical location. Attention is paid to the specific features related to the location of border territories between two neighboring countries;

2) Analysis of the demographic potential and its specific features. Problems related to population decline and deterioration of its age structure are considered. Indicators such as the aging index, average life expectancy, etc. are also used as indicators of demographic problems;

3) Economic development with main indicators - GDP, labor mobility, unemployment, primary, secondary, tertiary sectors. Revenues in the adjacent territory are mainly generated by the service sector, where trade and hospitality stand out as the predominant income-generating activities. Particular attention is paid to tourism, education and transport infrastructure. The analysis of the transport infrastructure uses data from the Spain-Portugal Cross-Border Observatory for monitoring.

Three possible scenarios are outlined depending on the progress of cooperation on both sides of the border. It includes both Eurocity Chaves-Verin and the nearby territories.

Option I: Maintaining the existing framework. This option concerns the maintenance of Eurocity Chaves-Verin in its current territorial scope;

Option II: Territorial and institutional expansion within moderate limits. The second option foresees the possibilities for the expansion of Eurocity Chaves-Verin, around which all the municipalities of Alto Tâmega would be united, together with the adjacent municipalities of the Verin region.

Option III: Significant expansion in territorial and institutional aspects. This option is the most optimistic and at the same time the most difficult to implement. It requires greater territorial and institutional expansion, which in turn implies the inclusion of more territories on the Portuguese and Spanish sides.

Results and Discussion

1. Administrative features

Eurocity Chaves-Verin is the first initiative launched within the Iberian Peninsula [9]. It is a relatively new cross-border management tool, which was officially created in 2007. The system is based on the management-political cooperation between the mayors of Chaves and Verin. Eurocity brings together both cities and Spanish and Portuguese organisations from the two municipalities located on both sides of the border along the Tâmega River valley [10].

Administratively, the region includes the following 8 NUTS-III Minho-Lima, Cavadou, Ave, Grande Porto, Tâmega, Entre Douro y Vega, Douro y Alto Tras-ujo-Montes from Portugal and 4 NUTS-III A Coruña, Lugo, Ourense and Pontevedra from Spain.

The indicated territory (Fig. 1) includes the municipality of Chaves, which is located in northeastern Portugal and covers 39 parishes. The municipality of Chaves and its neighboring municipalities of Botiçaço, Montalegre, Valpasção, and Vila Pouca de Aguiar, as well as Ribeira de Peña, form the territorial scope of Alto Tâmega. This territory is a statistical territorial unit at level III (NUTS III), to which corresponds an intermunicipal unit, the Intermunicipal Community of Alto Tâmega and Barroso. This intermunicipal entity is an association of local authorities responsible for ensuring the coherence of actions between municipalities and central administration services in certain areas such as the promotion of economic development, security and civil protection, mobility and transport, heritage, tourism, etc. [11].

In turn, as part of the NUTS II level of Northern Portugal, Alto Tâmega also falls within the scope of the Commission for Coordination and Regional Development of the North (CCDR-N). This service is under the direct administration of the State, with considerable administrative and financial autonomy. Its main task is to implement various policies on the environment, land use and urban planning, regional development, as well as technical support to local authorities in this region and the numerous associations.

To the north is the municipality of Verín, located in the south-east of the autonomous community of Galicia. It also has considerable autonomy and a local governing body called the Junta de Galicia. Directly elected by the people, the Junta exercises both executive and administrative functions. The municipality of Verín is made up of 15 parishes and, together with the municipalities of Vilardevos, Castelo do Val, Cualedro, Lhasa, Monterrey, Oimbra and Ríos, belongs to the district of Verín. Together, they form the Community of Municipalities of the District of Verín (excluding the municipality of Ríos), a voluntary association that carries out various activities.

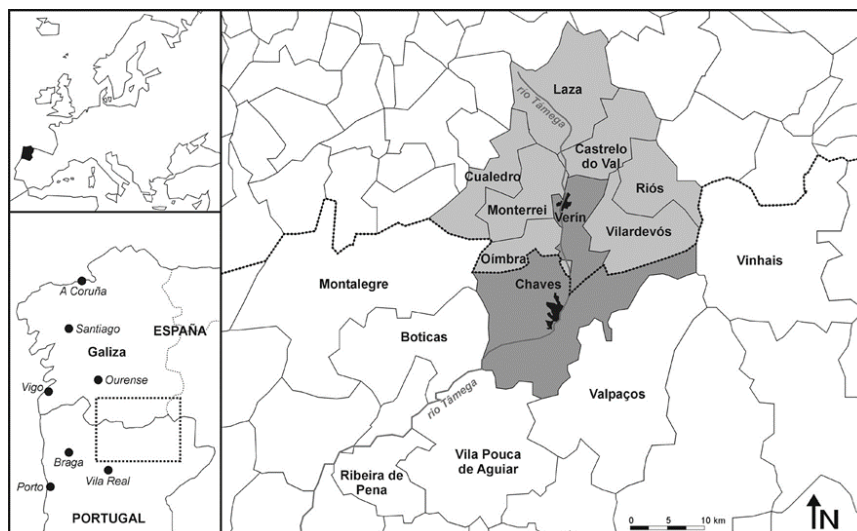


Figure 1. Geographical location of Eurocity Chaves-Verin (Source: Eixo Atlântico, 2006. Governos e administrações locais na Euro Região)

In turn, Verín is part of the province of Ourense, one of the four provinces of the autonomous community of Galicia, consisting of 91 councils. The province of Ourense has administrative functions and acts as a Provincial Council.

The two cities of Chaves and Verín form a Eurocity, which is part of the European Grouping for Territorial Development EGTC, and is part of a significantly larger area of cross-border cooperation within the Euroregion Galicia - Northern Portugal (one of the five Euroregions on the border between Spain and Portugal). In these outlines, the Eurocity has an area of 685.3 km², and the territorial distribution between the two cities is as follows: Verín has an area of 94.1 km² and Chaves has an area of 591.2 km², in this case Chaves definitely has a larger territory [12]. This discrepancy in areas between the two municipalities affects the behavior of many of the indicators presented in the analysis.

Not without significance is the fact that Chaves and Verin are neighboring municipalities through which the Tamega River flows, perpendicularly crossing the state border and administratively dividing these territories. Over the centuries, this border (one of the oldest in Europe) has also been known by the name La Raya.

2. Demographic potential

Eurocity Chaves-Verin is part of a territorial complex with a clearly defined imbalance between the coast and the interior, as well as between rural and urban areas. These differences have been formed for

centuries, since historically the interior territories of Galicia and Northern Portugal have always had a lower population density than those on the coast. In recent decades, the rate of population loss in the interior has become even more alarming, especially in rural areas.

However, within the relevant context, the territories of Eurocity Chaves-Verin have managed to remain a point of concentration of population and economy, despite certain conditions [13].

In 2011, Eurocity Chaves-Verin had 55,709 inhabitants, with the municipality of Chaves having a higher number of inhabitants (41,243), compared to 14,466 inhabitants in Verin. According to the final results of the 2021 census, Chaves and Verin registered 37,590 and 13,625 inhabitants respectively (Fig. 2) [14]. Naturally, the majority of the population is concentrated in the urban centers of these two municipalities. Within the regional contexts that correspond to them, Chaves is the municipality with the largest population within Alto Tamega, and the same is true for Verin, in this case, applicable to the municipality of Verin, where in 2011 there were 26,098 inhabitants and in 2021 there were 23,570 inhabitants.

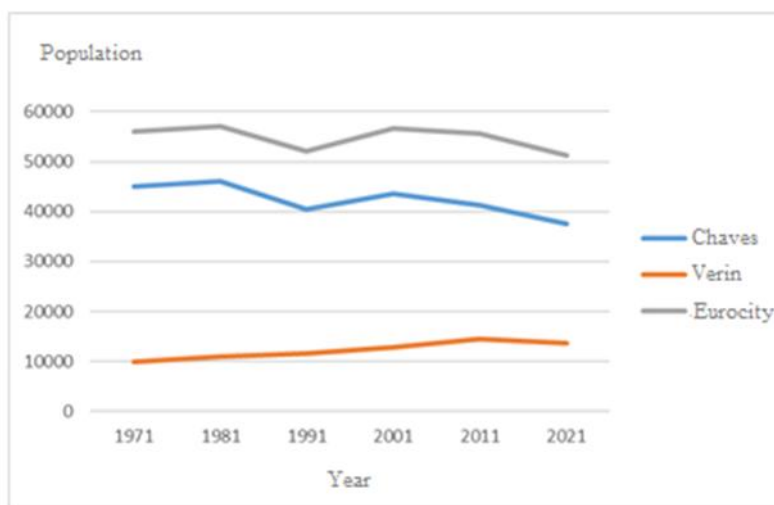


Figure 2. Population change in Eurocity (1971-2021) (Source: <http://www.eurocidadechavesverin.eu/aect/our-territory>)

The Eurocity area has seen a trend towards a decrease in population since 2001. The rates of decrease over the last two decades have not been very pronounced, but overall, for the period 2001-2021, a decrease in population of 8.1% was observed.

Between 2001 and 2011, the municipality of Chaves lost 5.6% of its population, and in the following period 2011-2021, this decrease was 8.9%, or a decrease in population of 6,077 people was recorded during the period under review.

In the municipality of Verin, an increase of 12% (1,549 inhabitants) was recorded between 2001 and 2011, but in the following period 2011-2021, a decrease in population of 5.8% and a total decrease in its number by 3,039 people was also recorded [15].

For the two municipalities, the unification through Eurocity “is inevitable and is seen as a competitive advantage capable of creating jobs to attract and retain the population, allowing to counteract the trend towards depopulation in the mountain regions” [16].

Changes are also observed in terms of the age structure of the population. In 2021, 60% of the inhabitants of the Eurocity Chaves-Verin territory belong to the age group between 15 and 64 years, while the age group over 65 is the second most represented, with nearly 30% of the population.

A more precise analysis of the municipalities included in the Eurocity Chaves-Verin and the corresponding territories (Fig. 3) shows a similar trend: the working-age population (between 15 and 64 years) is below 60% of the population, with the exception of Verin (62%), and the age group over 65 years represents over 32% of the population, where Verin is again an exception (27%) [17]. Trends related to population aging have long been leading in EU countries, and Spain and Portugal are no exception. The situation is similar in the Eurocity Chaves-Verin, where it manifests itself simultaneously in two directions: the highest aging (with a significant weight of the elderly population in the population structure) and basic aging (with a progressive decrease in the weight of the young population in the population structure). Thus, during the period under review, a decrease in the young population and an increase in the number of elderly people are clearly outlined, which in turn leads to an increase in the rate of aging¹.

This trend is more pronounced in Chaves, where the aging index is 323.55, while in Verin its value is much lower - 259.18 [18].

¹ Ratio between the elderly population and the young population, defined as the ratio between the number of people aged 65 and over and the number of people aged 0 to 14.

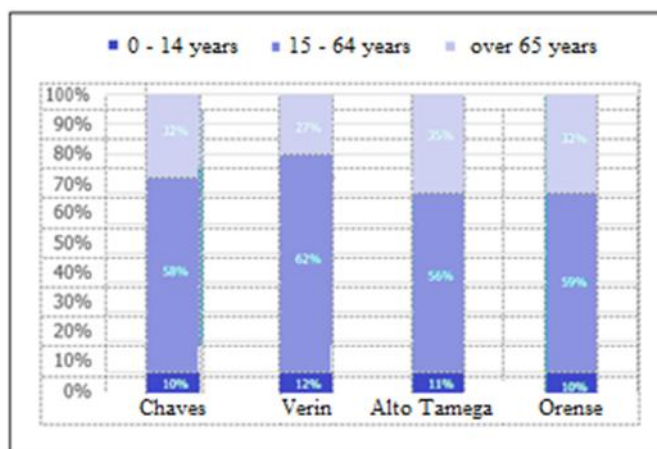


Figure 3. Population distribution by age groups, 2021 (Source: INE 2011, 2021)

We cannot fail to note the average age of the population in Eurocity Chaves-Verin – 49.14 years. And while the average age of the population in Verin is 47.68, for the municipality of Chaves it is 50.60, that is, a value much higher than those registered in Verin and in Northern Portugal (45.40) [19]. This situation is certainly not favorable for regional development; it is related to the increase in life expectancy (positive factor) and the decrease in the number of births (negative factor).

To measure cross-border relations, the number of residents in Verin coming from Chaves and vice versa also has an impact. Thus, according to the 2021 census, 1,820 Portuguese citizens live in Verin, without their exact origin being known. This figure represents 68.4% of the total foreign population in Verin and 27% of the total number of Portuguese citizens living in the province of Ourense. Regarding Chaves, only 85 Spanish citizens were included in the 2021 census, which represents 27% of the total number of Spaniards in the Vila Real area. That is, Verin is significantly more preferred to live by Portuguese citizens².

3. Economic development

Statistics show that both Alto Tamega and the province of Ourense have a GDP per capita lower than the averages for Northern Portugal and Galicia, respectively. This is also reflected in the Eurocity. The municipality of Chaves is in a more disadvantaged position, with its GDP per capita reaching values of 15,935

² Data obtained from the Spanish, Galician and Portuguese statistical offices (<http://www.ine.es>; <http://www.ige.eu>; <http://www.ige.pt>).

euros (1/4 lower than that of Northern Portugal), and the municipality of Verin with a value of 15,970 euros (1/3 lower than that of Galicia and almost half lower than that of Spain) [20].

The structure of production is determined by the capacity of the cross-border territory to promote economic development. From this point of view, the existing pattern of specialization in the border area explains the levels of economic activity and employment opportunities.

Another factor to take into account is labor mobility, which can be measured from two angles. On the one hand, citizens who move to live and work on the other side of the border; on the other, those who only travel to work, who are the so-called cross-border workers. In this case, it is also not easy to find detailed information at the municipal level. As for the first group of workers, there are 1,488 Portuguese citizens in the Spanish social security in the province of Ourense, while there are only 80 individuals of Spanish nationality with declared earnings in the district of Vila Real. As for cross-border workers, there are 69 employment contracts for Portuguese workers residing in Portugal in the province of Ourense; 4 of them relate to Verin. In turn, only 7 individuals of Spanish nationality and residents of Spain with declared earnings in the district of Vila Real were counted, without being able to indicate those who work in Chaves.

Regarding unemployment, it maintains relatively stable values of 11.7% [21].

The income in the adjacent territory is mainly formed by the service sector, where trade and hospitality stand out as the predominant activities in wealth generation. On the Portuguese side, this is approximately 62.8% of the gross added value generated by companies operating in Chaves and 42.6% in Alto Tamega. In terms of Galicia, this is also a leading sector, since the activities "trade, transport and hospitality", "information, finance, real estate and professional activities" and "education, health and other services" account for 67.4% of the GDP of the municipality of Verin and 63.8% of that of the province of Ourense. Within this sector, activities related to trade and hospitality generate the main income.

The primary sector accounts for 3.9% in Chaves, a figure lower than that recorded in Alto Tamega as a whole, while in the municipality of Verin it is 8.3%, relatively higher than that recorded in the province of Ourense, which is 5.4%.

Construction contributes 10.7% of Chaves' GDP, which is lower than in Alto Tamega, which is 13%. These values are almost identical for Verin, where construction also forms 10.7% of the municipality's GDP, a value that is relatively higher than the average for the province of Ourense as a whole, which is 6.9%.

Regarding electricity production, water supply and waste management, Chaves has a higher weight with 7.4% of GDP, compared to Verin, which is only 21% [22].

As for the business structure, it is mainly composed of micro and small companies, which represent 97.4% of the 6,267 companies existing in Eurocity Chaves-Verin (Table 1).

Table 1. Number of companies and percentage of companies by number of employees in 2023

(Source: INE (2024), IGE (2024))

	Number of companies	< 10 the worker	10-50 the worker	> 50 the worker
Chaves	4 946	97,4%	2,4%	0,2%
Verin	1 321	97,3%	2,4%	0,3%
Total Eurocity	6 267	97,4%	2,4%	0,2%

The question of the number of Portuguese companies in Galicia and vice versa is interesting, although detailed data is difficult to find. Only 9 Portuguese companies were registered in the province of Ourense in 2023. The analyses show that in the context of economic integration, the area under consideration is not large, communications are satisfactory and therefore companies have no reason to establish themselves in the neighboring country, since they can coordinate their actions from their headquarters in one of the countries and reach the neighboring market quickly thanks to the transport infrastructure. Therefore, the investment to be made will not be of an industrial nature, but of a commercial nature, relying on intermediary companies that easily place products on the nearby market. The detailed analysis of the economic activity of the companies in Eurocity Chaves-Verin was made on the basis of existing economic activities (Fig. 4 and Fig. 5).

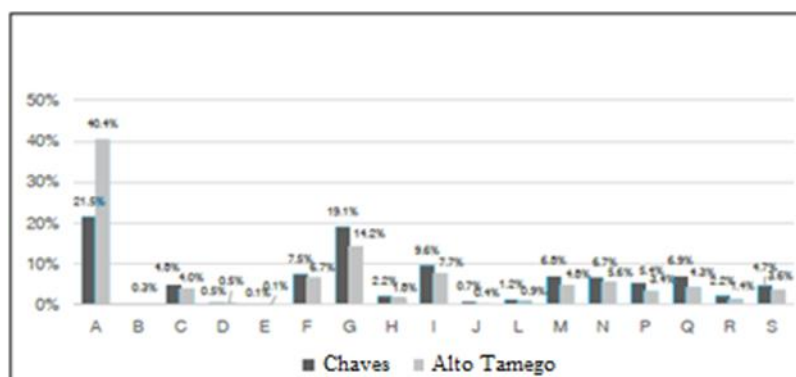


Figure 4. Number of companies in Chaves and Alto Tamego (Source: Eurocidade Chaves-Verin, AECT. Plano Estratégico de Cooperação Territorial 2030. 2023. Sociedade Portuguesa da Inovação)

Since it is possible to establish correspondence between the classification systems of economic activities in Portugal (CAE) and Spain (CNAE), the analysis of the data presented makes it possible to outline the economic profile of Eurocity Chaves-Verin.

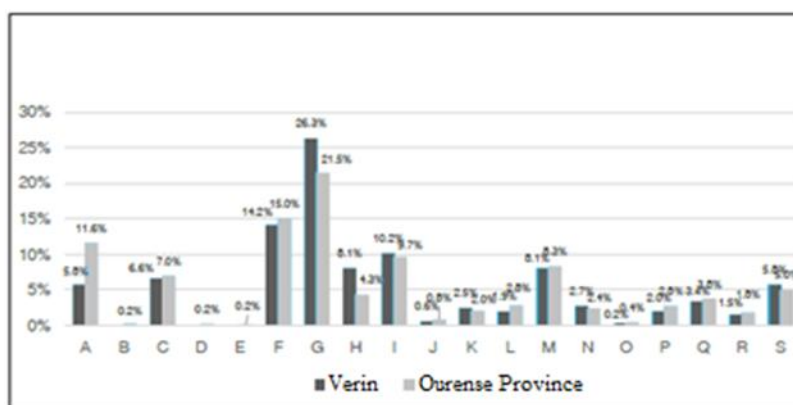


Figure 5. Number of companies in Verin and Ourense Province (Source: Eurocidade Chaves-Verin, AECT. Plano Estratégico de Cooperação Territorial 2030. 2023. Sociedade Portuguesa da Inovação)

4. Primary sector

A distinctive feature of the border region is the relative weight of the primary sector, the level being much higher than the national averages for Spain and Portugal.

About 18.3% of the companies operating in Eurocity are employed in the primary sector, being linked to section A (in Portugal “Agriculture, livestock, hunting, forestry and fishing”, in Spain “Agriculture, livestock, forestry and fishing”). This is one of the leading sectors in terms of the number of companies. The sector is significantly better represented in the municipality of Chaves, with 21.5% of the total number of companies, while only 5.8% of the companies in the municipality of Verin have a similar economic activity. This is fully true when comparing the municipalities of Alto Tamega and the province of Ourense.

5. Secondary sector

In the structure of the secondary sector, the momentum is no longer so strong, especially on the Spanish side of construction activities, especially the construction of roads, environmental infrastructure, etc., while residential buildings highlight the specific impact of the border in the development of public programs involving the construction of infrastructure.

The manufacturing sector is relatively poorly represented in terms of the number of companies and the output produced [23].

Section B (Extractive industries) accounts for only 0.2%, with a total of nine companies, seven of which are in Chaves.

Section C (in Portugal “Processing industries”, and in Spain “Manufacturing industry”) represents 5.2% of the companies in Eurocity, and here too most of them are located in the municipality of Chaves. In the activities related to sections D and E (in Portugal "Electricity, gas, steam, hot and cold water" and “Water

collection, treatment and distribution; sewerage, waste management and remediation”, and in Spain “Electricity, gas, steam and heating supply” and “Water supply, sanitation, waste management and decontamination”), only 28 companies are represented [24], and here too most of them carry out their activities in Chaves.

Around 8.8% of the companies in Eurocity have as their main activity - Construction (section F), which is represented by 539 companies. Almost 2/3 of them are in the municipality of Verin.

6. Tertiary sector

The tertiary sector in the border area is characterized by great dynamism. Most of the companies in Eurocity Chaves-Verin operate in this sector. The most important is G (in Portugal “Wholesale and retail trade; repair of motor vehicles and motorcycles” and in Spain “Wholesale and retail trade; repair of motor vehicles and motorcycles”), with 1257 or 20.6% of the total number of companies. The sector plays an important role in both municipalities.

A significant number of companies belong to section I (in Portugal “Accommodation, catering and similar activities” and in Spain “Accommodation”), as 9.7% of the companies based in Eurocity have this as their main activity. These activities are equally well represented in both municipalities.

Nearly 7.1% of the companies in Eurocity Chaves-Verin are focused on activities related to section M (in Portugal “Consulting, scientific, technical and related activities” and in Spain “Professional, scientific and technical activities”), and 6.2% on activities related to section Q (in Portugal “Human health and social support activities” and in Spain “Health and social service activities”) [25].

7. Education

Education is one of the determining factors for the progress and development of any territory. Despite the membership of Spain and Portugal in the EU since 1986, to everyone’s surprise the percentage of illiterates is still high, especially in Portugal. However, we can note the slightly higher level of education in Chaves, where 13.6% of the population has no education at all and 14.0% has a university degree, compared to 26% without education and 10.9% with a university degree in the municipality of Verin [26].

The problems related to higher education are different. The larger university centers such as Santiago de Compostela, Pontevedra, Ourense, the University of Minho and Trás-u-Montes are relatively distant. There are no public higher education institutions in the area under consideration. The branch of the University of Trás-u-Montes and Alto Douro (UTAD) in the city of Chávez was closed in 2014. Now there is only the Higher School of Nursing of the Portuguese Red Cross in Alto Tâmega, as well as the private Polytechnic Institute of Bragança, which offers higher professional technical courses. Much hope is placed on the recently opened

Higher School of Hospitality and Welfare, which envisages the creation of a branch in the city of Chávez in close cooperation with the existing Business Park.

On the Portuguese side, there is an increase in the number of students (mainly as a result of the increase in emigrants), while on the Spanish side there is a decrease in their number. Vocational training for young people is also being strengthened, which will help them to better perform on the labor market in the future [27].

8. Tourism

Eurocity Chaves-Verin has significant tourism potential. The analysis shows an increase in both the number of tourist accommodation places and the number of accommodation rooms. However, this does not apply to the municipality of Verin, where there has been a 10.2% decrease in available rooms over the last ten years.

It should be noted that on the Portuguese side the increase is more pronounced, with the number of sites in Chaves increasing from 15 to 39 (61.2%), and the number of rooms from 592 to 840 (29.6%). In 2023, Eurocity Chaves-Verin has a total of 54 tourist accommodation places, with 1,115 rooms [28]. Of course, here too the COVID-19 pandemic has had a negative impact on the development of the tourist potential in Eurocity.

The tourist exchange between the two countries is characterized by very weak dynamics. Only 9.3% of foreign tourists visiting Alto Tamega are Spanish and only 3.8% of visitors to the province of Ourense are Portuguese [29].

9. Transport infrastructure

When analysing the data of the Spain-Portugal Cross-Border Observatory, it should be noted, however, that OTEP takes into account the number of crossings at a given point, but not the origin and destination of the trips, so the scale (local, provincial, national) of the data provided cannot be specified.

Compared to the entire Spanish-Portuguese border, the Galicia-Northern Portugal section concentrates approximately 50% of the road border crossings, which is largely explained by the dispersion of settlements characteristic of the area [30]. Improving accessibility is key to strengthening regional economies and achieving cohesion and competitiveness.

Regarding the transport infrastructure, among the roads that cross the municipalities of Chaves and Verin, the A24/EN103-5 on the Portuguese side and the A-75 and N-532 on the Spanish side should be mentioned, as they are part of the main road connecting the centers of Chaves and Verin. The urban centers of these municipalities are located 28 km apart.

Looking at some of the main cities in Galicia and Northern Portugal, we can note that Chaves and Verin are located about 50 minutes by car from the cities of Ourense and Vila Real, 1 hour and 30 minutes from the

large port of Porto, 2 hours from the Galician cities of Vigo and Santiago de Compostela. Taking into account the capitals of the respective countries, Lisbon is 4 hours and 20 minutes from these territories, and Madrid is about 4 hours.

In addition to its proximity to highways, Eurocity has a logistics infrastructure such as the “Chaves Business Park”, which can give greater visibility to the territory and attract new opportunities for economic and business development.

Regarding the intensity of the flows registered on this border, according to the Spain-Portugal Cross-Border Monitoring [31], the average daily traffic between Alto Tamegu and the municipality of Verin is 6,765 vehicles, light or heavy, which represents around 7.7% of the total number of vehicles transiting between Spain and Portugal in 2023. The majority of the traffic passes through the A-75/IP3 (A24), a road that connects Verin and Vila Verde da Raia (Chaves) and registers 3,815 vehicles per day, and the N-532/EN103-5, where there are 2,632 crossings. Although it is a far cry from the 16,333 vehicles per day that cross the A-75/IP3 (A24) border crossing between the cities of Valença do Minho/Tui, it is one of the busiest border crossings between Galicia and northern Portugal.

The nearest airport is in Vigo, Galicia.

10. Perspectives and possible options for the development of Eurocity Chaves-Verin

The location of the cities of Chaves in northern Portugal and Verin in Galicia, Spain allows them to be classified as an agglomeration, despite being from two neighboring countries. The convergence between them allows the use of the strengths and successful policies of both cities with the main goal of solving social, economic, educational, health, etc. problems. The implementation of the Eurocity project allows the residents of both cities to receive social, cultural and economic benefits.

The aim of the Eurocity Chaves-Verin is to create a new model of cross-border, innovative and cooperative region, where they offer residents, through joint territorial planning, joint management of urban services and joint overcoming of obstacles that hinder mobility. The Eurocity project has the task of promoting joint services and policies in various fields, such as culture, tourism, trade, education, health, research and social policy. Strengthening territorial cooperation also promotes social cohesion between the two cities, mainly by improving the quality of life of the population [32].

The steps taken in this direction are related to various initiatives such as the development of a project that aims to prepare a map containing information on common services and facilities, sports events, leisure, music and culture. The map has been positively received by the residents of both cities. The sense of belonging is also encouraged through the creation of monthly schedules for events held in Chaves and Verin.

Measures are also being taken to stimulate the local economy and include - promoting tourism, by creating a common tourist brand with a main emphasis on the thermal springs in the adjacent area, as well as on the Tamega River, which connects the two municipalities. Local employers and employer organizations also play a major role in promoting the two cities as shopping destinations, as well as for various commercial activities. An online directory of employers looking for and offering jobs, as well as other services, has also been published. An indisputably important point of the project is the promotion of entrepreneurship, by bringing together young people and prestigious companies to implement business ideas. Joint training courses are also planned, which are mainly aimed at young people with an entrepreneurial spirit as a target group [33].

The EU investment for the Eurocity Chaves-Verin project is worth €1,333,578, of which €1,000,184 is from the European Regional Development Fund of the EU under the Spain-Portugal Operational Programme for the current programming period [34].

In order to prepare the strategic documents on the future development of Eurocity Chaves-Verin and the EGTC until 2030, it is necessary to envisage different options for the future development of this cross-border region. Three possible scenarios are outlined depending on the progress in cooperation on both sides of the border. It includes both Eurocity Chaves-Verin and the nearby territories.

The question of extending cross-border cooperation beyond the Eurocity Chaves-Verin arose as early as 2015 [35]. The good results provide grounds for this, and the idea is supported, both institutionally and by the population on both sides of the border. On the Portuguese side, there is a possibility of extension mainly to Alto Tamega and the municipalities of Barroso and Montalegre, while on the Spanish side, the municipality of Verin, the nearby territories of Oimbra and Sualadro, as well as parts of the province of Ourense, are included.

There were administrative obstacles, but after the implementation of the new changes regarding NUTS III in Portugal since 2013 [36], Alto Tamega has received a better-defined territorial and institutional form, led by the CIM of Alto Tamega and acquired more specific competences from an administrative point of view.

The municipality of Verín on the Spanish side corresponds to the association of municipalities, with the corresponding status, competences and certain areas of action, although they are not similar to those of the CIM of Alto Tamega. This is of great importance from the point of view of preserving the institutional balance on both sides of the border.

Analyzing the main challenges and opportunities facing these territories on both sides of the border, we can outline three possible scenarios for future cooperation.

This option concerns the maintenance of Eurocity Chaves-Verín in its current territorial scope (Fig. 6). The significant progress and experience gained show that this project is of great importance, given the cross-border cooperation in EU countries, and has great potential for development.

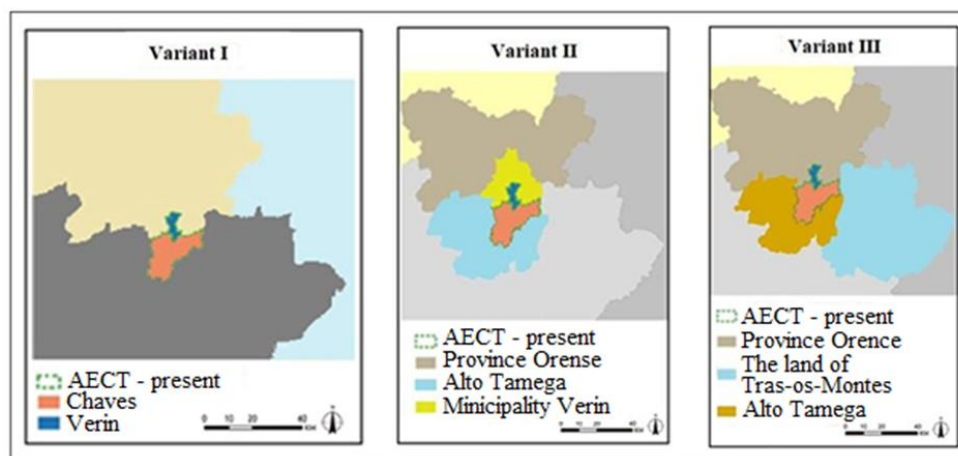


Figure 6. Options for the development of Eurocity Chaves-Verin (Source: Plan Estratégico 2021-2030. 2019. Xunta de Galicia)

The existing problems, such as the lack of scale, the asymmetry between the two sides of the border and the insufficient institutional weight that Chaves and Verin have in Portugal and Spain, lead to the consideration of future options [37].

The second option envisages the possibility of expanding the Eurocity Chaves-Verin, around which all the municipalities of Alto Tamega would be united, together with the adjacent municipalities of the Verin region. Such an expansion could be institutional, and would be joined by the CIM of Alto Tamega and the Provincial Council of Ourense, respectively members of the EGTC [38].

The third option is the most optimistic and at the same time the most difficult to implement. A greater territorial and institutional expansion are needed, which in turn implies the inclusion of more territories on the Portuguese and Spanish sides. The CIM of Alto Tamega and the CIM of the district around Tras-u-Montes are envisaged for Portugal, while the Spanish municipalities of Baixo Lima, A Lima, the entire municipality of Verin and the municipality of Viana, all part of the Council of Ourense, are included. This option goes far beyond the scope of Eurocity Chaves-Verin and is more aimed at creating a completely new Euroregion, with its own specific features [39]. The options considered have strengths and weaknesses, which are extremely important for the future development of the Eurocity Chaves-Verin project as a tool for local development of cross-border territories and their specific features [40].

In the first option, Eurocity Chaves-Verin does not undergo a major territorial development and in fact maintains its current institutional structure and territorial scope.

The second option considers a future territorial extension that includes Alto Tameta on the Portuguese side and the municipality of Verin on the Spanish side. This option envisages an extended institutional participation by the CIM of Alto Tamega and the Provincial Council of Ourense.

The third option is the most difficult to implement and requires a significant territorial extension of the EGTC, which in turn means including almost the entire current border between Portugal and Ourense (only the territories of the municipalities of Baixo Lima, A Lima, Verin and Viana are included from the province of Ourense). In this option, the Provincial Council of Ourense from Spain, as well as the CIMs of Alto Tamega and Tras-os-Montes from the Portuguese side, would be required to join.

Such a future extension could significantly increase the cooperation area (multiplying three, four or five times the area currently included) and could reach a population exceeding 100,000 inhabitants. Such an extension is foreseen in the EGTC Statute, Article 6, which states that entities established in NUTS 2 Galicia and Northern Portugal may be admitted. Here we can mention that there are no delimitations at NUTS 3 level (Ourense province in Galicia, Alto Tras-os-Montes in Portugal), and this is more appropriate from the point of view of maintaining the territorial scope of only the cities of Chaves and Verin included in Eurocity. From this point of view, a possible extension of the members would make the use of the term Eurocity inaccurate in the sense of the existing bilateral Chaves-Verin relations, as well as the possibility of calling them “cities that cross the border”.

Conclusion

- The unique location on both sides of the border between Spain and Portugal provides opportunities for deepening cross-border cooperation;
- Eurocity Chaves-Verin has significant demographic and economic problems, and the existing disparities can be overcome through cooperation and partnership, both at national, regional and local levels;
- The delineation of the spatial and economic opportunities for the development of Eurocity Chaves-Verin allows proposals to be made for adequate management solutions concerning changes in regional and local economic policy in accordance with the contemporary needs of these territories, and aiming at their sustainable integrated development based on alternative activities;
- The strategic documents reviewed outline three main scenarios related to the development of Eurocity Chaves-Verin: maintaining Eurocity Chaves-Verin within its current territorial scope; territorial and institutional expansion within moderate limits, and the third option is the most optimistic and most difficult to implement as it proposes territorial and institutional expansion.

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