

Handbook of Research on Social Entrepreneurship

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- 7 Sustainable transborder business cooperation in the European regions: the importance of social entrepreneurship
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Si

Fu

This is







Basle: Switzerland's only shipping port

∞ **Basel has Switzerland's only cargo port, through which goods pass along the navigable stretches of the Rhine and connect to ocean-going ships at the port of Rotterdam.**





Past and Present

- ∞ University of Basle = 601 yrs old
- ∞ Nano Science (Novartis, La Roche, Syngenta)
- ∞ Banking (BIS, UBS, Cantonal Bank)
- ∞ 34 Museums
- ∞ 1460-1520 (Reformation, Holbein, Erasmus of Rotterdam, Entry into CH 1501)



Basel- 2000+ old (celtic-roman)

∞ Long time 200 000, now a city-state of 166,000 inhabitants.

Located where the Swiss, French and German borders meet, Basel also has suburbs in France and Germany. With 830,000 inhabitants in the tri-national urban agglomeration as of 2004, Basel is Switzerland's second-largest urban area.

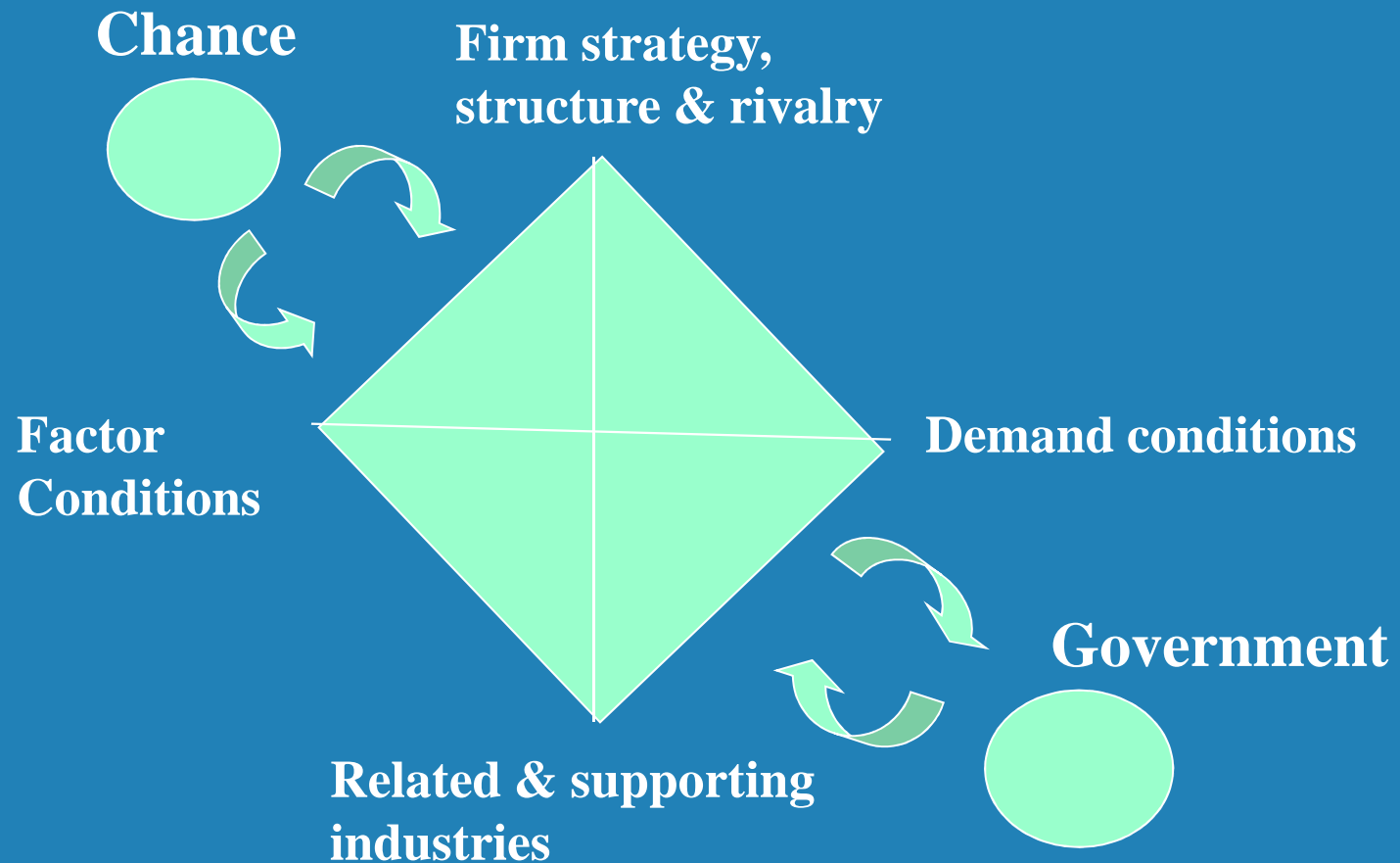


Key Objectives of Transborder Cooperation

- ∞ To achieve greater economic efficiency through more effective division of labour and allocation of capital (comparative advantages)
- ∞ To strengthen sustainable socio-economic development through transborder policy coordination
- ∞ To deepen regional identification through cultural and professional exchanges/ cooperation

Success Factors of National Competitiveness - Porter's Concept

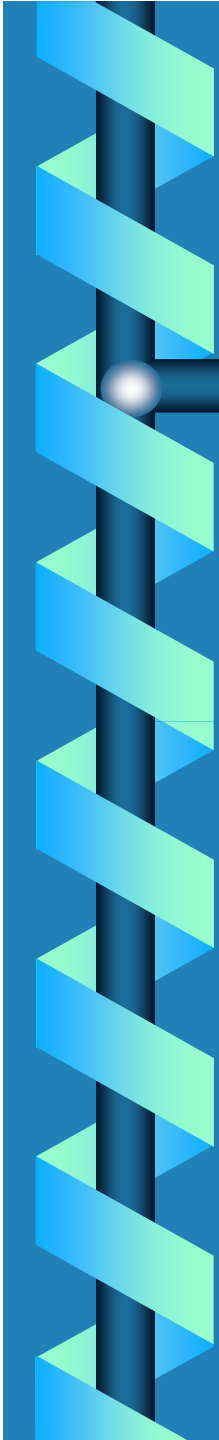
(Porter, 1990)





Unknown Factors :

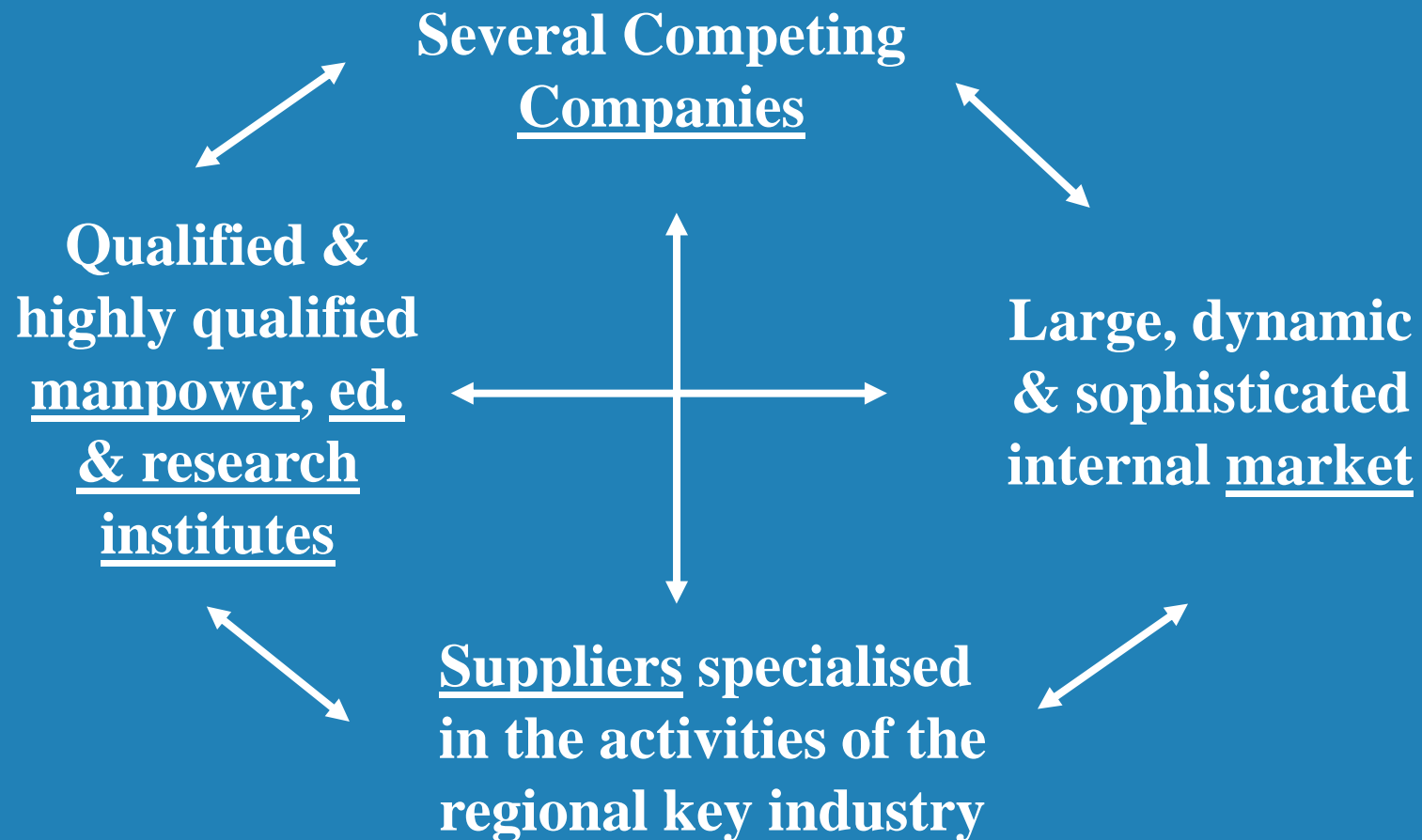
- ∩ Role of government at different stages of socio-economic development?
- ∩ Role of culture/value impacting socio-economic development?
 - embedded, hence deterministic?
 - Evolving, hence engineer-able?
- ∩ Positive/negative impact of transborder-regional cooperation?



Application to transborder reality of European Regions

- Ω Porter's concept has also been applied at the intra-national level (regions within a country)
 - Lombardy, Baden-Württemberg, Swiss Mittelland etc.
- Ω Could Porter's concept be applied to a transborder region (region consisting of adjacent provincial regions of neighboring countries?)

The Secret of Successful Regions (national level): (Borner, Porter, Weder & Enright, 1991, based on Porter's Diamond concept)



Factors with the most decisive influence on comparative advantages of a region with a future

(Ch. Koellreuter, BAK, 1997) (1)

Ranking

Factors

- 1 Availability of highly skilled labour**
- 2 Price/performance of h. skilled labour**
- 3 Permits (legislation, processing)**
- 4 Corporate tax system**
- 5 Price/performance of skilled labour**
- 6 Availability of skilled labour**
- 7 Work permits of transnational labour**

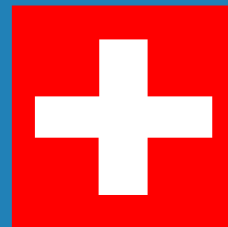


Factors with the most decisive influence on comparative advantages of a region with a future (BAK survey, 1997) (2)

Ranking	Factors
8	Telecommunication
9	Quality of life
10	Access to EEA (EU) market
10	Working Hours
10	Predictability of the politico-legal env.
..
25	Price/performance of unskilled labour

Case Example

“Upper Rhine Valley”



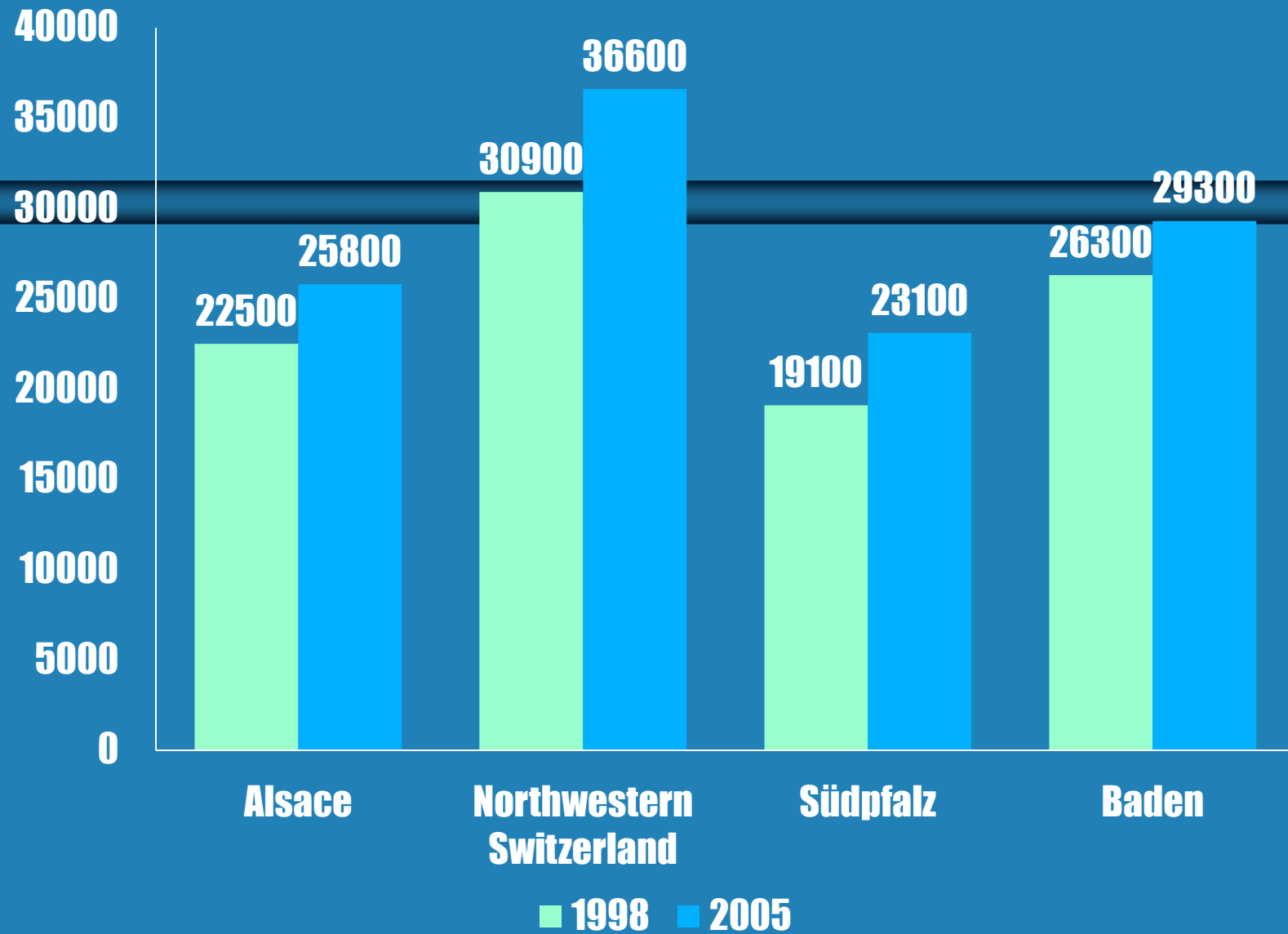


Source: EURES – Rhin Supérieur, Strasbourg (2005).

Figure 7.2 Tri-national Upper Rhine region



GDP per capita in 1998 and 2005



Source: Rhin Supérieur: Faits et chiffres, No. 8, Strasbourg (2009)



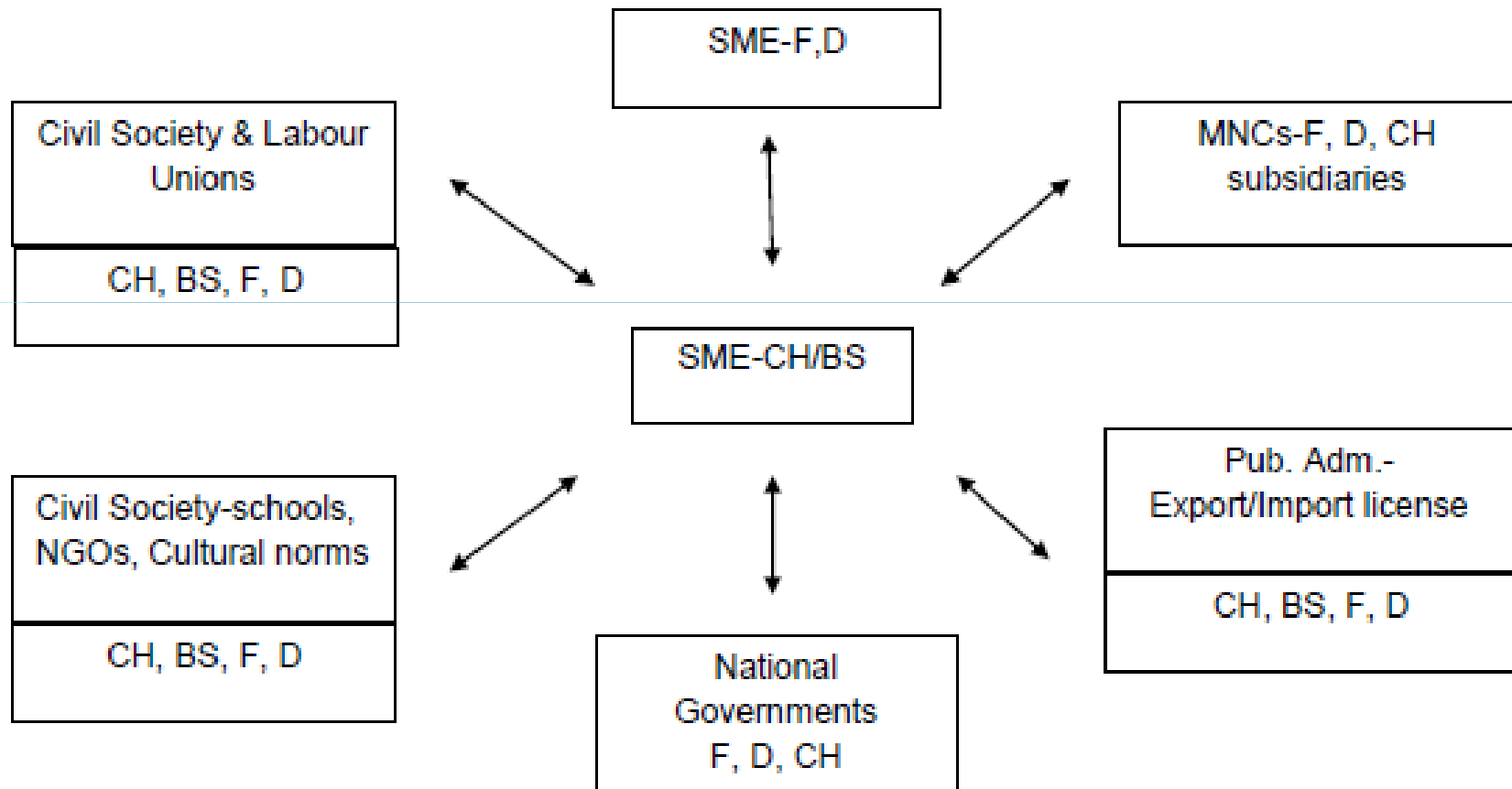
Missing Data regarding Upper Rhine Valley ⁽¹⁾

- ∞ competitiveness by sector, by country province (F/D/CH)
- ∞ Composition of regional labour market strengths and weaknesses
- ∞ potential policy conflicts at provincial & national government level (e.g., competing incentives, hidden trade barriers)

Missing Data regarding Upper Rhine Valley ⁽²⁾

- ∞ movement of capital & of skilled labour within and towards region
- ∞ Incentives- if any- for transborder SME creation within the transborder region
- ∞ MNCs strategies – if any- at regional levels

Reality of transborder socio-economic cooperation- need to manage several interfaces!



Eurodistricts (D,F,CH)



Requisite Roles to Create Momentum for Transborder Regional Development

SME

“Business Diplomat”

Leader in business sphere

Public
Admini-
stration

“Political Entrepreneur”

Leader in political sphere

Society
at large

Cultural Ambassador”

Leader in cultural sphere

× D, F,
CH

Transborder initiatives and role competencies requirements

Proposed transborder initiatives

Required competencies and roles

A.

Business Diplomats

1. Promote regional economic market structures and networks.
2. Develop inter-municipal energy grids and telecommunication services (groupings of municipalities as “market partners”).

Ability to develop and discuss business plans with business partners and non-business stakeholders (e.g. communes, schools, associations), understanding different national laws and practices governing employment, creation of companies and foundations, being familiar with different national management and leadership styles dominant in French, German and Swiss businesses.



B.

1. Put in place legal and financial inter-municipal structures in order to better respond to entrepreneurial needs.
2. Establish the coordination mechanism and/or define specializations once the location of sites on the Upper Rhine Valley has been attributed.
3. Establish collaboration among training and research centres and between them and the enterprises of the region.

Entrepreneurial Politicians

Ability to initiate projects spanning German, Swiss and French legal and administrative laws, creating efficient cross-border administrative procedures, involving private and public sector actors to create new ventures, knowing how to mobilize financing for cross-border physical and social infrastructure projects.



C.

1. Develop the project titled “Cultural roadmap of the region”.

Create a joint offer for the regional tourism sector.

2. Develop an administration which can manage the transborder region in a competent and effective manner.

Cultural Ambassadors

Ability to appreciate German, French and Swiss contemporary and classical art and culture, creating cultural events offering participation and benefits to existing cultural institutions of all three sub-regions, understanding processes of budgeting and approval of new initiatives in the domain of culture and tourism in all three sub-regions and respective national governments.

Role Characteristics



∞ **BD, PE, CA**

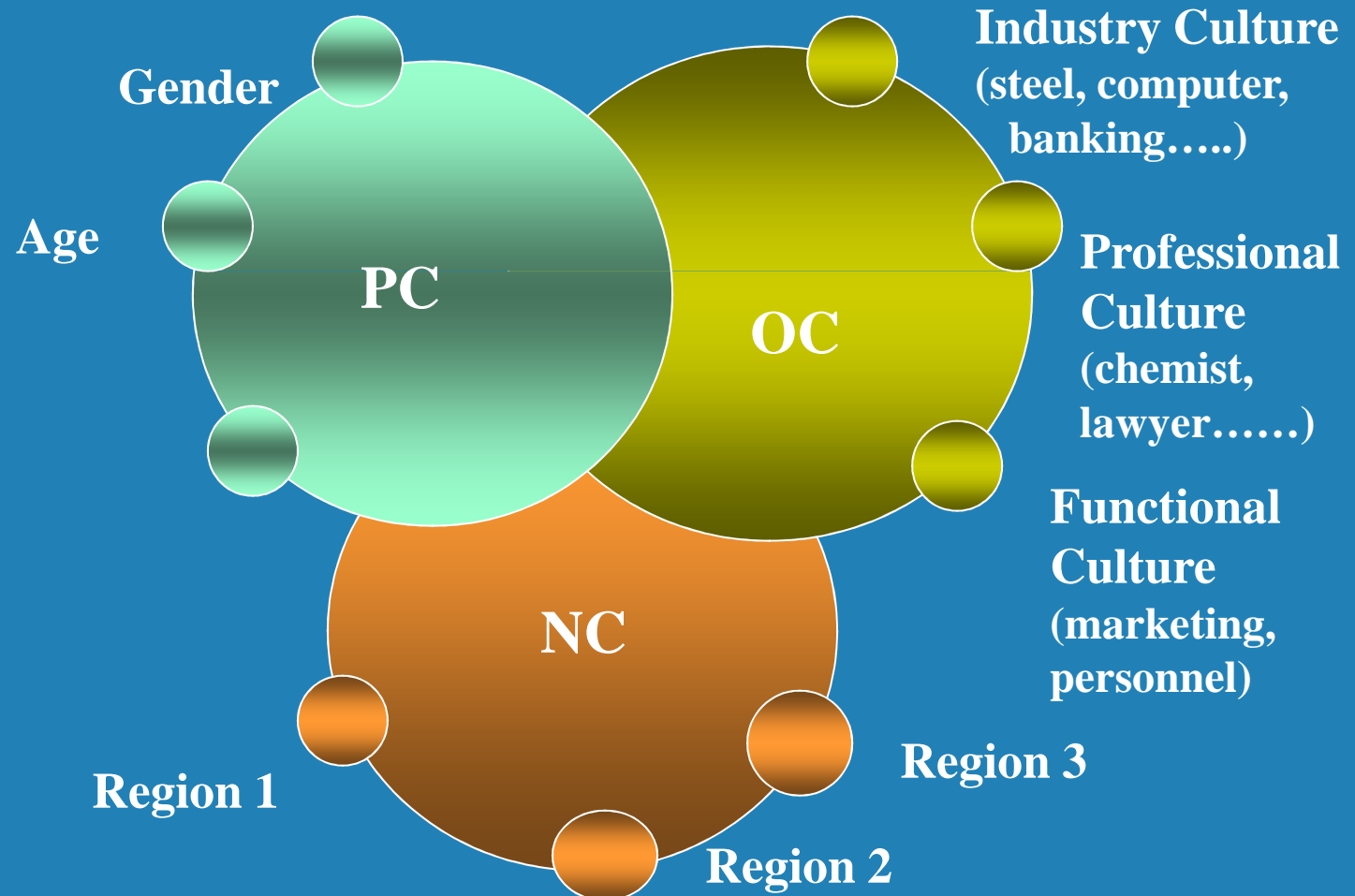
- **border crossing**
- **boundary spanners**
- **linking pins**

Regional Culture - Prism

PC = Personal Culture

OC= Organisational Culture

NC = National Culture





Future Challenges (1)

∞ Porter

- **Successful Diamond implies “cultural embeddedness”**
- **Successful mix of regional cultural values leads to successful regional competitiveness!**

∞ Hofstede

- **It takes generations to change values!!!**
- **Cross-border understanding means joint actions- not just talking!!**
-

Future Challenges (2)

∞ Consequence: Reinforce bridges for broad transborder cooperation

- Need to develop BDs, PEs, CAs in CH, F, D.
- Create adequate policy mix (**“Rahmenbedingungen”**)
 - WTO: Respect and apply public procurement rules in CH, F, D etc.
 - EU-CH continue bilateral agreements etc.
 - Transborder cooperation (deepen joint environment management)



Future Challenges (2)

∞ Consequence

- **Weave together Social fabric within transborder region**
 - Educational exchanges
 - Cultural exchanges
 - Transborder business creation
 - Crossborder migration



Mending fences- reinforce regional identity

Example: education

- **International Business Management (IBM) of FHNW, Lörrach & Colmar**
 - **3 years full time BA course on trilateral basis**
 - **Teaching shared across borders: in Colmar (F), Lörrach (D) and Basle (CH)**
 - **Students: 30% French, 30% German, 30% Swiss and 10% pan-European**
 - **Courses taught in English, French and German**
 - **Certificate recognised by F, D and CH**
 - **Faculty from different European origins**

Transborder Management

- ∞ BD + PE + CA = are all Negotiators!
- ∞ Negotiations =
 - Combining convergent + divergent interests
 - Deciding who shall give and take in transactions between parties
- ∞ **Weltbild** =
 - Know that you don't know or need to learn
 - Discover, explain, understand
 - No perfect solution only negotiated solution
 - Become a **“Grenzgänger-Frontalier”**



AVANTI- NAPREJ- VORWARTS- GOOD LUCK!!!!