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THEORIES OF DEVELOPMENT POLES APPLICABILITY IN THE EUROPEAN UNION NEIGHBOURHOOD CROSS-BORDER FRAME

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ABSTRACT. Nowadays the cross-border cooperation is promoted through policies and with financial help involved in order to increase the territorial cohesion along the national borders of EU and to increase the relationships with the neighbour countries. At a certain degree the areas along the borders can be considered regions that, being peripheric, need development despite the specificity brought by the different statuses. The paper has as central the concept that was first put forth systematically by Francois Perroux, being now into use in many countries, both in theoretical discussions and public policy programs. The promotion of regional development centres will serve as focal point and incentive for further development. Such a regional concentration helps through the benefits of technological external economies and makes the growth centre attractive to entrepreneurs, thus initiating further development. We examine the actual approaches in the literature on the economic growth, development poles and their main characteristics based on which we are able to identify the applicability of these theories in a cross-border frame in our future researches.

Keywords: development poles, economic growth, cross-border.

1. Introduction

The need for removal of the obstacles that national borders pose to economic development was one of the main motivations for starting the European integration process after the Second World War (Terlouw, 2012). Initially, the interest was on the withdrawal of legal barriers for the movement of people and goods within the EU Member States. The first important step was the 1985 Schengen agreement, which abolished border controls for

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travellers between participating European countries, and later it was the creation in 1993 of the European common market were the important milestones in the matter of national barriers. The concept of European integration was developed in more than the formal abolition of border controls and over the last decades, the EU has become more actively involved in stimulating cross-border relations and the decrease of development gaps within Europe. Therefore, territorial cohesion is now one of the key policy goals of the EU, cross-border cooperation being stimulated through financing programmes in regions along the national borders in the EU.

Moreover, in 2004, EU extended the cross-border cooperation approach to the neighbourhood area through the European Neighbourhood Policy's that in the beginning had a vision that involved a ring of countries, on the bases of sharing the EU's fundamental objectives and values, for increasing the relationship and involving significant measure of economic and political integration (European Commission, 2004). In Eastern Europe, the contractual relations were based on Partnership and Cooperation Agreements that created the legal frame that allowed the development of cooperation and economic integration across a wide range of fields and in parallel there were designed financial frames in order to reach the policy objectives.

As other researches underlined (Lipott, 2013), we also consider that in a general approach the cross-border cooperation can be seen as a strategy based mainly on relations, both institutional and people to people relations, with the aim to develop activities in order to solve common problems that affect the two areas along the border. Therefore, cooperation can enhance the economic development and tackle the problems from the border areas as peripheries and local or regional level.

In planning and regional policy, border areas are most of the times considered as disadvantaged areas. There are two main arguments for this consideration – the first is that administrative national boundaries cut through these areas and the second is that border areas have often been neglected in national policies, as peripheral territories. Mostly in territorially oriented spatial policies, the border areas are at the extreme margins of interests and activities (Weith & Gustedt, 2012).

As illustrated above, the policy and financial frames are ensured for the economic development of cross-border areas and there is the basis for a more strategic approach focused on specific cross-border areas from the EU neighbourhood. Before initiating a process of strategy building we consider that an inquiry in the scientific literature is needed for finding relevant approaches of economic development and, more specific, of development poles as starting centers for cross-border economic development.

2. European Union Neighbourhood - actual cross-border frame

In 2011, EU revised the European Neighbourhood Policy establishing instruments for providing increased support to Partner Countries in order to build deep and sustainable democracy and to support inclusive economic development. The new features of the policy are political association and economic integration, the mobility of people, more EU financial assistance, a stronger partnership with civil society and better cooperation on specific sector policies (The European Parliament, European Union Council, European Economic and Social Committee, Committee of the Regions, 2013).

The economic growth is visible only in a few of the Partner Countries (Georgia and Azerbaijan) but is slowed in most others. There are increased external risks related to the global economic situation and conflicts bring a negative impact on any prospect for economic recovery. Most of the Eastern partners face general macroeconomic imbalances and high unemployment, ongoing political instability having also a negative impact on growth. For a decrease of the present high levels of unemployment and for bringing down the proportion of the informal sector in the real economy there is vital a boost in growth and effective employment policies, with significant investments in human capital, promotion of decent work, research and innovation. Between many Eastern neighbourhood countries and the nearby EU Member States there are major persisting gaps that can jeopardise future social stability, both in the neighbour country and in the Member State with which shares the border. Nevertheless, macroeconomic dialogues that the Commission held in 2012 with the vast majority of the neighbourhood countries have proved to be a useful instrument for economic cooperation for the EU and its partner countries, allowing an open exchange of views about economic developments and policy challenges, also including the effects of the turmoil in the euro zone for the EU's neighbourhood (The European Parliament, European Union Council, European Economic and Social Committee, Committee of the Regions, 2013).

The delayed economic recovery, lack of structural reforms and improvements to the business and investment environment, in the neighbourhood countries there are socio-economic challenges as poverty that affects parts of the population particularly in rural areas or vulnerability of children. The EU support measures aim to improve social protection, reduce poverty and create jobs, through the stimulation of the private-sector development by fostering small and medium-sized enterprises (The European Parliament, the European Union Council, the European Economic and Social Committee and the Committee of the Regions, 2014). Moreover, the Deep and Comprehensive Free Trade Area, negotiated as part of Association Agreement with a number of the Eastern Partner Countries are considered to be powerful tools in improving transparency and the regulatory framework in general.

3. Economic growth versus economic development

A review of theories about development poles should start from the economic growth theories and also should take into consideration the distinction between economic growth and economic development. This distinction is reflected in the concept found in the literature – growth poles and development poles and we assume the same difference as in the case of economic growth versus economic development. We choose to explore both sides as long as one can be source for the other.

Not always the economic growth or economic stability is enough for economic development, for long term the source of a powerful economic development being most of the times the educational and the innovative system, as the economic history proved. Having this as starting statement, two Romanian researchers, in one of their articles (Altăr & Armeanu, 2014), underline the differences between the two concepts – economic growth and economic stability. A first difference is that the economic development is a larger concept than the economic growth, with both, quantitative and qualitative sides. On the one side the economic growth is measured using a narrow number of indicators, GDP growth being the most important, on the other side the economic development involves long term dynamic equilibrium, projection of sustainable growth paths based on optimum usage of the available resources, continue development of the innovative potential and human capital, development and enforcement of institutions that foster the economic growth and ensurance of sane distribution of income and wealth. Another difference that the two authors consider is reflected in the situation when some indicators, that at a certain moment quantify a favorable situation in terms of economic growth, namely a static macroeconomic stability, may prove to be unfavorable in terms of ensuring a long term economic development. While on short term is registered macroeconomic stability in the frame of microeconomic unbalances, on long term those microeconomic unbalances may be transferred to the macroeconomic level. Moreover, it should be considered that not any economic growth is generating economic development. An offered example by the researchers is the one of the Romanian economy, where it is a good macroeconomic stability but there are also many structural and qualitative unbalances and microeconomic vulnerabilities that all limit the economic development and the economic growth potential, in condition of low correlation between the two economic models – the growth one with the development one. In the end, the economic growth has an important role as the main quantitative factor for the economic development but not solely, only joined by the qualitative side of the economic development reflected in the structural changes of the economy.

The macroeconomic approach of the economic growth has been developed on the basis of Solow's (Solow, 1956) and Swan's (Swan, 1956) initial contributions. Their arguments have subsequently been applied to the region's cases later by Armstrong and Taylor (Armstrong & Taylor, 2000), (Armstrong & Taylor, 1993), Richardson (Richardson, 1973), and McCann (McCann, 2001), the neoclassical approach of regional growth having two major components. The first component refers to the issue of allocating the production factors and their migration regionally, the analysis being based on the analytical point of view offered by the unisectorial and bisectorial neoclassical model. The second component is about the relationship between the production factors and the technological changes. Overall, the neoclassical models have as main components the perfect competition, the total usage of production factors and their perfect mobility assumptions. The *neoclassical growth theory*, *the theory of endogenous growth*, *the cumulative causality theory* and *the new economic geography* are the main strands in conventional economic growth theorization considered for researchers when exploring a generalized theory of economic growth (Petrakos, et al., 2007), whereas the first two theories of economic growth are considered to be country-oriented, the other two are considered to be region-oriented. The main assumptions of *neoclassical growth theory* (Solow, 1956) (Swan, 1956) are constant returns to scale, diminishing marginal productivity of capital, exogenously determined technical progress and substitutability between capital and labor. As a result, an increase in capital investment increases economic growth only in the short-run; because the ratio of capital to labor goes up and the marginal productivity of the additional units of capital is assumed to decline, the economy eventually moves back to its long-term growth path. This indicates that poor countries tend to grow faster than the rich ones, since they present higher marginal productivity of capital, moving towards their steady-state. Productivity, however, is independent from the capital investment, being dependent on the exogenously-determined technological progress. *Endogenous growth theory*, (Lucas, 1988), (Romer, 1986), (Rebelo, 1991), supports that improvements in productivity may be linked to a faster rhythm of innovation and extra investment in human capital. The development of an innovative and knowledge-driven economy may generate positive externalities and spill-over effects that an economy is able to develop and maintain. In the same time, policies, designed from both the public and the private sector, should play a substantial role in advancing growth on a long-term horizon. Poor countries may achieve higher rates of economic growth by investing in factors that promote knowledge and innovation. *Cumulative causality theory* (Myrdal, 1957), (Veblen, 1915), (Kaldor, 1970) stresses the fact that interregional interactions are related to the process of economic growth. Initial conditions are of extreme importance since they determine the regional economic growth process in a self-sustained and incremental way. Divergence could be the most possible outcome as the centrifugal forces that spread economic growth from the richest to the poorest regions are probably not in a position to bring the economic system into a state of balance if policies are not involved. The first who formulate this idea was Gunnar Myrdal considering that the development process is not equal, fact that contradicts with the neoclassical approach. The endogenous increase of the incomes creates differences between regions because of its amplifying effect; also, the underdeveloped regions will continue to be such, as long as the development mechanisms are developing the already existing mechanisms (Ştefan, 2008). The theory considers that two effects are produced – one, "backwash", when under the cumulative development process a region expands economically through its own forces, and second, "spread", when the economic development process of a region spreads to another region (Myrdal, 1957). *New economic geography,* (Krugman, 1991), (Fujita & Krugman, 1995), (Fujita & Krugman, 2004), (Fujita & Mori, 2005), asserts that the process of economic growth is unbalanced, favoring the initially advanced regions. The emphasis is not put on the economic system itself but on the economic actors through a formalized system of assumptions concerning increasing returns to scale imperfect competition and non-zero transport costs. Under these assumptions, economic activities tend to agglomerate in specific regions and choose locations with a large local demand, resulting in a self-sustained process. The spatial distribution of economic activities can be explained by centripetal forces, meaning backward and forward linkages of firms and economies of scale, and centrifugal forces, meaning transport costs and anti-economies of scale. This is an indirect explanation of the regional economic growth patterns.

A Romanian researcher (Stefan, 2008) considers some other two theories as well, *the development model based on export* and *the intelligent region model*. The first one underlines the role of the export activities in the regional growth, meaning that the regional activities are built around the activities that export goods, all the other linked activities being a support for this one. The model explains the short term processes that activate mechanisms for the launch of a regional development process on long term (Amos, 1996). The second one, the intelligent region, was often criticized; also the partisans developed it at a good level, considering that the economy of learning redefines the sense of international trade relations. The effect of the evolutions is the change of the nature of the international trade relations from the comparative advantage to a competitive advantage based on the better use of the inputs in a more productive way, that supposes a continue innovation (Asheim, 2000). The further effect is that at regional level it increases the importance of the perspectives and strategies that can guarantee the innovative capacity of the region in the view of the economic growth.

More recently, in response to the evident gap between this theoretical prediction and empirical reality, the neoclassical theory has been extended to accommodate the existence of regionally differentiated steady-states, leading to conditional convergence. Improving the empirical performance of the model, Barro and Sala-i-Martin (1995) considered that, in conditional convergence, convergence is to region or country-specific steady-states rather than to a single steady-state (Barro & Sala-i-Martin, 1995). None the less, theoretical objections are still open, the reason for diminishing returns being in doubt because of differences between theory, which argues to the contrary, and the empirical evidence.

In the endeavours of figuring out what makes some countries wealthier than others, Bari makes a review of the factors that determine the economic growth (Bari, 2010). He starts from the specialization and labour division in Adam Smiths' view and then he spots the frontier of the opportunities for economic growth derived from limited resources, investments in the capital and infrastructure, education and professional training and technologic progress. Other assessed factors are the openness of the economies towards the external markets, macroeconomical stability, quality of governance, public institutions, law enforcement, corruption level, orientation to the competitive market economy principles, losses of the governmental expenses and many others. For explaining the interregional or national disparities in economic growth Bari is considering the three direct factors from the neoclassical view: capital goods and human capital accumulation in the region, efficient allocation of resources and technological endowment of the regions. The policy options that derives, in order to sustain the mentioned factors, are ranged between market and state, open trade and protectionism, high and low taxation, sectorial taxation facilities and taxation neutrality toward any sector, all leading to competitivity.

Beyond the economic growth it should also be retained the development model through economic rebalancing that is in the attention of Romanian researchers (Pencea, 2011) and it promotes few balances as approaches: between economic growth and social stability, between human needs and nature, between urban development and rural development, between Western regions and Eastern regions and not the least between internal economic development and foreign policy. These five balances are grounds for objectives as rebalancing the demand, restructuring the offer and the balance of regional development.

Interesting to be mentioned is the approach of Rodrik et al. (2004) on the same topic, he extracting three factors as being determinants of economic growth – geography, trade and institutions. In a study (Rodrik, et al., 2004) they conclude that the institutions rule in this triangle in what concerns the effects on the income and therefore a point to start an exploration of growth solutions in a region. In their approach institutions mean and contain four sets: market-creating institutions since, in their absence, markets either do not exist or perform very poorly - those that protect property rights and ensure that contracts are enforced; market regulating - those that deal with externalities, economies of scale, and imperfect information (examples: regulatory agencies in telecommunications, transport and financial services); market stabilizing - those that ensure low inflation, minimize macroeconomic volatility and avert financial crises (examples: central banks, exchange rate regimes and budgetary and fiscal rules); market legitimizing - those that provide social protection and insurance, involve redistribution, and manage conflicts (examples: pension systems, unemployment insurance schemes and other social funds). The role of these institutions is to sustain the growth momentum, build resilience to shocks, and facilitate socially acceptable burden sharing in response to such shocks (Rodrik & Subramanian, 2003).

Economic growth is a long term complex phenomenon under the influence of constraining issues such as excessive population growth, limited resources, unadapted infrastructure, inefficient usage of resources, excessive governmental intervention, institutional and cultural models that burden the development; as such on (Angelescu, et al., 2009). As a reflection of the ideas mentioned we found in literature researches (Lipsey & Chrystal, 2003) that show that the economic growth, in the frame of the production-based growth, is determined by: growth of labour force – when the population growth or the participation increases; investments in the human capital – formal education and workplace experience; investments in the physical capital – factories, machines, transport and communication facilities; technological changes – determined by innovation that brings new products, new production processes or new forms for organizing the business; proper institutional environment – starting from social and cultural habits, traditional trade approaches, to political climate, leading regime or social structure; the proper role of the government – as support for the market economy through legal rules concerning the property rights, security and force of the contracts, law and order, stable currency, freedom and clear ruling of investment. Secondly, the government is responsible for the education and health area and a good social environment. Thirdly, the governmental policies include the taxes and investments regime, stimulation of research and development, rules for financial capital funds. Moreover, the general actual frame at international level contributes to the economic growth by a few important changes and tendencies (Iancu, 2003): the monopoly on the natural conditions is not a source for the comparative advantages anymore; the natural factors with a high immobility have a diminished role in the economic profiles of the nations the more they are developed; most of the international trade is not between the countries with major differences between the factors they own, but between countries with similar structures and development levels and a deep similitude of the production and consume structure; an increasing role in the structure of the international trade, having a strong impact on the change of the national economies, can be attributed to the international technology transfer and abroad investments that ease the technological transfer.

4. Growth and development poles approaches in literature

Beyond the differentiation pointed in the first section between the economic growth and economic development, in case of growth poles versus development poles it seems that the theory uses both nominations for one concept. In a paper in 1976, Neubauer (1976), referring to the Francois Perroux theory is formulating 'the theory of growth or development poles' (Neubauer, 1976). Moreover, most of the papers mentioned in the following use the term 'growth pole' and we scarcely have found scientific literature using the term 'development pole' but with the same scientific source – Perroux theory (Hansen, 1967). Therefore we will use in our endeavours the term 'development pole' but when reffering to the papers in literature we will use the term 'growth pole' as the authors did.

In his main paper (Perroux, 1955) Perroux developed the theory of unbalanced growth sectors or regions, known as the theory of polarized development or growth pole theory. The main considerations of this theory are that development is unbalanced and only certain business units are as engine of development, named economic poles of growth. In the same category he includes certain areas of land or infrastructure. According to the

summary of polarization theory the essence of the theory of economic development is limited to three postulates - firstly, growth is located and not disseminated in space or productive system, secondly, growth is always in balance and it has a variable intensity being transmitted over different channels with different effects for the economy, and thirdly, having a driving unit or assembly of motor units produces related effects on other activities distributed in the same geographical area.

The pole theory was used as frame for discussing the role of services in advanced economies internationally as a vehicle for ongoing growth and prosperity (McKee, 2008). Assessing the contributions of private, profit driven service activity, the main assumption of the paper is that services provide stability while contributing to the growth process. It may constitute growth poles on their own as in money markets and insurance, facilitate business and business change, both in domestic and international markets and in the same time may be that the urban places, where most of the activities of modern economies are located, tend to confuse or obscure the role of services. The author considers that in addition to the known impacts of services, there are cases where certain service activities may constitute growth poles on their own, giving the examples of the national money market and the institutions comprising or the insurance industry.

In a very recent paper (Dobrescu & Dobre, 2014), two Romanian researchers, grouped theories emitted mainly by economists and sociologists, in three generations of theories demonstrating basis on the assumption that economic growth poles stimulates and enhances economic integration in multi-centric territories, that together with free economic zones are considered true core of economic integration. An important conclusion of their paper is that the negative space of concentration and excessive economic can be neutralized by development urban network development poles with network growth poles, both forming polycentric systems in the frame of a new world order marked by multi-polarity. The development of regional economies can be strongly boosted by focusing public investment to a limited number of cities and by supporting network of growth poles, both in rural and urban areas, through targeting significant funds for local development poles. As consequence their position will be strengthen in the area, ensuring the full impact of investment, as far as poles of growth have the ability to induce rapid economic growth, create jobs and stimulate productivity in the area.

In a paper that considered the growth poles as possible sustainable economic growth systems, we identified some considerations about the relationship between the growth poles and regional development and about the optimal dimension of a growth pole (Borbély, 2011). A first one is that in the remote regions, the regional actions should be concentrated in a low number of centers, the identification of growth pole dimension being a priority. Then, even if the relations among the economic sectors are important, they do not represent the only starting point of the growth poles development decision, being also required the identification of the existent activities capacity (example: a port, an industrial project, an university) that have by their nature the ability of leading to polarisation. Also, when developing the growth poles it has to be taken into consideration the general advantages of the region development. When it comes into discussion the optimal dimension of a growth pole, despite the fact that experts have different opinions concerning this issue, we should retain the following: the growth pole can be considered cities raging between 100,000 and 125,000 of inhabitants and as well as centers with a lower number of inhabitants (50.000 or 30.000 people), but in conditions of simultaneous development - in the growth pole - of a group of firms depending one to each other's for the row materials and commodity markets and the existence of a growth pole dimension planning for a number of firms enough for the development of the scale economies, competitive also outside the region. It should be added the surveying actions for reaching to some synergetic effects of the innovation projects that could be initiated in a common direction and for a certain market. We should also keep in mind the risks that the author mention, when creating a growth pole in a relatively small center, generated by few aspects: the more sophisticated and indivisible infrastructure, more and more specialized and less vertically integrated industries or fields of activity, initiating higher and higher requests for services and other suppliers, increasing of the development request results in the regions less developed, the importance of proximity as location factor concerning the growth poles development.

Another contribution (Benini & Czyzewski, 2007), targeted on analysing regional development in the transition and in particular in Russia, focused on the spatial development and the regional disparities patterns in this country tries to understand the concentration pattern in Russia, giving a key of analysis of new polarisation trends: new trends toward urban concentrations in the Western regions, de-population of the Eastern regions, rural decline in those regions faraway from large urban agglomerations. The research question that they have and it is important for our paper is whether Russia, at that stage of development – 2006-2007, could consider an active regional policy toward equity targets or whether, for the target of sustaining macro-economic growth, it was more urgent to keep selected priorities based on the best performing poles. They had some useful conclusions, significant in what concerns the role of the growth poles and the way they can influence the regional development. In the situation of budget constraints, even in conditions of macro-economic growth, a strong redistribution policy, following regional equity, would hardly be a scenario for Russia because of fiscal federalism effects, the decline of the growth sectors, a clear process of deindustrialisation, accompanied by the lack of a strong reorientation towards higher productivity and technology intensive sectors. Moreover, the bad performance of the economic diversification in the country led to a high dependence of the economy on the contribution of those regions where these natural resources are located. A second useful conclusion of this study is the contradictory economic decline and depopulation accused by the remote regions, even if those are rich in raw material and energy, the economic decline of those regions being the direct results of the starting of spontaneous market mechanism in absence of active policy to exploit these trends. Only a specific strategy designed for these regions can make efficient use of their potential.

In the economic landscape of European Union we considered a paper that presents an analysis on the regional policy strategies conducted in Czech Republic, Hungary and Poland, three of the new EU member states (Heimpold, 2008). The researcher aimed whether these regional policy strategies give priority to the growth objective or whether they place emphasis on the equalisation objective, this aspect being assessed as of great importance for each member states in the situation of need for balancing between rapid macroeconomic convergence towards the EU level and avoidance of marginalisation of less developed regions in the respective countries. Therefore, he used the frame of the debate on regional policy that is focused on the question whether to target the support at spatial growth poles, cities etc. or whether it to direct it to economically weak and disadvantaged regions, in conditions that, in western Europe, the regional policy has followed the equalisation paradigm, meaning that support for the weakest regions has had priority. An useful empirical conclusion of the analysis is that all countries under consideration, on paper, try to pursue a policy of both favouring growth objectives and equalisation objectives in their regional policy strategies but the weighting of these objectives seems to be different in the three countries: the Czech regional policy can be interpreted as having approximately an equal weighting of both objectives, in Hungary there a stronger emphasis is put on the equalisation objective and in Poland, the idea of enhancing the growth potential in all regions may be regarded as a tentative to use the regional policy resources in a growth oriented manner. It is also underlined by the author that the results of the regional policies in the three countries in terms of growth orientation will depend to a large extent on the decisions taken by the regional authorities in the course of the implementation of their operational programmes, the removal of existing deficiencies of the administrative and financial capability at the regional level remaining an important challenge that the three countries face.

5. Conclusions

The existence of numerous researches of the economic regional growth and of the development poles, as the growing importance of this domain have led to the identification of features and experiences from which only a few have been presented in this paper.

The approach of the economic development in the cross-border areas should start from the theories and methods used in the study of the regional economy, economic growth theories and approaches of development pole. A fair step further is the adaptation of these theories to the cross-border specific through the consideration of a few elements: the relative geographical situation near the country's capital or development economic areas with good potential, cultural differences between the communities situated on each side of the border, historical events more or less controversial which influence the actual diplomatic relationships, legislative differences, the treaty specifics and/or the specifics of the agreements between the two countries, etc.

As far as the regional models and theories are concerned, we can consider the cross-border areas as being regions for planning where at least a few dimensions can be considered as priorities: economic dimension, social dimension, touristic dimension, ecologic dimension, and cultural, artistic and sportive dimension, due to the specificity of the cross-border partnership.

There are few valuable aspects rising from the economic growth theories that should be retained in building a strategy for economic development of a cross-border region. Firstly, it should be retained the difference between the economic growth and economic development, the latter being a long term and sustainable based on optimum usage of the available resources, continue development of the innovative potential and human capital, development and enforcement of institutions that foster the economic growth and ensurance of sane distribution of income and wealth. Secondly, as long as we consider the cross-border areas to be regions with a specific, the allocation of production factors and their migration can be made regionally and it should be aimed the development of an innovative and knowledge-driven economy that may generate positive externalities and spill-over effects. Thirdly, in terms of cross-border approach, where there are two areas along the border that face differences, we can consider the "spread" effect, when the economic development process of a region spreads to another region, by starting from the better developed area, usually from the Member State, and spreading the good effects in the area belonging to the Partner Country. Fourthly, it should be retained the role of the export activities in the regional growth, meaning that the regional activities are built around the activities that export goods, in the context in which the economy of learning changing the nature of the international trade relations from the comparative advantage to a competitive advantage based on the better use of the inputs in a more productive way, that supposes a continue innovation. A fifth aspect shows that an economic development strategy should be based on investments in infrastructure and human capital of the cross-border region, on efficient allocation of resources and on technological endowment. A last aspect we should take in consideration is the importance of institutions in the triangle that determine the economic growth – geography, trade and institutions, where the last ones mean and contain four sets: market-creating, market regulating, market stabilizing and market legitimizing. The adequate frame is mainly the decision of the national level, legislators and government, without the proper setting of the named institutions undermining any regional planned strategy, no matter how well designed.

We also retain few aspects concerning the growth poles that should be taken in consideration in the strategic approach of the cross-border region development. Firstly, it was proved that services provide stability while contributing to the growth process; therefore the strategy should include significantly this sector that may constitute growth poles on their own as in money markets and insurance, facilitate business and business change, both in domestic and international markets. Secondly, in border areas with more cities and towns, knowing that growth poles stimulates and enhances economic integration in multi-centric territories, that together with free economic zones are considered true core of economic integration, the base should be on creating urban network development poles with network growth poles, both forming polycentric systems in the frame of a new world order marked by multi-polarity. As a further, long term approach it should be considered supporting a network of growth poles, both in rural and urban areas, through targeting significant funds for local development poles. Thirdly, in cross-border areas, as remote regions, the regional actions should be concentrated in a low number of centers with the identification of growth poles dimensions and also being required the identification of the existent activities capacity (example: a port, an industrial project, an university) that have by their nature the ability of leading to polarisation.

Beyond all the above, the choice of the adequate strategic actions depends on the profile of the specific cross-border area and the gaps or differences between the areas belonging to the two countries.

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