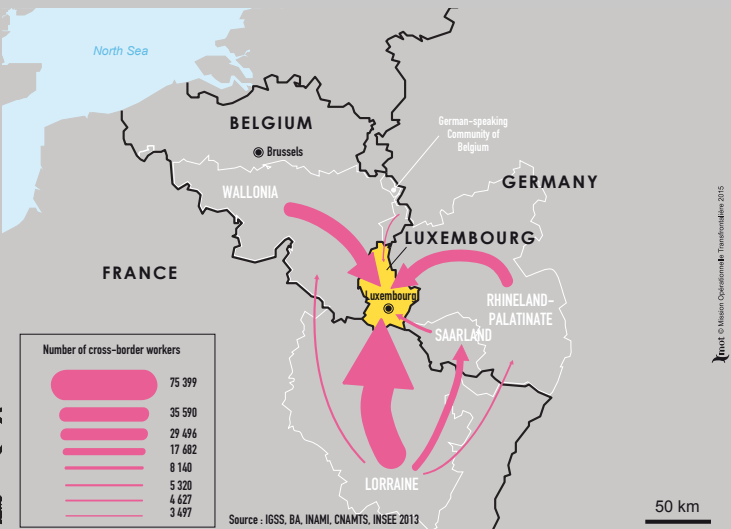


Home-work commuting - Trinational Eurodistrict Basel



Home-work commuting - Luxemburg borders

According to this hypothesis, territorial economic development should be addressed using a cross-border approach:

- ↳ to put it simply, this means looking at economic development across the whole of a territory shared between two countries, requiring coordination of public- and private-sector players involved in economic development in two different legal, administrative and tax systems.

CROSS-BORDER ECONOMIC OPPORTUNITIES

In a cross-border setting, the differentials in terms of taxes, wages, the unemployment rate and prices, and linguistic, administrative and cultural differences, etc. can be regarded as opportunities or constraints depending on one's point of view.

Households and businesses take advantage of these differentials in their choice of where to settle and which markets to participate in (consumption, property, work, etc.). The ability of inhabitants and businesses to operate in two languages, two cultures and two administrative environments is an asset that opens up their horizon not only to the cross-border territory, but also to all of the countries involved, and potentially to Europe and the world.

Businesses, like territories, are in competition with one another, in a national context and even more so in a cross-border setting. For their part, the public authorities mostly act within a national context in their promotion of economic development.

But by participating in the European area (European Union and third countries that have agreements with it), countries have chosen to cooperate.

In cross-border territories, the challenge is to jointly exploit the shared territorial capital.

Public-sector and private-sector players therefore find themselves in a complex interplay between competition and cooperation on either side of the border. Regarding a territory as a cross-border one provides an opportunity to benefit from the advantages present on both sides of the border in order to facilitate the territory's economic development; often perceived as peripheral in the national context, a border region that becomes an integral part of a cross-border territory can promote the advantages of the areas in both of the countries. Within the territory, a dynamic develops of "co-opetition" – a term combining cooperation and competition used to indicate that competition still exists, but that new synergies can be found through cooperation which can benefit the development of the cross-border territory as a whole.

TWO RATIONALES FOR COOPERATING: COMPLEMENTARITY AND ECONOMIES OF SCALE⁸

When two or three systems corresponding to different countries encounter one another at a border, businesses have the possibility of making the most of the complementarities and of "taking what is best" from each country's system.

What at first sight seems to be a difficulty also constitutes an opportunity: businesses can take advantage of the differences by choosing the system best-suited to their needs (e.g. a business locates its tertiary functions on one side of the border and its logistical functions on the other), or by exploiting the territory's multicultural and multilingual potential; the same is true for households, which as consumers can have the best of both worlds in terms of where they live, work and consume.

⁸ Or, to use the geographer Jacques Levy's expression: urban life as a combination of diversity and density; see J.Levy et M.Lussault, *Dictionnaire de la géographie et de l'espace des sociétés*, Belin, 2003.