Competition and Cooperation of the Cities: Vienna-Bratislava Metropolitan Region

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Abstract
Transformation and restructuring of European cities and regions has been confirmed as one of the key topics of social and economic discourse of the recent years. Integration on the European level is an important process which yields to a common market. Accordingly, the pressure of competition does not only increase for private enterprises but even for cities and regions as a whole. Struggling for competitive advantages of the particular city or region has been getting more and more significant in their developmental strategies and policies. Regions and cities are successively forced to compete for foreign investments in economic, cultural or tourism fields in which all the relevant actors are highly mobile and sensitive to the standards of location factors on the urban-regional level. Vienna-Bratislava region is situated in one of the principal cross-points in Europe and is an integral part of numerous sectoral networks. It is a place, where both the problems as well as the opportunities after the removal of iron curtain had been appeared in utmost visible way, representing two interlinked trends and their beneficial effects on the development and growth in unified Europe: the lowering of the importance of national barriers with the forthcoming integration of national, regional and local economies, and on the other hand the emergence of new development poles in the form of functional regions that cut across administrative borders. Having already adopted a wide scope of strategic efforts (CENTROPE) and some marketing concepts (TwinCity), the Vienna-Bratislava region is still facing future strategic challenges. If the region succeeds in managing the balanced collaborative and at the same time competitive complex interaction between both parts, it might become a model of successful cross-border areas in Central Europe.

Key words: competition, cooperation, metropolitan, region, TWIN City, CENTROPE.
1 Introduction

Vienna-Bratislava region is situated in one of the principal cross-points in Europe and is an integral part of numerous sector networks. It is a place, where both the problems as well as the opportunities after the removal of iron curtain had been appeared in utmost visible way, representing two interlinked trends and their beneficial effects on the development and growth in unified Europe: the lowering of the importance of national barriers with the forthcoming integration of national, regional and local economies, and on the other hand the emergence of new development poles in the form of functional regions that cut across administrative borders [1].

Region Vienna - Bratislava has had strong functional ties throughout its mutual long, close and sometimes shiftly history. The periods when the borders played minor role had been interchanging the eras where the both metropoles represented different political systems.

Till the 19th century, Vienna and Bratislava belonged to one territorial unit – Austrian Habsburg Monarchy, with common market and currency. Vienna was 4th biggest city worldwide, the capitol of Austrian Monarchy with 2 Millions inhabitants. Bratislava was contemporary the capitol of Hungarian part of the Empire. The city was really multicultural and multilingual equipped. Although the population had been rather low (30 times lower than Vienna), the city of Bratislava has maintained its position of the second important industrial town of Hungary. Without any trade, language or cultural barriers between both cities, the cooperation was flourishing and rather vivid in all the sectoral fields. Railway and river connections had been intensively utilised.

The division of the Old Monarchy to Austrian and Hungarian part (1867) brought administrative barriers and heavily retarded the mutual cooperation of both cities. After the WW 2, the Europe has been politically divided and cooperation ceded. Vienna and Bratislava merely co-existed without any form of institutionalized co-operation. Historical events imposed the fact that this previously centrally located region had become very peripheral in many aspects for more than 40 years. Especially the Austrian municipalities became extremely peripherally located, without any contact to Bratislava and they got fully dependent on the Austrian sources. This division did contributed to dissolution of the industrial, cultural and communicational networks in the entire region.

This situation persisted till the political turnover in former Czechoslovakia (1989). Democratic political and economical changes in former socialist countries completely redefined the roles and positions of both parts of region. New quality of relationship, mutual communication and feedback, common projects in various fields have been revitalised in early 90-ties, although sometimes without necessary strategic background and balance. Economic changes in Slovakia, as well as accession of Austria to EU (1995) enabled and fostered highly accelerated economic development, which brought advantageous position in the European “Competition of Regions”. The process of cross-border integration has been beneficial for both sides of the region. “Since 1995, both the Bratislava and Vienna part of the region have grown faster than their respective home countries. Moreover, most indicators show regional convergence. While nominal GDP per capita in Bratislava was less than 20% of Vienna in 1995, it approached 30% in 2002 and is estimated to be at around 50% in 2015” [2].
There have been externalised several cross-border projects (JORDES+) and initiatives during recent years, focusing mainly on sustainable industrial development, transport infrastructure, regional cooperation etc. But we have to admit, that efficient regional policy of the Vienna-Bratislava region has not been entirely performed yet. Clarifying policy priorities and process of developing sustainable cross-border institutions and bodies is still in the early stages. More active approach of both key players in this game – municipalities of Vienna and Bratislava – seem to be urgently needed.

1. The cities of Vienna and Bratislava

Vienna, the capital of Austria, with its approximately 1 500 000 inhabitants on one side of the border, and Bratislava, the capital of Slovak Republic, with nearly 500 000 inhabitants, on the other side, with only 55 kilometres from centre to centre, are the closest located pairs of capitals in the world. Both cities are now playing the prominent roles in the development of the whole region and the overall nature of cooperation relations among various actors within the region is significantly influenced by the quality of relations between Vienna and Bratislava.

1.2. Vienna

Vienna, capital of the Federal Republic of Austria and a separate administrative province (Land Wien) spreads over the area of 414 km² and has a population of 1,55 Mil. inhabitants. Located on the place of an old Roman settlement (Vindobona) Vienna is nowadays captivating metropolis with huge portion of cultural, historical and architectural heritage. Old city centre with many precious historical architectural elements ranging from medieval to modern buildings, Vienna’s unparalleled cultural landscape represented by Kunsthistorisches Museum, the Albertina and Museum Quartier as well as modern complex of UNO City are the prominent examples worth noticing.

Vienna has always carried an image and prestige of highly respectable centre of culture, education and science. The principal goal in this field embodied in strategic plan (2004) is to keep, accent and further develop this reputation. The cooperation between universities, research institution and commercial business organisations has to be strengthened and intensified. The cultural policy of the municipality is convincingly aimed to foster the open-minded cultural climate, which was always typical for the city cultural milieu. The creativity and experimental work are systematically utilised as impulses for city development („Creative Industries“).

Vienna is colourful mosaic, integrating various cultural influences, mentality types and ways of life. Current Vienna is striving to extend its old image clichés based upon traditional positions of the „City on Danube“ or „City of waltzes“. The city is not impressive by its extension, but by its depth and quality[3]. In the 1979 the City received the status as the 3rd UNO City (after New York and Geneva) and became the synonym for a gateway to Eastern Europe. After the political changes in the end of the 80-ties, Vienna has adopted several new roles. The metropolis located for decades rather peripherally within the Western Europe political system has rapidly shifted to principal gateway to Central European space. The strategic plan [4] embodies all the developmental priorities and principles based upon the principal values of the City, namely the concept of sustainability, global responsibility and
future oriented acting. The fundamental scope of strategic vision (Das Leitbild) include also regional cooperation. Vienna aspires to be an example for leadership in the process of competition and cooperation of European cities and regions, based upon innovative, sustainable and flexible regional policy.

1.2. Bratislava

The City of Bratislava is the capital, administrative and economic centre of the Slovak Republic. In the context of economic and political relations, the location on the former eastern fringe of old 15 EU members is a specific advantage of strategic importance. Bratislava has become a chance to play very unique and versatile role of the city located on the old and new EU members “interface”, with all the possible chances and opportunities. The outstanding potential of Bratislava that derives from its location could not be utilised until the turn of socio-economic conditions in 1989. Owing to contacts with high developed and economic prosperous Vienna region, the regional relations of Bratislava has gained new dimensions. Geographical advantageous location close to Vienna (less than 60 km) makes a good condition for both emerging new agglomeration tendencies and cross-border co-operation that may lead to the rise of new urban region of global importance, overcrossing the border of three or four states respectively. Already 13 years ago, in the evaluation of 471 European regions carried out by Empirica-Delasassa Institute Bonn in 1993, the region Wien-Bratislava-Györ appeared to be the most promising economic area in Europe [5]. While the population of the City accounts for only 8.4% of the national population, it generates approximately one-third of gross domestic product (GDP).

Most foreign direct investments in the Slovakia have been concentrated in and around the City. The capital city's share of investment reaches 55% and the city works as the driving force of economic activity of the whole country. Bratislava is the area of the lowest unemployment rate in the Slovak republic, with a rate that is 4 times lower than the Slovak average. The favourable economic environment of the city is represented by the high purchasing power which (relative to the average wage) is one half higher than the Slovak average. Bratislava's exceptional economic status was also confirmed by a Eurostat study [6], which compared per capita GDP in 89 regions of ten previous European Union candidate countries. The study showed that already in 1999, according to purchasing power parity, the Bratislava region GDP reached 105% of the EU average. This rate is 3-4 times higher than in other Slovak regions. Extremely steep rise of spatial polarisation among regions in Slovakia was even accelerated and regional disparities have been appeared one of the most pretentious challenges of spatial development in Slovakia.

Despite of favourable geopolitical and economic indicators, the City of Bratislava has still to search for compensation for several disadvantageous points. The City is still struggling with rather unprofiled City Image, low degree of integrity in City Communication tools and methods, lack of modern approaches regarding cultural heritage propagation and marketing management as well as lack of entrepreneurial associations participating in the process of communication of product (Bratislava) and its particular traits. Marketing communication has been rather hectic and superficial, although there is an effort to use some methods and approaches of modern strategic City marketing and management (City Branding, Corporate Identity of the City).

Strengthening the role of Bratislava as one of the medium sized European Metropolis, rising frequency of travelling toward the „near“ foreign countries within EU and new trends in
tourism (congress tourism, incentives tourism, cross border cooperation regarding City Events) seem to be the most challenging impulses in near future.

2. Metropolitan region Vienna - Bratislava

Process of diminishing of the importance of national barriers with the forthcoming integration of national, regional and local economies has been started in early 90-ties. Current status of Metropolitan region Vienna-Bratislava might serve as a prime example of this trend.

The fundamental functions of Vienna-Bratislava region have been set up in the following way [7]:

- to become a developing pole of the European significance, established on a concentration of the specific human, scientific and research, cultural, technological and institutional potential, lying on adequate transportation and communication interconnections onto equivalent developing poles in Europe
- to become a residential, economic and cultural centre of the upper and middle Danubian line
- to become one of the development centres in the Central-European area, which has dramatically arisen after the accession of V4 countries into the EU
- to become an economic, cultural and information gateway to Austria and Slovakia
- to become a development centre in relation to directly aggrieved surroundings of the Cities Vienna and Bratislava onto the territory of the SR, Austria and Hungary with its suburban centres network
- to become an initiator and concentrator of the resources for the centres` development – Cities Vienna and Bratislava as regard of their reinforcement as centres of research, culture and business

The Vienna-Bratislava agglomeration, encompassing the metropolitan regions of Vienna and Bratislava is home to 42% and 21% of the respective total Austrian and Slovak populations and covers 46 and 34% of their respective national GDP. The bi-national region represents, in fact, the core of an emerging bigger functional region - the central European region of Bratislava-Vienna-Brno-Gyor. It encompasses the federal provinces Vienna, Lower Austria and Burgenland, creating the Vienna Metropolitan Region and the two Slovak regions of Bratislava and Trnava belonging to the Bratislava Metropolitan Region. The Bratislava Metropolitan Region makes up roughly one-quarter of both area and inhabitants in the Vienna – Bratislava region. Region with more than 5 millions inhabitants and 2.5 million of job opportunities represent unique spatial configuration in Central Europe. Its chances to become cultural, intellectual, transport and knowledge pole of the principal value has been significantly increased during recent years. Although the main player are the cities of Vienna and Bratislava, synergy effect of spatial and economical development have brought new challenges also for peripherally located parts of the region (Burgenland, Trnava County).

The region possess diverse landscapes - Danube river basin, the Carpathian Mountains, the Pannonia lowland which do create an unique spatial structures plausible for various forms and types of spatial development. Moreover, the manifoldness of the region is completed by the diversity of the language and cultural patterns.
The demographic development in the region differs between the core cities, sub-centres and peripheral municipalities. Sub-urbanization followed by the migration to the outskirts of metropolitan areas became the dominant force. With the increasing attractiveness of the core cities the process of re-urbanization has been started. Urban sprawl of the cities in the suburban space of the core cities has increased, while peripheral parts of the region have to face the loss of younger population and process of ageing population. Similarly to the situation of the region as a whole, the integration process “changed” the location of particular municipalities from peripheral to central.

One of the main economical imbalances is still present in disparities of prices and wage level. Index ERDI (Exchange Rate Deviation Index) indicating the disparities in price level in Slovakia is 2.75 (2000), which means quick return of foreign investments but also and increased risk of brain drain. This prices disparity is tempting to relocate the production with lower technological level and lower qualified jobs to Slovak part of the region. In order to hinder this process, the City of Bratislava is stressing its highly qualified human resource structure as one of its principal strategic advantages (in order to attract sophisticated business activities instead of cheap production). Although Slovak part of Vienna-Bratislava region has similar sectoral structure as Austrian, lower wages and lower productivity is hindering the harmonisation of labour market. Labour mobility between Slovakia and Austria is surprisingly low, despite substantial income differences (restrictive policy of Austria attempting go purge the labour market in Austria of competition). Future common policy should target production and services with higher added value also in Slovak part of the region, in order to prevent brain drain, brownfields development and social degradation in Bratislava region.

The processes of globalisation and accelerating competition of the European Cities and regions have strongly influenced the position of both cities and the chances of the region as a whole. Vienna itself will face pretentious challenges and tasks in the competition of the cities in “premier league”. Without effective cooperation with its major partner (Bratislava) as well without cooperation with smaller regional partners, this task will be hardly fulfilled. The principal role of the Bratislava as one of the twinning poles of the Central European Metropolitan region is predestined to be actively formatted and utilised in future years. This vision is combination of the traditional common bounds with the new impulses for the dynamic, knowledge-based development, resulting from the transformation in the central and eastern European space.

Deliberate, meaningful and transparent cooperation on both cities and all the regional actors will bring the synergy effects. It is necessary to create conditions for the synergy effects supporting the interlinks between research, development and industry. Profile oriented functional division of both agglomeration poles as a long-term process demanding the elimination of barriers and creation of specific condition for such development are fundamental preconditions within the effort to consequently reveal and utilise the USP (Unique Selling Proposition) of the region. Growing opportunities have opened up efficient cross-border co-operation of the cities and other municipalities towards increasing competitiveness of the region as whole. It is very important to secure the political and institutional adjustments that build up the base of functioning “self-learning region” and fully exploit the abilities, growth opportunities and distribute the benefits of the intra-regional collaboration. Regional development strategies must be aimed to greater efficiency and equity in the cooperation towards increasing accountability and coherence of policy making.
3. Future perspectives

3.1. Scenario „Vienna agglomeration“

Vienna is much bigger than Bratislava (the population in Vienna is nearly three times bigger than in Bratislava) and has more influence and power. If there were the sharp and all-field competition between these cities, the stronger city will prevail and retain a dominance. One sided orientation to Vienna has been the dominant historical pattern in this region during the previous centuries. Vienna displayed and maintained its powerful political and economic position. If this pattern were revitalised, it would bring the “revival of old history” and traditional conservative subordinated relations to all the regional actors. Vienna could take short term assets from the quasi „competition“ of subordinated parts of region. This development might bring outsourcing of lower technology to peripheral areas of the region and thus the concentration of high skilled and sophisticated functional areas in Vienna.

On the other hand, marginalisation of Slovak part of Vienna-Bratislava region (as well as adjacent Hungarian and Moravian regions) would impose spatial collisions and conflicts, escalation of environmental problems (development of residential quality is in contradiction to the developmental trends of industry and production), brain drain, and social imbalance in peripheral parts of the region. Moreover, this trend would fix the status quo of “two leagues for players in the region” which might heavily undermine some common goals and deny common vision. The identification of inhabitants with the lived region, feeling of togetherness and common engagement to share one vision might be heavily compromised.

If Slovak part of the region (but also Hungarian and South Moravian regions) reached a noticeable level of economical development, their relation to Vienna could shift to a competitive character. This trend (besides some limited positive impacts) would probably bring the end of the joint vision of the Vienna-Bratislava as a cross-border cooperating region, having immense ambition in European competition.

As the negative implications of this scenario clearly outweigh the positive assets for both sides, these considerations have been given up in the middle of the 90-ties and the other models became preferred.

3.2. Twin City concept

Twin City concept is based upon the development of functionally homogenous region characterised by the synergetic utilisation of socio-economic potential of both cities. It requires co-ordinated activities of public sector administrative bodies, NGOs and enterprises of both cities. There is a strong mutual potential for solving various problems arising under economic pressure (environmental risks, noise pollution, traffic) and for improvement of the social structure of the region. This concept is also better fitting the supposed USP of the region as „highly qualified region“, „balanced region“, “open-minded region” or „sustainable region“.

Bipolarity of the region will bring some balance to the peripheral areas and socio-economic potentials of Vienna and Bratislava might be intensively utilised. The goal-oriented and co-ordinated activities of the public administration, business subjects and civil associations should foster this vision.
From the view of long-term formation of economic basis within the region, settlement structure, environment and the quality of life of inhabitants in the regional policy, it is advantageous to prefer the model of the metropolitan region Vienna – Bratislava. The reasons for preferring this alternative are following [8]:

- The orientation on the strengths of the region and taking advantage of the highly qualified human resources potential creates the conditions for the development of tertiary or fourth sector activities, which in terms of the participation of the domestic and foreign capital creates better conditions for the development of production sectors with a high share of added value.
- The possible change in the industrial structure offers potential for solving the different and mutual environmental problems created by economic processes at their source (ecologisation of technological processes, decreased exploitation of natural resources, waste volume reduction, noise pollution control, etc.), while the alternative economic trend – agglomeration of Vienna – would speed up the spatial conflicts.
- It better reflects the qualification potential of the inhabitants of the Vienna – Bratislava Region, while the scenario Vienna agglomeration will increase the still existing disequilibrium between the employment structure and the requirements of younger population groups. This could trigger a “brain drain” process leading to deformations in the age structure of inhabitants and with further impacts on the social, cultural and economic situation of the region.
- It furthers the improvement of the social structure which reflects the future changes of way of life.

3.3. Scenario „CENTROPE”

The concept of CENTROPE [9] was launched in September 2003 in Kitsee (Austria), when provincial governors and mayors of the border quadrangle agreed upon the joint establishment and support of the Central European Region. The region is an example of multilateral cross-border cooperation among the following actors:

- Austria (Federal Provinces of Burgenland, Vienna, Lower Austria)
- Slovakia (Bratislava County, Trnava County, Cities of Bratislava and Trnava)
- Czech republic (South Moravia region, South Bohemia region, City of Brno)
- Hungary (Gyor-Moson-Sopron County, Cities of Sopron and Gyor).

Political declaration adopted during this event stressed the aim to profile CENTROPE region as a framework for effort to increase wealth and sustainable growth across the central European area.
Although this region has been split apart for decades among different political and economic systems, there is still a lot of common heritage. CENTROPE, the Central European Region, is living and working space for about 6 million people.

After the accession of Slovakia, Czech Republic and Hungary to the EU, this newly established joint region as a whole is part of the European Internal Market. Immense available sources in economical, social and cultural fields are predestined to be decisive factors of competitive advantage of this region in European competition. Urban agglomeration axis Vienna-Bratislava is the intersection of main international transport routes and secures the access to dominants centres in the entire EU.

The necessary institutional network has been established within the CENTROPE Project, an IIIA-Project “Building a European Region” [10].

The principal goals of project CENTROPE have been modified in the following way:

- CENTROPE is the pilot project which is developing a multilateral, binding and lasting cooperation strategy for the “Central European Region”.
- CENTROPE will assist in coordinating existing cross-border activities and future endeavours involving multilateral collaboration, in providing new incentives as well as in mobilising public, commercial and social bodies to strengthen the region as a whole.
• CENTROPE depends upon the professional management of interfaces and development in order to generate synergies between as many areas as possible and which will benefit all involved.

• CENTROPE will mobilise and engage public, commercial and social bodies which wish to strengthen the region as a whole.

• CENTROPE is thus concerned with research and training as well as with the economy and the labour market, with regional development, infrastructures, culture, marketing of local areas and public relations work.

• CENTROPE will lay the necessary foundations by the end of 2005, so that the vision of a European model region can be realised in real life. New know-how will be acquired through pilot projects.

Generally, the favourable strategic location, high quality of infrastructure and skilled labour forces are the principal competitive advantages of CENTROPE region. In addition, this region can capitalize its cultural, historical and natural heritage into the world-class quality of life. Recent development of cross-border cooperation structures might significantly accelerate the regional and supra-regional dynamics of CENTROPE. Vibrant communication channel and existing networking will be probably strong impetus for further investors’ cross-border activities. CENTROPE is comprised of the most prosperous regions within their respective countries, so that it can yield top potentials of all the 4 members [11].

On the other hand, it must be mentioned, that (at least from some points of view) the entire CENTROPE concept seems to be rather scientific or political construction than a naturally shaped region. Although there have been externalised some sophisticated strategic management and marketing activities (Regional Image analysis, CENTROPE Branding), it seems that this concept has been more successful in outer dimension (marketing and promotion, image making and image keeping) than inward (identification with region, feeling of togetherness, common policy and effective cooperation). We have to bear in mind, that such concept need spontaneous identification and feeling of togetherness from various stakeholders within the region. Many consider the region artificially built, having involved the areas, which are functionally tending to different centres (České Budějovice) or lacking the institutional ties toward the centres of the region (southern Hungary). Unbalanced and different socio-economical conditions in the 4 respective national states, language barriers, examples of defective behaviour as well as scepticism and prejudices at all 4 sides might slow down or even compromise the effort to build up the one of the best practice case in terms of multilateral cross-border cooperation in Europe.

3. Conclusion

In the process of competition and cooperation, the regions and cities are not merely utilising their advantages and abilities, but they are improving and learning new skills. For the particular regions, this means the continual and permanent lessons of recognizing new quality, verifying of hypothesis, searching for social and political consensus and daily mature and balanced decision making. The learning of regions is a result of deliberate process of the research of consequences, evaluation of the previous activities as well as the application of successful procedures and measures proved in the past. The principal task is to secure the feasibility of the adopted solution for various target groups, its sustainability and thus securing the control mechanisms. The immediate and full feedback as well as the permanent monitoring of running activities is of high importance. Many undertaken measures and steps
do not enable their withdrawal from regional practice, due to their irreversible nature. It is necessary to anticipate the future regional development, to judge and estimate the risk potential, the possible escalation focal points, to reveal hidden sources and to utilise them in a friendly, open and honest manner.

The competition of the regions as well as the goals implied from this process are both strong motivation agents. It has been shown in recent years that intervention from external milieu (e.g. EU policy in the field of equalising the regional disparities and immense sources from structural funds) is not always the most effective tool. If the region itself fail to find enough of motivation, effort, engagement, inner capacity and last but not least the ability for learning, the result is lacking. If the region achieves to fully develop and display this inner potential, it will become a place for the life with highest ever possible quality.

Having already adopted a wide scope of strategic efforts (CENTROPE, Twin cities concept), the Vienna-Bratislava region is still facing future strategic challenges. Enlargement of Schengen borders space, still accelerating competition of the European regions, demographic shifts as well as pressure toward innovative behavioural patterns in regional policies are strong motivation impulses for both Austrian and Slovak part of the region in order to achieve strategic, balanced, justified and sophisticated cross-border cooperation. If the region succeeds in managing the balanced collaborative and at the same time competitive complex interactions between both parts, it might become a model of successful cross-border cooperation area and a growth engine in Central Europe.

References


[2] the same text.


[8] the same text
