

# Erste Group

## Transborder Cooperation in Regional Development

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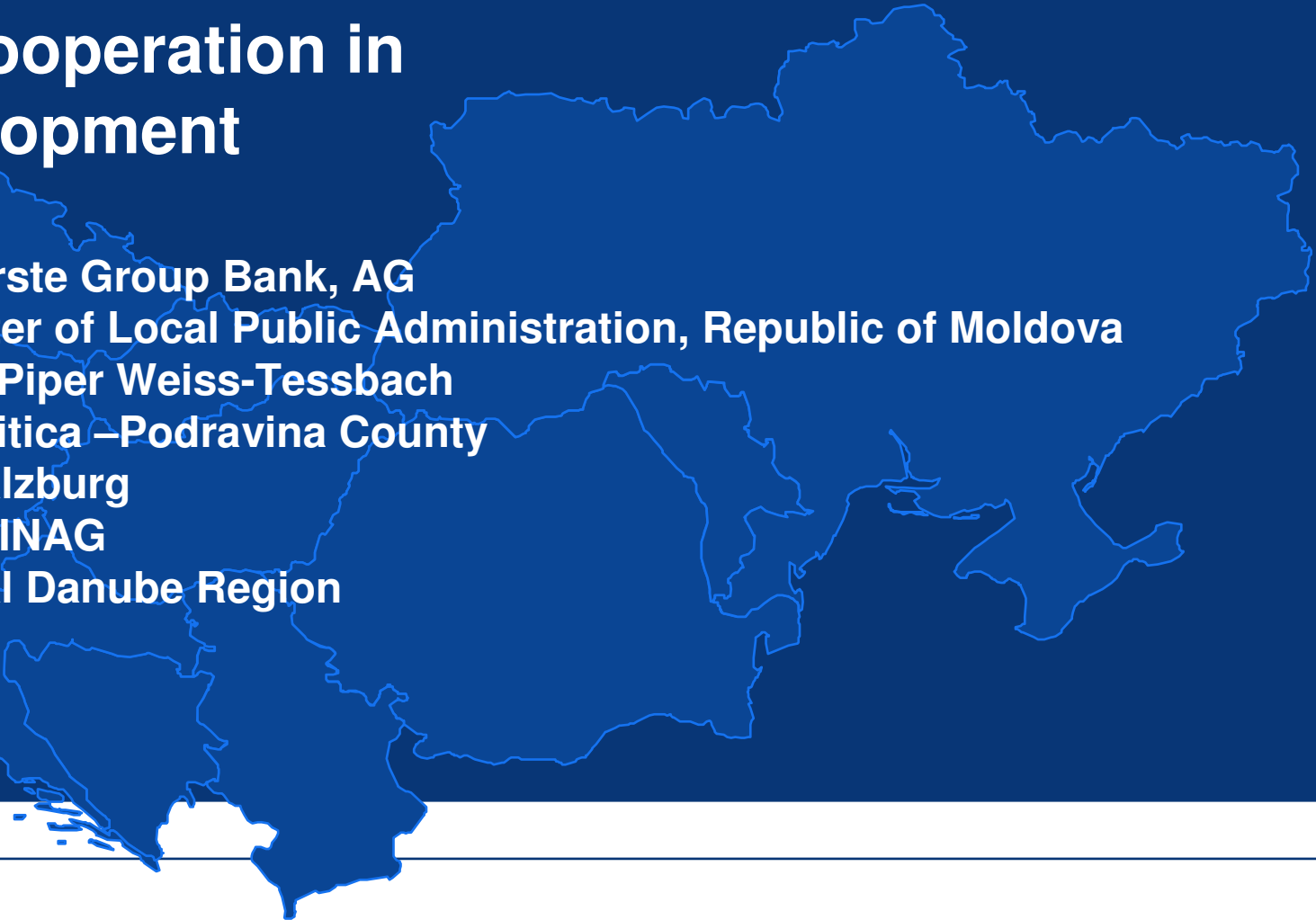
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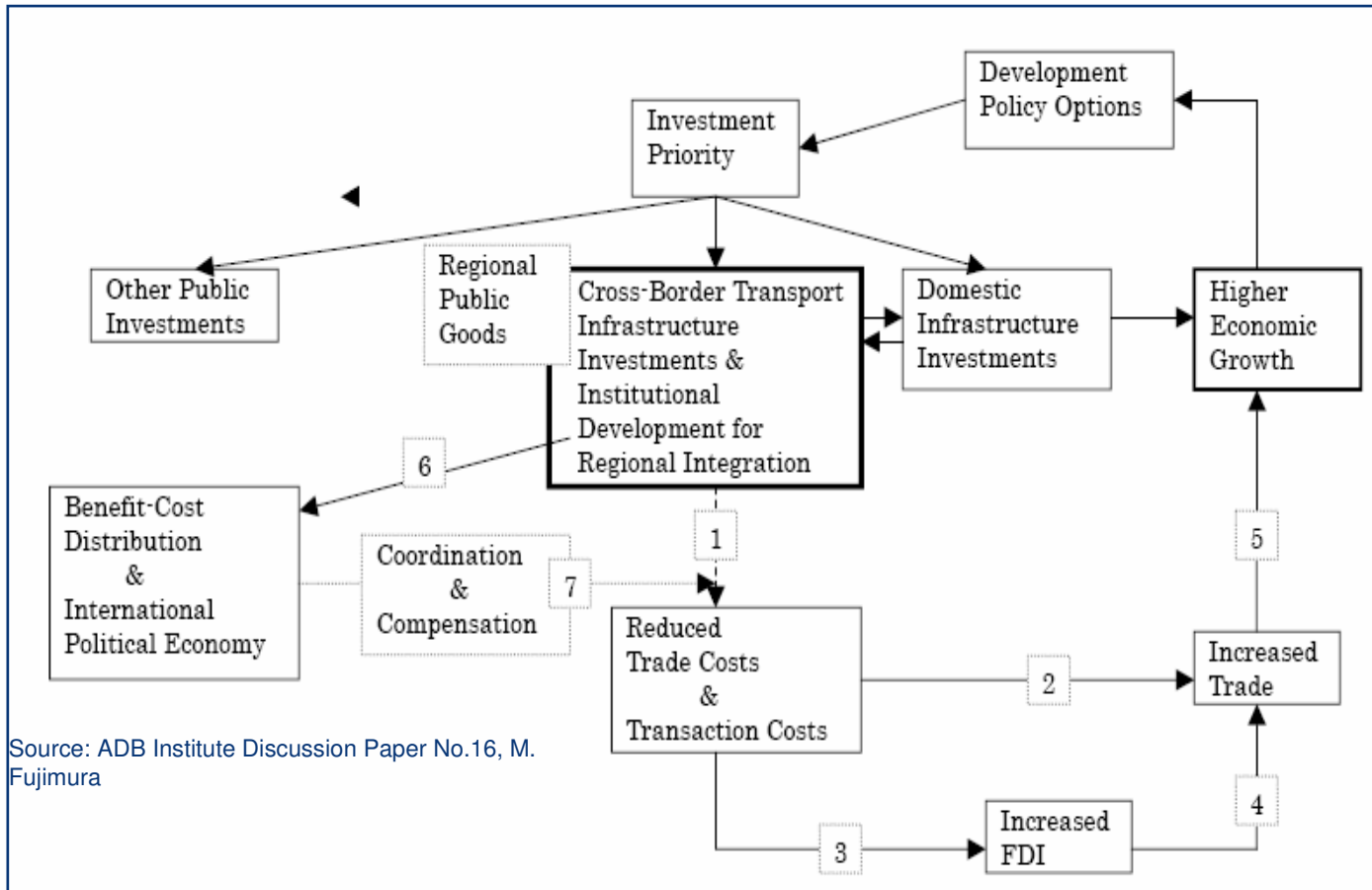
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- Which **type of investments in infrastructure** will produce the highest total return in the form of increased welfare of a country or region?
  - Is the **transport/energy/communication** infrastructure provided at sufficient level to **stimulate economic growth of a country/region**?
  - Will **crossborder regional investments** in infrastructure stimulate regions to a substantially **higher** degree than domestic/local infrastructure investments?
  - How should investments be **distributed among regions** to improve the overall performance of the economy of a country or a region?
  - How should crossborder investments be **prioritized** to enable continuous economic growth and stable labour markets?
  - Will **increased tax revenues** and higher investment volumes for complex infrastructure projects in transport and communication show an **overall positive** effect on regional growth?
- **Productivity growth** on the macro level is, according to the neoclassical school, the most important determinant for increased welfare and real wage increases for the population
  - **Economic growth** is commonly understood as growth of the „gross domestic product“ (GDP)



Source: ADB Institute Discussion Paper No.16, M. Fujimura



- How to **measure** a positive effect of transport improvements on economic activity?
- Does a „**decoupling**“ of growth in traffic volumes from growth in regional economies exist?
- How will economic **impacts** be **captured** in cost benefit analysis on a regional level?



Source: Standing Advisory Committee on Trunk Road Assessment, 1999

## Categorization

- Multiplier effects
- Crowding-out effects
- Program or spin-off effects

## Models / Approaches

- Influence on production factors, on location factors, and on interregional trade
- Attractiveness of the location
- Interregional trade

Source: Survey of multi-regional economic models, Rietveld, 1989