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# Added Value of Cross-Border Cooperation (CBC) for the Georgia-Azerbaijan Border Regions

**Abstract:** The European context of cooperation across borders demonstrates how it engages all stakeholders from a variety of territorial levels in an intensive, collaborative dialog. This approach makes bordering regions more resilient to current and predictable threats, and is largely focused on the practical problem-solving of local needs. Regardless of the (non)material benefits the European cross-border perspective provides, the situation remains very different in the Azerbaijan-Georgia cross-border reality, where the traditional understanding of borders continues to prevail. A field inquiry has shown that territorial local communities have not had a homogenous attitude towards the borderline and their neighbors, and that local municipalities lack the power and credibility to deal with local challenges autonomously. Unlike the European CBC, this cross-border context does not include the elements of bottom-up cross-border planning and locally institutionalized forms of collaboration.

**Key words**: cross-border cooperation (CBC), added value, functional cross-border regions (CBRs), Georgia-Azerbaijan borderline

#### Introduction

Typically, cross-border cooperation (CBC) refers to the common zone between neighbouring states, widely recognized as an underdeveloped area and characterized by high rate of emigration, unfavorable economic condition, limited governmental resources, ethnic tensions, weak infrastructure and etc. Within the definitional debates, scholars approach CBC in different ways. Perkmann (1999, 2003) represents CBC an example of the coherent process of institution building and networks of multi-level governance. And, he distinguishes cross-border regions (CBRs) as self-governing and policy-driven, where multiple actors (grass-root border actors, INTERREG authorities and the EU Commission) are involved in the institutionalized forms of collaboration (Perkmann, 2007, p. 863). Popescu (2008) considers CBC an engine for European integration which

contributes to decrease the barrier effects of borders and alleviate regional economic disparities (Popescu, 2008, p. 419). Furthermore, CBR is distinguished as a space of flows, where spatial patterns of social life could be organized for the benefit of local communities, but irrespective to state borders. Scott (2015) defines CBC in terms of new forms of political and economic interaction which could be both institutional and informal, with greater cost-effectiveness to share solutions in more direct and effective manner (Scott, 2015, p. 33).

The recent studies of the western European states evidently demonstrate the (non)material assets and practical solutions the cooperation across borders brings to adjacent local communities, and overall state and regional development. In many cases, the empirical studies confirm the contributions CBC makes to social and economic integration, trust and mutual acceptance, better majority-minority relations, transboundary identity, intercultural contacts, institution building and multilevel governance in the cross-border area, and etc. CBC emerges as a place-based approach to tackle the common obstacles and maximize the efforts in more coordinated manner at all territorial levels. Therefore, full-fledged involvement of national, regional and local authorities, along with the (non)state actors from both sides of borders, in multi-layered interaction does matter to make border zone more favourable for living. This multilevel approach supports local communities to get involved in intercultural and multilingual dialogue, cross-border economic activities, and to create employment opportunities, joint social and emergency services, and etc. The practice of European CBC well-demonstrates how the barrier effects of borders could be decreased, even in some cases, being fully diminished

This paper pursues two objectives: first, it evidences the European CBC context, especially in terms of its potential added value, with reference to the adjacent regions of Georgia and Azerbaijan. Moreover, the paper addresses multi-level governance and institutionalization at local level as vital pre-conditions to exploit the full potential of CBC. Second, the paper studies the cross-border context of Georgia and Azerbaijan, and explores the local territorial factors that much matter to establish the European CBC practice. More specifically, the paper refers two questions: first, what are the needs of the local communities that better to be addressed in the cross-border context? Second, how credible local level of governance of both countries is to handle the local cross-border issues?

To address the research questions, the field study was organized in the cross-border area of Georgia and Azerbaijan, including Kakheti (mkhare in Georgia) and Balakan–Zaqatala-Qakh (Azerbaijan). The general section of the questionnaire was devoted to investigate whether the local communities were informed about the cross-border projects initiated and led either by the EU, state or local municipalities. More specific openended inquiries were directed to clarify the locals' attitude towards: who the key initiator of CBC should be, how often they cross the common borderline and for what reasons, if they trust their cross-border neighbour, how they perceive the existence of the border, what were the factors hindering the intense collaboration across the border, whether the existing border regime should be changed, and what were the problems that could be solved through the collaboration in the cross-border context.

The paper is organized as follows: first, it overviews the European borders, added value of CBC in the European reality and its essential grounds. Second, the paper discusses the cross-border zone of Azerbaijan and Georgia in historical lens up to date, explores its specificities and clarifies the local factors that are vital to turn the border zone into functional area. In the conclusion, it synthesizes the key findings.

# Exploring the European Practice: Added Value of CBC and Multi-Level (Territorial) Governance

The substantial upsurge of border studies in Europe has emerged as a by-product of extensive European integration and sequential transborder regionalism. The European policy has shifted the functions and meaning of borders, facilitated more democratic border regulation and turned cross-border regions into active zones of multilevel governance. Here, state power has been challenged in territorial organization and CBC is crucial in this context (Jauhiainen, 2002, p. 156; Dimitrov et al., 2003, p. 6).

Borders in Europe have gone under a set of transformations. Previously, the Westphalian order of the 18<sup>th</sup>–19<sup>th</sup> centuries in Europe created the organization of the state-centric world where nation-states were constitutionally sovereign with stable borders and exclusive internal legitimacy (Caporaso, 2000; Blatter, 2001). In this period, states acted within the fixed territorial limits and either allocation or demarcation of borders was largely the result of the balance of power, invasions, force of

elite or post-war dispositions (O'Dowd, 2003, p. 16). Later on, after the WWII, the new border arrangements emerged. The post-1945 in Europe was a period of the remarkably stable borders, when the practical importance of borderline was extremely increased. In this period, state gained the dominance over the legal means of wartime mobilization, taxation, wealth distribution and economic reconstruction (infrastructural power) within the fixed and sharply demarcated territorial boundaries (O'Dowd, 2003, p. 16). From the 1950s onward, the EU started to promote the alternative image of borders and supported the intense and institutionalized cross-border cooperation in the Upper-Rhine area, but such practice still remained marginal for the rest of Europe. Up to the late 1970s, border issues remained largely related to the state sovereignty and security rather than economic rationality.

Since the 1980s, the globalized trends of economic and social life, widespread of European integration and regionalism all seem to devalue the national boundaries as markers of collective identity of the self-contained societies and introduce more democratic and cooperative strategies of border management (O'Dowd, Wilson, 2002, p. 12). The transborder regionalism in Europe has facilitated the emergence of a new transnational context which extended beyond the national borders and traditional inter-state relations (Scott, 2000, p. 104).

In addition, the Single European Act (SEA, 1986) and the Maastricht treaty (1992) have become a huge impetus to the European integration. They have both changed the context for cross-border cooperation in a positive way. The SEA's incentive to create "Europe without Frontiers" has supported the process of border de-regulation. The successive reforms of 1986-1992 included a series of the removal of physical, technical and fiscal barriers to the flows of capital, mobility and trade. Later, the Maastricht Treaty took a huge step to federal union and established the principle of subsidiarity which introduced decision-making at the local level (Laitinen-Rawana, 1994, p. 976). As a result, this principle has empowered the regional and local governments over the cross-border issues, reduced the monopoly of nation-states and actuated (non)state actors in cross-border networking. Consequently, the EU-backed cross-border schemes have fundamentally re-defined the border-induced Westphalian territoriality and traditional understanding of territorial restructuring (Popescu, 2008, p. 418; Johnson, 2009, p. 178).

Now, we understand borders, not just only the fixed "markers on ground," but serving as frontiers where different systems and identities

meet. The EU approach has discouraged the "zero-sum" thinking of bordering and turned border zones into the soft sites of dynamic cross-border collaboration among local municipalities and non-state actors, along with the respective national authorities and the European Commission. Unlike the traditional understanding, EU scholarship now identifies diverse dimensions, meaning and impacts of borders at multiple spatial scales and that matters for the overall development of a border zone, a region and an entire state (O'Lear, 2011, p. 268).

#### Added Value of CBC

As an ultimate priority of EU policy, territorial cohesion lies in the heart of Europe 2020 agenda, a European Strategy for Smart, Sustainable and Inclusive Growth. The core idea behind territorial cohesion is to promote the balanced and polycentric territorial development to converge the economies of better-off territories and those whose development is lagging behind (TA2020, 2011, p. 3). Hereby, CBC is an approach to facilitate sustainable, inclusive and efficient territorial use, and to diminish the core-periphery division inside the EU. Besides the policy priority, CBC activities are primarily financial in nature. EU finances CBC initiatives through the INTERREG programme starting from the 1990s and 6.6 billion euros has been allocated for 2014–2020.

The empirical studies demonstrate that the cross-border programmes have wide-ranging impacts on territorial development (Medeiros, 2015, p. 100). The implementation of CBC policy has triggered many configurations in EU which facilitated the transition to the regionalized territorial arrangements and decentralization of the European integration at the domestic level (Harguinde, Bray, 2009, p. 747). For instance, CBC decisively empowered sub-state actors like regional and local tiers of governance by giving them the legitimacy, relevant resources and capacities to manage their territorial policies along with the active involvement of non-state actors. Moreover, CBC supports the building of political coalitions for regional and local development purposes (Popescu, 2008). For example, the pioneer and long-standing EUROREGIO carries the political component, as its Council consisted of the Dutch and German political parties to work in collaboration on the local issues (Winsen, 2009, p. 153). Since then, the Euroregions have appeared to carry quasi-political functions which strengthens the democratic works at the lowest level

of governance. Nowadays, it's challenging to find any local or regional authorities in EU internal border area which aren't involved in all-out CBC with the neighbouring counterparts. EU is decisively a test-site to observe how CBC creates a new space for cultural contact, economic development and multi-layered governance.

The potentials of CBC are not yet fully studied. However, the literature largely distinguishes political, institutional, economic, and social-cultural added values it brings (AEBR, 2015, pp. 1-7; Andersson, 2016, p. 26). The empirical studies show that CBC is relatively successful when it's embedded into the institutional identity (Boman, Berg, 2007). Depends on the cross-border context, the CBC institutionalization may be 'bottom-up' or 'top-down' initiative (Scott, 2000, p. 115; Pasi, 2007, p. 75; González-Gómez, Gualda, 2016, p. 469). As a cumulative process, CBC accelerates the institutionalization over the national borders in forms of Euroregions, committees or working groups. These institutionalized forms are mainly micro democratic entities, specifically directed to the interests of local communities across the borders. They have the first-hand understanding of the needs and specificities of the border regions. As Scott (2000) refers, in the context of the transborder regionalism, Euroregions are the formal instruments to promote continuity, support strategic directions in cooperation, rescale (by creating new institutional context for action) and reconfigure (by establishing new patterns of social interaction) local context (Scott, 2000, p. 104). Numerous studies discuss the positive impacts of this new institutional space on quality of life (access to the cross-border labour market, shared public services, commercial zones and etc.), spatial practices and mutual collective identity of the adjacent communities (Scott, 2000; Despiney Zochowska, 2013; Decoville, Durand, 2019).

CBC entails socio-cultural value through intense people-to-people daily contacts and advisory/information services for local communities to improve their living standards (Winsen, 2009, p. 154; González-Gómez, Gualda, 2016, pp. 469–470). It provides the opportunities for regional identity resurgence, intense societal-level interaction and cross-border planning. For instance, in many cases, CBC creates the good opportunity for policy learning across the borders. As a result, in the process of mutual dialogue, the local constituents and other non-state partners on both sides of borders have the potential to engage in cross-border transfer of knowledge, technologies, research and innovation (Yoder, 2008, p. 19; Pikner, 2008, p. 218; Andersson, 2016, p. 30).

Territorial cooperation in EU has become a key to reduce the socio-economic inequalities between the adjacent border zones. CBC improves the cross-border infrastructure, harmonizes labour markets and reduces unemployment, accelerates the development of local schools, youth centers, services (like emergency, police), (Macrory, Turner, 2003; Johnson, 2003; Gallagher, 2003; Grix, 2003; Bufon, 2003; AEBR, 2015, pp. 2–4). Hereby, the emergence of the large number of the interregional trade union councils are an example of 'bottom-up' initiatives to deal with the labour market problems like protecting minimum wages and social standards in terms of disparities across the adjacent border regions (Hammer, 2010, p. 352). Consequently, small and medium-size enterprises of border regions often establish a high level of interactions with their counterparts.

### CBC and Multi-Level (Territorial) Governance

CBC is decisively a matter of coordination between various actors ((non)state, public, private, social groups and etc.) operating at a variety of territorial levels. Therefore, CBC turns out to become more outcomeoriented and functional when it's embedded in the multi-level governance (MLG). This model underlines that state power is diffused above and below, which gives the subnational/regional and local actors the political autonomy and financial capacities to act independently at domestic, international and EU levels (Boman, 2005, p. 9).

Unlike other conceptual frameworks and state-centric governance, MLG better explains and fits the complexity of CBC. This model emphasizes that subnational/regional and local levels are also important next to a state (Marks, Hooghe, Blank, 1996; Marks, 1996). MLG is about the multi-layered polity when there is no center of accumulated authority and task-specific combinations of various actors are involved in collaboration, and contribute (Hooghe, 1995, p. 176). Likewise, CBC supports the polycentric territorial patterns to encourage more balanced development of geographically-proximate area. In this perspective, beside the preferences of state executives, cross-border decision-making is to be shifted among a variety of actors from different jurisdictions.

CBC in EU has certainly become a resource and instrument to establish horizontal and vertical networks for better use and live off the resources allocated for cooperation and territorial cohesion (Jauhiainen,

2002, p. 173). The EU context shows that CBC well operates when it's grounded on the principles of MLG and institutionalization locally.

## Setting the Scene Georgia-Azerbaijan Borders in Historical Lens

The South Caucasus region is widely analyzed to be complex and distinct. Regardless the geographical proximity, the countries often demonstrate conflicting internal dynamics of inter-state relations and geostrategies. Therefore, many scholars characterize them as "distinct relatives" rather than "good neighbours" (German, 2012, p. 137).

Since the collapse of the Soviet Union, the regional cooperation has been largely externally-enforced rather than internally-generated. All regional initiatives tend to have modest outcome, as the national priorities and sense of insecurity have often overwhelmed the common projects (de Waal, 2012, p. 1709). In this perspective, EU is one of the key initiators. EU-backed policies for Georgia and Azerbaijan aim at developing regional cohesion, also including the territorial dimension. Because of the divergent internal dynamics, the Union's input has not been fully operational yet. Regardless, it worth noting that the regional countries are keen on strengthening their cooperation with the EU to a certain extent.

The current borderline between Azerbaijan and Georgia has been historically formed during the years of the Russian Empire, the first independence (1918–1921), the Soviet era and after the collapse of the Soviet Union. The policies of the Russian Empire and its heir Soviet Union enormously effected the inter-state relations of two countries (Mkrtchyan, Petrosyan, 2010, p. 64). After 28 years of independence, the states haven't still managed to agree on the state borders. The territorial issues still remain sensitive for both countries, effecting on the whole regional stability.

Since early ancient period, the borders in the South Caucasus have been re-defined in line with the interests and arrivals of new powers including Roman, Byzantine, Mongol, Persian, Ottoman and Russian empires (German, 2012, p. 140). After the Revolutions of 1917, the Russian transitional government appointed the Transcaucasus Commissariat to administer the region. Later in April 1918, the "Transcaucasian Sejm" (Parliament – the highest legislative body) was created, which brought the Transcaucasian states together (Mkrtchyan, Petrosyan, 2010, p. 60). The Sejm refused to agree on the Brest-Litovsk treaty, which intended

to transfer Batumi, Kars and Ardahan counties to Ottoman Turkey. Instead, the Sejm started to negotiate with Ottomans. The negotiations failed and the Ottoman Turkey occupied the parts of Georgia, Armenia and Azerbaijan. Moreover, Turkey supported the creation of the Transcaucasia Democratic Federal Republic (TDFR) and demanded its Sejm to recognize the new borderlines. Because of the internal conflict between Georgian Mensheviks, Azeri Muslims and Armenians, the Sejm declared self-dissolution and in May 1918, three states declared the independence.

Independent Georgia and Azerbaijan had conflicting views on each other's borders. At this time, Ottoman Turkey occupied the southern Georgia and Georgian Democratic Republic (GDR) was forced to hand over Batumi, Kars, Akhaltsikhe and Akhalkhalaki to save the rest of Georgia. As a result, the Batumi Treaty was signed, which was never ratified by the Georgian government. With support of Germans and the British forces, the southern part of Georgia (except Batumi) was returned under the control of Tbilisi and Batumi stayed under the auspices of the British forces.

In 1919, GDR drafted the demand to get the recognition within the borders including the historical lands populated by ethnic Georgians (Tiflis, Kutaisi, Sokhumi, Sochi, Batumi, Ardahan, Oltis, parts of Erzerum and Lazistan Sanjak, also Zaqatala). GDR was recognized by the League of Nation and the Russian Soviet Federative Socialist Republic (RSFSR). This recognition became a subject of dissatisfaction for the neighbouring Azerbaijan. Especially, Zaqatala became a matter of conflict as high proportion of Muslims were settled in. As a result, Georgia and Russia signed the agreement on the creation of the special border committee including Azeri and Georgian counterparts to deal with the delimitation of Georgia-Azerbaijan border.

In 1920, DRG and Azerbaijan Socialist Soviet Republic signed the truce in Aghstafa and border was defined along Poverchash and Vartish mountains, cutting in the middle the Red Bridge and Poilo Bridge and then continuing along the old administrative border until the Zaqatala County border (Samkharadze, 2012, p. 10). The neutral zones were defined in Qazakh District and their administration remained under Azerbaijan. Zaqatala County was a matter of joint commission on border, which failed to reach the final solution. Aghstafa treaty was ratified by DRG. Because of the internal disagreements, the Transcaucasia didn't manage to confront the Red Army and in 1921, it became Sovietized.

In 1921, the Bolsheviks conquered the South Caucasus. The Musavat-governed Azerbaijan, Dashnak-led Armenia and Menshevik Geor-

gia became the Soviet Republics. In 1922, Stalin created an artificial Transcaucasian Soviet Federal Socialist Republic (TSFSR). On July 5, 1921, at the conference on the regulation of the borders between Georgian and Azerbaijani Soviet Socialist Republics, Zaqatala county became a part of Azerbaijan SSR. The border between Azerbaijan and Georgia follows the same borderline defined in 1920 and later modified in 1921 (Samkharadze, 2012, p. 13). In 1936, TSFSR was dismantled. In 1938, Georgia and Azerbaijan confirmed their administrative boundaries. Both states were required to re-confirmed it after the introduction of new cartographic maps. Georgian side re-approved, but Azerbaijani counterparts refused to ratify.

During the Soviet period, the borders among the republics were regarded as administrative and citizens could freely cross without any border checking; the mobility among the Soviet republics was only regulated by the road police booths and relevant road signs (ibid. p. 3).

After the independence, the former Soviet Georgia and Azerbaijan started the bilateral negotiations on borders. In 1993, Georgia created the respective Commission on Georgia-Russia border and a year later, the Commissions on the delimitation and demarcation of Georgia-Azerbaijan and Georgia-Armenia borders. Later, Georgia unified the three commissions to raise the efficiency of the negotiations. Regardless this, the negotiation proceeded in different mode in relation to each neighbours.

The negotiations with Azerbaijan went in a slow mode, but with certain results. The commissions of both sides agreed on the border delimitation in line with the administrative boundary defined in 1938. However, some portions of the borders approved in 1938 considerably differ from the current situation and thus required the compromise from both sides. The most problematic territorial areas emerged near the village Erisimedi in Signaghi District and adjacent lands to David Gareji Monastery. Due to the change of the riverbed, Erisimedi village which is populated by Adjarian eco-migrants is now located on the left bank of the river which is administratively Azerbaijani. And, Davit Gareji Monastery carries huge cultural and religious value for Georgians.

The final negotiations between the parties failed to reach the solution. For Baku, this site has military value to monitor its territory, while for Georgians, it's functioning Orthodox church. The monastery complex is the main religious and cultural hub for Georgia while some Azerbaijani historians claim that it was built by ancient Albanians, reputed ancestors of the Azerbaijanis.

# Overviewing Bordering Regions: Balakan-Zaqatala-Qakh (economic zone in Azerbaijan) and Kakheti (mkhare in Georgia)

Under the USSR rule, Balakan-Zaqatala-Qakh and Kakheti border regions shared the same historical and social backgrounds. Since the Soviet dissolution, both regions have differed widely in their further political, socio-economic, administrative or institutional development tracks. The report on Azerbaijan-Georgia Joint Operational Programme, prepared within the Action Fiche for the Eastern Partnership Territorial Cooperation (EaPTC) in 2014 states that the economic ties existed till 1990 between the border regions were interrupted, the shared knowledge became outdated, relational social capital and mutual trust were lost (EaPTC, 2014, p. 4).

Nowadays, the bordering regions largely face the same challenges to some extent. Both regions have rural population and are strongly dependent on the agriculture sector, hardly affected by the natural disasters, outdated local infrastructure, irrigation and drainage facilities. The bordering regions have huge tourism potential due to the protected natural areas (Lagodekhi Nature Reserve and Zaqatala Nature Reserve), many historical, religious and cultural monuments. But, the common local development plans rarely prioritize the importance of nature conservation. Kakheti is becoming more attractive to tourists and the number of locals employed in this sector is increasing. However, the low-skilled labour limits the development of regional economies. The working migration and brain drain of young people are common in the regions and therefore, some villages are becoming gradually empty. The bordering regions are in need to modern educational and medical infrastructure. In both regions, there is a small number of SMEs and entrepreneurship practice. Regardless, both regions decisively have a huge potential to exchange organic agricultural products, to turn the historical and natural sites attractive, and to develop tourist and international transport routes.

#### The Reflection from the Local Level

Within this study, the locals of the cross-border regions (Lagodekhi on the side of Georgia/Balakan–Zaqatala-Qakh on the site of Azerbaijan) were asked a bunch of questions on their perceptions of the adjacent neighbour and attitudes towards the cross-border dynamics. The inter-

view results showed that most of the respondents have not ever heard about the state, region or local-led cross-border initiatives. Only few respondents (mainly from Azerbaijani side) were able to name some of the CBC projects. Referring to the question whom should be a key initiator of CBC among the neighbouring regions, the majority of the respondents highlighted the involvement of multi-actors such as local municipalities, regional representatives, national offices, local communities, non-state actors, and business sector, while significant number of respondents prioritized the leading role of the central states.

The respondents had the different experience of crossing the border. The number of interviewees who crossed the border once a year or haven't even crossed yet was considerably high. Others crossed the border monthly, but no one did it on a weekly basis. The locals highlighted different actual or desirable reasons to cross the borderline. Almost half of the respondents were interested to visit touristic sightseeing and get familiar with the historical heritage of the neighbour; others mentioned "visit to the family and friends," 15% of the interviewees emphasized the economic activities and few of them were interested in the delivery of different services (like education and healthcare).

There were uncommon answers expressed on trust issues towards the neighbours: half of the respondents "haven't answer" whether they trust the neighbour, others equally responded "do trust" and "don't trust." Moreover, on the question "if they feel comport when their neighbour/colleague/family member/manager is from the neighbouring region," majority of interviewees feels comport, but the number of the respondents who did not answer this question was also noticeably high.

The large number of locals perceived that the nearby borderline did not have any influence on their daily life, while others considered it as a huge possibility for business development, SMEs, intense mobility and etc. There were locals who regarded the existence of border as a main threat to security. Furthermore, the respondents evaluated the current border regime as a trouble to enhance CBC, while others equally mentioned cultural, legal and administrative differences of both countries as the hindering factors.

The locals pointed out a broad spectrum of the problems of the crossborder regions that could be grouped as follows: infrastructure (non-existence of touristic and infrastructure, roads, lack of gas infrastructure, damage of water and sewage facilities), economic (lack of local production, unemployment, asymmetry in the price of goods, custom charges), cultural (lack of cultural, sport and entertainment facilities), youth (emigration of youth abroad), language (language barriers), minority (vulnerability of the minorities settled in the cross-border context and unfriendly attitude towards them; also, non-existence of the educational materials for ethnic Georgian schools), overall unpredictability (over the actions of the bordering neighbours), corruption (named mainly on the Azerbaijani border side), non-existence of the reforms in the education sector (unfavourable condition of the school infrastructure – old facilities in the classrooms, sport stadiums and libraries).

The locals pointed out that the border of Lagodekhi-Balakan is the only transit way for them to transport the local products (food, oil and etc.) and sell them out. In this perspective, the locals support the interstate cooperation that may be positively reflected on the local-level relations. The long line of the passengers to cross the border emerged to be a huge discomfort and bureaucratic burden for locals. Also, Georgian border guards were characterized as more loyal, communicated in English or Russian to locals rather than Azerbaijanis.

The locals considered the CBC as a mean to exchange products (costbenefit calculation) and make both regions economically strong. Moreover, they reviewed it as a way to establish good neighbouring relations, and a mean to create the bilingual context on the border.

The structures and scope of responsibilities of the local governments of Georgia and Azerbaijan differ in many aspects. The differences mainly apply to the degree of decentralization, legal and constitutional power, assigned responsibilities, the systems of state financing and etc. In the European context, the decentralized system is a highly valued feature for CBC success and is about to acknowledge local interests, create favorable space and well-being for local collectivities, enhance local autonomy and arrange administration accordingly (Nedelcu, 2012, p. 357). Due to the national reforms and EU initiatives over years, Georgia has evidently made significant progress in terms of institutional, economic and social development. This progress was particularly strengthened by the Association Agreement (AA) and the Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU. The state has enhanced the legislative and institutional framework for local self-governance reform and decentralization, including the adoption of the new code of Local Self-Governance. However, the level of decentralization of competences and resources is still considerably limited, and the capacities of the local authorities to design and deliver the inclusive services remain insufficient (UNDP, 2017, p. 8). Furthermore, the examination of the legislative basis for the

Azerbaijan's local governance has revealed the asymmetric relations between the center and the local governments. The central government is sole having the exclusive power to design and implement the regional and local projects. In this respective, such exclusive state involvement limits the competencies of local municipalities to find the better solutions for local cross-border reality.

#### Conclusion

Overall, the field inquiry demonstrated that the local communities of cross-border regions were in favour to get more economic profit though intensive mobility towards the neighbouring territory. Moreover, locals considered the need of the involvement of different state and non-state actors in the cross-border multi-level governance. Regardless, the baseline study showed that state level was overriding in the cross-border decisionmaking, local level had the limited power, and grass-roots were either less represented or involved. To sum up, Georgia-Azerbaijan cross-border context is far from the European CBC perspective, and there are no elements of the institutionalized forms of collaboration or the established practice of multi-level governance. However, the polycentric and balanced territorial development is a core of all EU policy initiatives designed for the Eastern Partnership countries like Georgia and Azerbaijan are. But, its full implementation into practice seems to be possible along with the urgent state-level administrative reforms and declaration of the political will by both neighbours.

#### Conflicts of Interest

The author declares that there is no conflict of interest and the funder had no role in the design, collection, and analyses of data as well in the writing of the article.

### Acknowledgement

This research was funded by Volkswagen Foundation, within the framework of the joint project "Structured Education - Quality Assur-

ance – Freedom to Think" ("Carl Friedrich Lehmann-Haupt International Doctoral Program") between Georg-August-University of Göttingen and Ilia State University.

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# Wartość dodana współpracy transgranicznej dla regionów przygranicznych Gruzji i Azerbejdżanu

#### Streszczenie

Europejski kontekst współpracy transgranicznej pokazuje, że angażuje ona wszystkich interesariuszy z różnych poziomów terytorialnych w intensywny dialog oparty na współpracy. Podejście to sprawia, że sąsiadujące regiony są bardziej odporne zarówno na istniejące, jak i przewidywalne zagrożenia i jest w dużej mierze skoncentrowane na praktycznym rozwiązywaniu problemów związanych z potrzebami lokalnymi. Niezależnie od (nie)materialnych korzyści, jakie zapewnia europejska perspektywa transgraniczna, rzeczywistość transgraniczna Azerbejdżanu i Gruzji, gdzie nadal dominuje tradycyjne rozumienie granic, jest bardzo odmienna. Badanie terenowe wykazało, że lokalne społeczności terytorialne nie mają jednolitego stosunku do pogranicza i swoich sąsiadów, a samorządom brakuje władzy i wiarygodności, aby samodzielnie radzić sobie z lokalnymi wyzwaniami. W przeciwieństwie do europejskiej współpracy transgranicznej, ten kontekst nie obejmuje elementów oddolnego planowania transgranicznego i lokalnie zinstytucjonalizowanych form współpracy.

Słowa kluczowe: współpraca transgraniczna, wartość dodana, funkcjonalne regiony transgraniczne, pogranicze Gruzji i Azerbejdżanu