

Initiatives to encourage inter-clustering and the creation of networks by sector have developed over the last few years:

- for example in the sustainable energy, nautical, agri-business and liquid silicone sectors on the Basque coast; the healthcare sector (South Europe Biocluster) in the Pyrenees-Mediterranean Euroregion
- and the timber sector (the Forespyr EEIG along the whole of the Pyrenees mountain chain).

A number of sectors have been identified as having potential for cross-border synergies:

- transport and sustainable energy for the Aquitaine-Euskadi region.<sup>65</sup>
- Water, e-health and agri-business for the Pyrenees-Mediterranean region.<sup>66</sup>

Actions have been carried out along the border to improve mutual knowledge of the respective business sectors and opportunities for collaboration have been initiated:

- such as the **Innov'mugabe project**<sup>67</sup> in the area of Bidasoa - Southern Basque Country.

Business incubators have also been identified as a potential driver of cross-border integration, as shown by the Creamed project,<sup>68</sup> and of fostering networks of business incubators in the Pyrenees-Mediterranean Euroregion.

One sector where certain frictions can be observed is that of construction and public works. The competition of Spanish companies, especially in public calls for tender in France, is seen to be unfair by some observers, who point out that these companies maximise their advantage linked to labour costs and regulations in an excessive, and even illegal, manner.

## LABOUR MARKET

The Spanish side of this border has been hit hard by the recent financial crisis, as shown by the rate of unemployment (ranging from 19% in Catalonia to 12% in the Basque Country, compared with a range from 8.6% in the Midi-Pyrénées to 12.7% in Languedoc-Roussillon<sup>69</sup>).

The flows in of cross-border workers across the French-Spanish border are very small. The number of workers living in France but working in Spain is estimated at 3,000<sup>70</sup> (coming mainly from the Pyrénées-Atlantiques Department and to a lesser extent from the Pyrénées-Orientales Department). They mainly work in services, retail and transport. In the other direction, it is estimated that around 700 cross-border workers commute to France from Spain, and 1,600 to Andorra.<sup>71</sup>

<sup>65</sup> Source: Contributions of the CESER Aquitaine project and CES Vasco to the 2014-2020 Strategic Plan of the Aquitaine-Euskadi Euroregion.

<sup>66</sup> Source: Pyrenees-Mediterranean Euroregion Innovation Strategy.

<sup>67</sup> Implemented between 2009 and 2013, co-financed by the POCTEFA programme. For more information: [www.bidasoa-sudpaysbasque.com](http://www.bidasoa-sudpaysbasque.com)

<sup>68</sup> Implemented between 2010 and 2013, co-financed by the SUDOE programme. For more information: <http://www.eurocreamed.eu>

<sup>69</sup> Source: Eurostat Statistical Atlas, 2011 data.

<sup>70</sup> Source: INSEE, 2010.

<sup>71</sup> Source: Department d'Estadística d'Andorra.



Cross-border meeting "Entrepreneurs without borders" in November 2010, Bihartean project

## PLAYERS IN CROSS-BORDER ECONOMIC GOVERNANCE

The regions and autonomous communities, some with decision-making centres located far from the border, carry out their cross-border economic actions through the two Euroregions.

- **The Aquitaine-Euskadi Euroregion** (created in 2011) started work on its 2014-2020 Strategic Plan in 2014 and each year finances cross-border economic initiatives through its annual call for projects.
- **The Pyrenees-Mediterranean Euroregion** developed its innovation strategy in 2013<sup>72</sup>.

At the departmental/provincial level, it is important to note the case of the **Pyrénées-Atlantiques Department**, which is very active in the field of cross-border cooperation, including economic cooperation. However, in the current context of changes to territorial authorities' competences, the Department's intervention in this area may well diminish.

<sup>72</sup> For more information, see the Project Factsheet.