

How can cities in the Alps-Adriatic region improve their competitiveness and cross-border cooperation through visioning of strategic urban projects?

Internationalisation, city competitiveness and sustainability

During the 1990s, political, economic, cultural and institutional changes, conditioned by transition reforms in Central and Eastern Europe, and the process of globalization, European Union (EU) enlargement and integration (»EU-isation«), brought about higher competitiveness between cities and regions. Simultaneously cross-border inter-urban and inter- and trans-regional cooperation (i.e. horizontal and vertical links and connections) stimulated competitiveness, but also enhanced preservation or improvement of the quality of life in cities within the paradigm of sustainable development. In the context of inter-urban competitiveness, as a form of intermediate level of competitiveness between companies and states, the »city competitiveness« could not be defined only by economic or classical market forces. The important factors are also social, political, legal, cultural, environmental, spatial organisation etc. Non-economic factors affect competitiveness and limit it with levels of public and private participation, motivation of actors, urban management efficiency, satisfactory living standards, economic and social cohesion, democratic political system and transparent decision-making process. The level of development of local (city) autonomy compared to the national level (the state) is also important. It applies to local legislature, identity, business culture, attitudes to foreigners, education system, and effectiveness of state and local authorities (see Cheshire, P. and Gordon, I. 1995; Duffy, H., 1995; EC, 1998; Hall, P., Pfeiffer, U., 2000; *Urban Studies*, 1999).

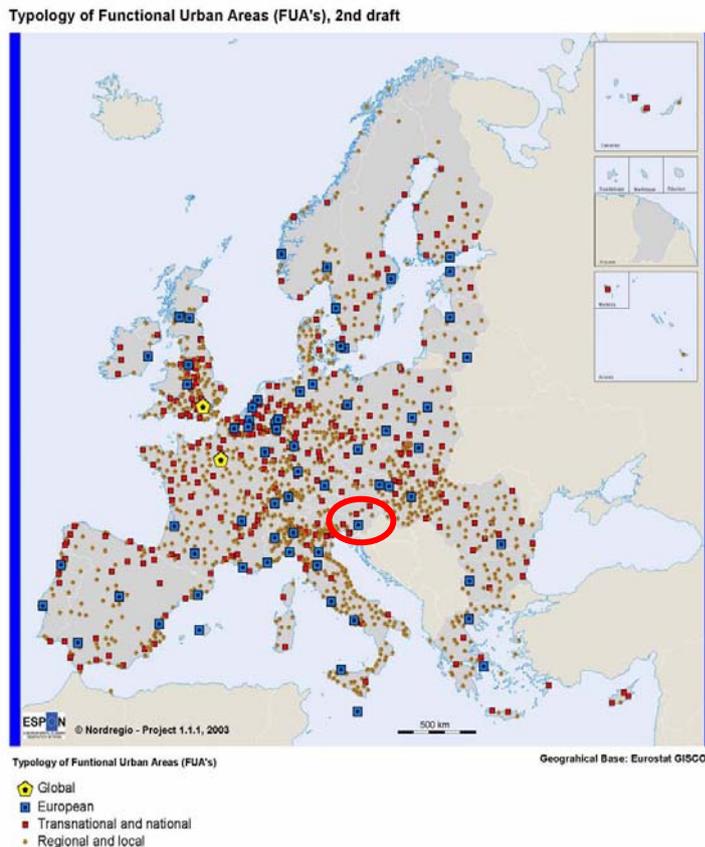
On one hand cities try to enforce globally comparable and competitive urban functions demanded by the inhabitants, companies, institutions and foreign visitors. On the other they simultaneously strive to build a different, distinct, particular and unique identity, with which they can enforce promotion of various advantages with international significance. These demands are conditioned by (inter)national orientation and promotion, while simultaneously strengthening the competitiveness, and stimulate urban development dynamics, within the framework of the sustainable development. The goal of strengthening city competitiveness is therefore not only to improve the international role and position of particular city in urban networks, but also to strengthen specific local factors, which could besides better economic competitiveness enable adequate quality of life of individuals and different social groups, economic and social cohesion, and integration of particular city in urban and regional networks, institutions and associations.

On the other hand »world city formation« is the process by which the global economy impinges upon cities and transforms their social, economic and physical dimensions, focusing on the role of specific cities in the urban hierarchy (Friedman, 1986; Sassen, 1991, 1994). The emergence of specialised or »regional city systems« is defining new roles for particular cities or groups in the global urban hierarchy. Those cities integrated into the »functional city systems« (i.e. "cross-border regional urban networks") are also undergoing the process of world city formation – with direct effects on urban form, structure and development. Many urban policies are formulated as a response to global pressure, with the objective to attract capital investments and increase competitiveness in relation to other cities (Brenner, 1999, Hamilton et. al., 2005; Pichler-Milanović, 2002).

There is a growing need these days to clarify territorial characteristics of the globalisation process at the European scale, relevant for the evolvement of »global integration zones«.

The ESDP designates the “Pentagon” shaped by London, Paris, Munich, Milan and Hamburg, as the dominant core-region of Europe and, at present the only European “zone of global importance”. Taking in consideration the balanced development and polycentrism of an enlarged EU, the “Pentagon” core need to be coupled by new “zones of cross-border metropolitan cooperation” that might aspire to the status of »global integration zones«, as dynamic and global clusters of internationally well accessible metropolitan regions, geographically well distributed on the European territory. New cross-border cooperation structures and committed partnerships should be stimulated by the “top-down” (trans-national) political stimuli, knowledge-based activities and financial support from the EU, coupled with the “bottom up” initiatives between cities and regions finding partners and establishing institutional links and networks (see Mehlbye, 2000, Faludi, 2002). As part of the process of »territorial integration« the EU has been increasingly supporting establishments of different links and networks between cities and regions to co-operate and participate in joint projects with significant effects on formulation of urban and regional “agendas” (i.e. *Europe 2000*, *Europe 2000+*, *ESDP*). Strengthening a “polycentric and balanced system of metropolitan areas and urban networks” is one of the main objectives in shaping the development of European urban system (ESDP, 1999).ⁱ

Figure 1: Typology of FUA in Europe and cities in Alps-Adriatic cross-border region



Source: ESPON 1.1.1.

Central European cities in the cross-border Alps–Adriatic region

According to the number of population within the administrative boundaries, the surveyed cities (or municipalities) of Ljubljana (270.000 inhabitants), Trieste (216.000), Graz (240.000) and Zagreb (770.000), are medium sized cities in the European context. The distances between these cities is 100 to 200 km, with Ljubljana assuming a central position in the

cross-border region. Ljubljana and Zagreb are new capital cities of independent states (Slovenia and Croatia respectively) and important national centres (culture, employment, politics etc.). Graz and Trieste, lying close to the borders with Slovenia, and other EU (non)member states, Hungary and Croatia respectively, are becoming important regional centres for cross-border co-operation between cities and regions in Austria, Italy, Slovenia, Croatia and Hungary.ⁱⁱ

Table 1: Area and population size of surveyed cities in the Alps-Adriatic region

CITIES:	MUNICIPALITY		REGION	
	Area (sq.km)	Population	Area (sq.km)	Population
Trieste	231	231.000	7840	1.200.000
Graz	127	226.000	16381	1.200.000
Ljubljana	272	270.000	2555	486.000
Zagreb	641	780.000	3700	1.100.000

Source: Pichler-Milanović, Hočevar, 2002.

As a result of globalisation and EU-isation, towns and cities in what were formerly border regions divided by national boundaries, are in many cases increasingly facing competition with other (cross-border) cities at the international level. EU INTERREG II and consequently INTERREG IIIⁱⁱⁱ programmes, with Phare programme in Central and Eastern Europe are targeted towards "removal" of political and administrative barriers between the (cross-border) regions concerned to solve bilateral problems and conflicts, establishment of a "gateway" in the relationships between two or several countries, and/or an overall transnational region which may play a role in international competition with other European meso-regions. Therefore, cities of Graz, Trieste, Ljubljana and Zagreb can become important actors for development of the cross-border Alps-Adriatic region (together with other cities), as one of potential »transnational EU regions«, and larger »global integration zones«.

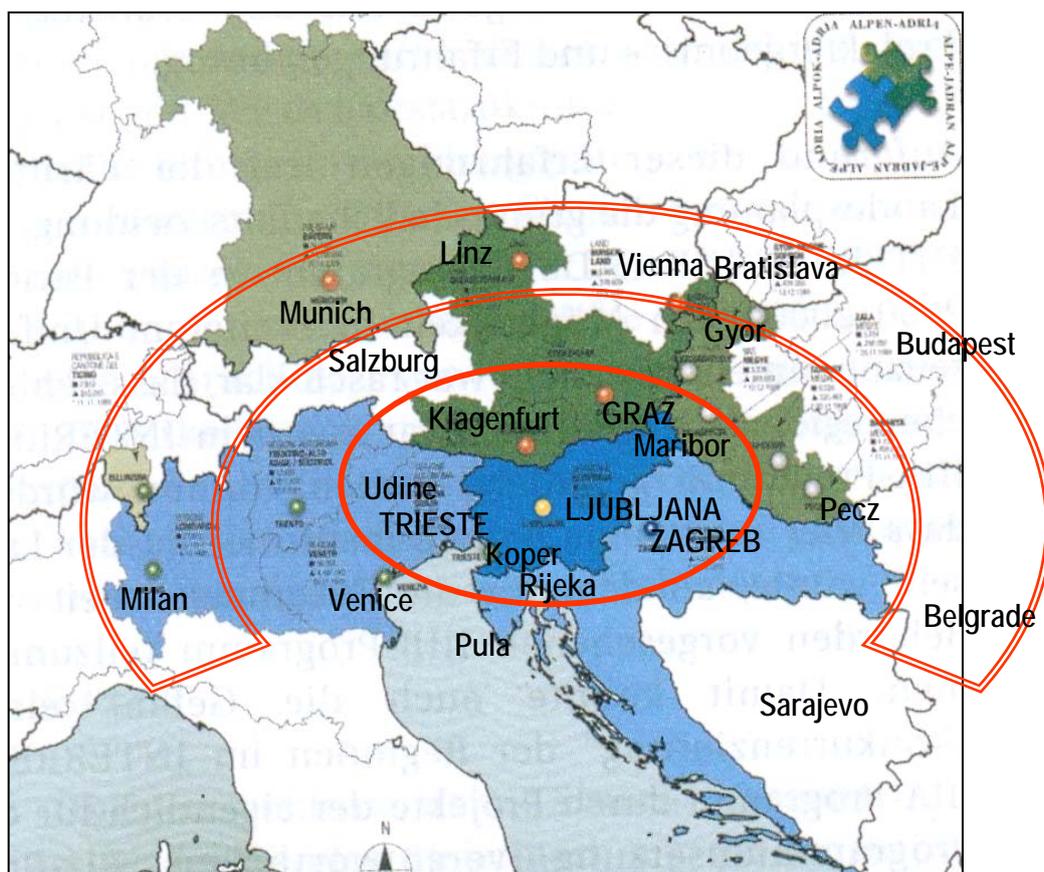
The Alps-Adriatic Working Community (i.e. »cross-border EU meso-region) was established in year 1978 as an important step towards a new future for Europe. The main task is joint informative expert treatment and co-ordination of issues in the interest of the members – countries, counties, and regions from: Austria (Burgenland, Carinthia, Upper Austria, Styria), Germany (Bayern), Italy (Friuli-Venezia Giulia, Lombardia, Ticino, Trentino-Alto Adige, Veneto), Hungary (Baranya, Győr-Moson-Sopron, Somogy, Vas, Zala), Croatia and Slovenia (see Figure 1) The Alps-Adriatic Working Community has no legal status or central administration body, costs of activities are borne by each member state itself. The most important projects have been concerned with regional development, transport infrastructure, environmental affairs, and promotion of tourism.

Despite variety of cross-border bilateral and EU projects between Italy, Austria, Slovenia and Croatia there are still very modest cooperation between cities of Trieste, Graz, Ljubljana and Zagreb, as middle-size cities located between two largest cities in the Alps-Adriatic region - Milan (Italy), Munich (Germany), and capital cities of Vienna (Austria), Bratislava (Slovakia), Budapest (Hungary) and Belgrade (Serbia) which are not located in the Alps-Adriatic region. The other important cities located in the cross-border Alps-Adriatic region are: Udine and

Venice (Italy), Klagenfurt (Austria), Rijeka and Pula (Croatia), Maribor and Koper (Slovenia). In the context of EU enlargement and integration of Central and Eastern Europe, the issues addressed in the cross-border and trans-national EU projects include not only problems of regional disparities, but also perspectives associated with establishment of a new and efficient system of cities for polycentric and balanced development of enlarged Europe.

Therefore, extremely broad range of actors these days from the public, semi-public and private sectors are contributing to urban development of Graz, Trieste, Ljubljana and Zagreb, any of which may be potential participants in strategic partnerships between these cities. This paper explores the importance of some strategic links and potential partnerships to address the challenges of competitiveness and a need for cooperation between Central European cities of Graz, Trieste, Ljubljana and Zagreb in the cross-border Alps-Adriatic region. These potential links and areas of cooperation and participation are based on perceptions of policy and decision-makers in surveyed cities, and a review of official city development strategies. The goal of the survey was to obtain information concerning views and attitudes about urban development problems, policy initiative suggestions, and prospective areas of inter-urban cooperation in the cross-border Alps-Adriatic region.^{iv}

Figure 2: Alps-Adriatic Working Community (*Alpe-Adria*) with regional centres and other cities in »potential circles of cooperation« (500 km from Ljubljana)



Source: www.alpeadria.org.

In order to stimulate city competitiveness and potentials for horizontal cross-border cooperation in the Alps-Adriatic region, the survey focused on Graz, Trieste, Ljubljana and Zagreb, as the most important "historical rivals or competitors" located between »global« cities of Venice and Vienna. The key questions in the survey were focused on perceptions of

policy and decision-makers about the international images of their cities, city competitive strengths, problems concerning the quality of life in the city, urban development projects and new strategic thinking. Survey also targeted possible forms of cross-border cooperation that could strengthen the competitiveness of these cities, and the overall Alps-Adriatic region in (Central) Europe.

Competitive advantages of Graz, Trieste, Ljubljana and Zagreb in the Alps–Adriatic region

International images and city functions

The important element of city's image is its international role. According to the survey, the perception of international image in Graz, Ljubljana, Trieste, Zagreb is rather "uniform", influenced by the process of market competition, globalisation and European integration.

Table 2: Perceptions of international images of cities in Alps-Adriatic region

GRAZ	TRIESTE	LJUBLJANA	ZAGREB
university and R&D centre	university and R&D centre	cultural centre	university and R&D centre
cultural centre	transport centre (sea port)	university and R&D centre	cultural centre
business centre	financial centre	sport and recreation centre	business centre
Congress centre	business centre	Congress centre	financial centre
industrial centre	cultural centre	business centre	industrial centre

Source: Pichler-Milanović, 2005.

Most policy and decision makers in surveyed cities responded that the important international functions of their cities are those defined as: university and research centre, business and financial centre and cultural or congress centre. In Graz they perceived the city as an important international automotive centre, while Trieste is perceived as an important transport centre (sea port). In Ljubljana experts stated that the culture is the most important international function. Surveyed cities are mainly perceived as important regional centres (Trieste, Graz), or national capitals (Ljubljana, Zagreb), but none of these cities were sufficiently internationalised at the beginning of the 21st century. Inadequate international recognition is somehow also a consequence of insufficient cross-border city cooperation conditioned by historical, political or institutional disputes between national or local administrations.

In Graz, Trieste, Ljubljana and Zagreb, the respondents stated that improvements of international image would have to be undertaken in the transport infrastructure, mainly concerning international transport links (highway, railway, airport) to improve accessibility to cities. Internationally oriented businesses and financial services would have to be promoted (congresses, fairs, and business services) together with cultural, tourist, sports and recreation facilities. Further improvement and international orientation of universities and research and development activities are also emphasised. Improvements of the quality of the built environment, especially revitalisation of city centres and upgrading of old housing estates are needed. All respondents stated that international role and city image have to be promoted and stimulated through cross-border, inter-regional and trans-national cooperation facilitated by (top down) EU projects and (bottom-up) local political support.

Table 3: International functions of cities needed improvements

GRAZ	TRIESTE	LJUBLJANA	ZAGREB
transport infrastructure	transport infrastructure	transport infrastructure	cultural, tourist, sport and recreation
business and financial services	business and financial services	international city-marketing	international city-marketing
cultural, tourist, sport and recreation	cultural, tourist, sport and recreation	business and financial services	business and financial services
university and R&D activities	university and R&D activities	cultural, touristic, sport and recreation	transport infrastructure
quality of natural environment	international city-marketing	quality of built environment	university and R&D activities

Source: Pichler-Milanović, 2005.

City-marketing attributes

Most respondents in surveyed cities stated that the most important city-marketing attributes are: quality of their universities and R&D activities, quality of the natural environment, personal safety, and cultural activities. The city specific marketing attributes are the following: quality of the built environment (Graz), quality of international schools (Trieste), natural and cultural heritage (Graz, Ljubljana) and the education level of the labour force (Zagreb).

In all four surveyed cities in the Alps–Adriatic region the respondents assessed that improvements would have to be made in the quality of the built environment (city centre, preservation of cultural heritage, architectural design), international transport connections and accessibility, public transport efficiency, quality of labour (education, training, foreign language skills), entrepreneurial culture, business services, and housing provision. Support by local politicians is essential, as well as an active role of the municipal authority, city management and spatial planning activities.

Table 4: City-marketing attributes

GRAZ	TRIESTE	LJUBLJANA	ZAGREB
quality of built environment	quality of natural environment	cultural activities	quality of natural environment
quality of university and R&D	quality of university and R&D	quality of natural environment	quality of university and R&D
quality of natural environment	quality of international schools	personal safety	qualified labour force
personal safety	personal safety	quality of university and R&D	personal safety
natural and cultural heritage	cultural activities	natural and cultural heritage	cultural activities

Source: Pichler-Milanović, 2005.

Based on perceptions of international image and city marketing attributes in surveyed cities it can be concluded that these cities have similar comparative (or competitive) advantages, as cultural, sports, recreation and tourist centres, university and R&D centres, preserved natural environment cultural heritage and social cohesion (i.e. low crime and unemployment rates, social and health security, etc.). Ljubljana and Zagreb also display another important city marketing attributes as the capital cities of new independent states, Slovenia and Croatia.

Trieste is an important seaport servicing Central European countries (together with neighbouring port of Koper in Slovenia), located close to the “global” city of Venice. Graz (together with Maribor) has a strategic position between four Central European capitals: Vienna, Budapest, Ljubljana and Zagreb.

International competitors of cities in the cross-border Alps-Adriatic region

European integration processes are simultaneously stimulating co-operation, links, networks, and competition between cities, thus fostering their international role, by marketing comparative advantages. Cities which are incapable of adapting to such circumstances, will undoubtedly, at least in the long run lose their present position and thus endanger further development. In this context policy and decision-makers in surveyed cities were asked which cities are the most important competitors of their own city, and the most important competitive strengths of their “rivals”.

Table 5: The most important city competitors

The most important city competitors							
GRAZ		TRIESTE		LJUBLJANA		ZAGREB	
	Rank		Rank		Rank		Rank
<i>Linz</i>	***	<i>Koper</i>	***	Zagreb	***	Budapest	***
Ljubljana	***	<i>Venice</i>	**	Graz	**	Ljubljana	***
<i>Maribor</i>	***	<i>Vienna</i>	**	Trieste	**	<u>Vienna</u>	**
<u>Vienna</u>	**	Ljubljana	**	Prague	**	Prague	*
		<i>Udine</i>	*	Budapest	*		
		<i>Genova</i>	*	<u>Vienna</u>	*		
Other city competitors							
<i>Salzburg</i>		<i>Graz</i>		<i>Salzburg</i>		Belgrade	
<i>Trieste</i>		<i>Treviso</i>		<i>Munchen</i>		<i>Graz</i>	
<i>Klagenfurt</i>		<i>Rijeka</i>		<i>Venice</i>		Frankfurt	
Innsbruck		Ancona		Bratislava		<i>Munchen</i>	
Stuttgart		Budapest		<i>Maribor</i>		<i>Maribor</i>	
<i>Zagreb</i>		<i>Gorizia</i>		Belgrade		<i>Trieste</i>	
<i>Villach</i>		<i>Pula</i>		Sarajevo		Sarajevo	
Geneva		Rotterdam		Tallinn		<i>Rijeka</i>	
<i>Munchen</i>		<i>Split</i>		Vilna			

**cities located in the Alps-Adriatic region are shown in italics; surveyed cities in bold, Vienna is underlined as mentioned in all four surveyed cities.*

Source: Pichler-Milanović, 2005.

Most important city competitor to Graz, Trieste, Ljubljana and Zagreb is – **Vienna**, the historical capital city of Central Europe, due to its size, historical status as the capital of the former Habsburg (Austro-Hungarian) monarchy, concentration of different (international) functions and activities (e.g. conferences, fairs, tourist attractions, business services, exhibitions etc.) and international transport connections (airport). In Graz the respondents perceived as important competitors the city of Linz, Ljubljana and Maribor. In Trieste, policy and decision makers emphasised the role of Koper, Venice, Ljubljana, Udine and Genoa as important city competitors. In Zagreb, the capital cities in Central Europe were seen as competitors - Budapest, Prague and Ljubljana. In Ljubljana the main city competitors are apparently near-by cross-border cities in the Alps-Adriatic region: Zagreb, Graz and Trieste,

mainly because of better business facilities and transport connections. The other city competitors of Ljubljana are Central European capital cities of Prague, Budapest and Vienna, because of their size, concentration of various activities, and successful city marketing strategies and international promotion.

Quality of life in Graz, Trieste, Ljubljana and Zagreb in the Alps–Adriatic region

Based on respondents perceptions concerning the quality of life in Graz, Ljubljana, Trieste, Zagreb, it can be confirmed that the urban development problems are common to all cities, especially related to traffic, quality of environment, delivery of services, and institutional constraints. They differ in scope, but certain problems are inherent only to particular cities. Poorly managed urban traffic, too many private cars and lack of parking spaces, insufficient international transport connections, pollution caused by traffic congestion, waste management, insufficient maintenance of buildings and public/green areas, insufficient supply and quality of services, inadequate public awareness, legislature, regulations, inefficient spatial management and planning system, inadequate support of local politicians, etc, were often mentioned as the most important problems in surveyed cities. In Ljubljana and Zagreb there are also additional problems, as a consequence of democratic, political, economic and institutional transition in 1990s (e.g. high property prices, inadequate housing provision, unemployment, lower purchasing power, institutional deficit, etc.).

Quality of residential areas

In Graz, Ljubljana, Trieste and Zagreb, respondents stated that the most important problem in residential areas was poorly managed traffic, seen as lack of parking spaces, traffic congestion, poor management of the transport system and inadequate public transport connections. The next problem pertains to the environment, namely noise (a consequence of traffic), lack or poor maintenance of open, green and recreation areas in the city (Trieste, Ljubljana, Zagreb) and waste disposal (unorganised collection, illegal disposal, inadequate water treatment plants) in Ljubljana and Zagreb. Social problems are also important in all cities, above all increasing social differentiation, ageing and diminishing number of younger people (Trieste), unemployment, lower income and higher costs of living (Zagreb). In Ljubljana, Trieste and Zagreb high costs of housing and inefficient maintenance of (older) buildings were also seen as problems. Housing shortage is a problem in Ljubljana and Zagreb, which is a consequence of reforms of housing provision system and privatisation of public rented housing in 1990s. In Ljubljana and Zagreb the respondents stated that infrastructure services were outdated and that particular residential areas lack recreation and sports facilities. They also mentioned institutional problems, such as inefficient municipal authority and inflexible spatial management and planning system (i.e. illegal buildings, urban sprawl, *post ante* legalisation, etc.).

Most of these problems with highest influence on the quality of residential areas were equally perceived by respondents in all surveyed cities; an exception was Zagreb, which was at the time of surveying still subject to economic constraints, affected by consequences of the war and economic sanctions from 1990s, hosting refugees and solving different social and institutional problems than other cities. Most of the proposed policy initiative suggestions for improvement of residential areas in Graz, Trieste, Ljubljana and Zagreb were related to traffic and accessibility, housing provision, maintenance and upgrading of residential areas.

Quality of urban services

Most respondents in Graz, Ljubljana, Trieste and Zagreb stated that the quality of urban services was conditioned by institutional problems, and general problems of urban services

such as: bureaucratisation and poor management of services, high costs of services, national monopolies in public services, lack of investments, inadequate provision of services in particular urban areas, and poor cooperation between service providers. Inadequate traffic management that causes daily congestions, lack of integrated transport system and deficiency of parking places are also mentioned. In Graz and Trieste the respondents stressed inefficient management and insufficient provision of services for the elderly (e.g. health care, home visits, elderly homes, etc.). In Ljubljana and Zagreb lack of services were mentioned, especially waste management, maintenance of public and open spaces in the city, and poor public awareness and information.

Respondents from Graz, Trieste, Ljubljana and Zagreb highlighted similar problems of urban services and activities (i.e. management, quality and lack of services, cooperation between different service providers, etc.). Policy initiative suggestions concerning these problems were targeted towards better implementation of legal instruments and actions, traffic and accessibility problems, and environmental protection measures (Ljubljana, Zagreb).

Quality of natural environment

The most important problems of environmental quality in surveyed cities were perceived as: air and water pollution, noise pollution, inadequate waste management and lack of public awareness. Pollution of air and noise is a consequence of urban traffic, water pollution is caused by suburbanisation and urban sprawl, old water supply system and inadequate sewage system. Poor traffic management is one of the most important problems concerning environmental quality in all surveyed cities, including the lack of parking spaces. In Ljubljana, Trieste and Zagreb most respondents mentioned poor quality of buildings in city centres and older housing estates (i.e. due to deferred maintenance), and urban sprawl. They stated that quality of the natural environment in cities is endangered by lack or insufficient maintenance of green and open spaces, pedestrian zones, sport grounds and children's playgrounds. In Zagreb the respondents also mentioned institutional problems, i.e. inadequate implementation of policies and lack of investments in services, legal obstacles and inefficient municipal authority.

Policy initiative suggestions were mostly directed towards implementation of measures concerning maintenance, better traffic management and traffic "calming" (for private cars) in certain areas of the city, introducing new technologies, adequate waste management, access to (environmental) investments, more green spaces, improving public awareness, public-private partnerships, and conditions for sustainable urban development.

Quality of business environment

Respondents in Graz, Ljubljana, Trieste and Zagreb mentioned institutional problems, above all inefficient municipal administration, inadequate support from local politicians, legal obstacles, and overpowering influence of the national government over local decision-making process, as most important problems of the business environment in their respective cities. The next often stated problem was linked to business culture in the city, i.e. international business links, lack of international business culture, inadequate foreign investments, lack of cooperation between economic sectors in the city, weak support for entrepreneurship. Traffic and accessibility were also mentioned, i.e. insufficient international transport connections, inefficient traffic management, followed by human resources, above all lack of (specialised) training courses and qualified work force, poor foreign language skills, and inconsistency in local economic policies. Respondents in Ljubljana, Trieste and Zagreb also stated high prices of property and land, insufficient provision of infrastructure and lack of business services. In Ljubljana respondents stated that the city is too small for larger business investments, but with a possibility for a flexible market

niche. In Zagreb the main problem was the overall economic constraints in Croatia, affected by a decade of international isolation, ethnic conflicts at the Balkans, and higher service costs for foreign investors. In Graz some respondents mentioned the lack of strategic urban development, above all inadequate internationalisation of the city. In Ljubljana, lack of international recognition and city marketing were mentioned, since they are important elements in acquisition of investments, strategic partners, offices and headquarters of foreign companies and international organisations.

Therefore, the main problems affecting quality of the business environment in Graz, Ljubljana, Trieste and Zagreb were inefficient local (municipal) authority and insufficient support by local politicians, inconsistency in local economic policy, lack of entrepreneurial culture and business services, insufficient international transport connections, and inflexible labour market. Policy initiative suggestions and activities were mostly directed towards ensuring multi-sector approaches and more active role of local authorities in solving the problems and implementing proposed measures, as well as ensuring conditions for the implementation of internationalisation strategies and competitive urban development programmes. Almost all these suggestions emphasise the need for stimulating cooperation between various economic sectors in the city, between local politicians and the business environment, improving international transport connections (highway, railway) and urban traffic, reducing administrative obstacles in business operation, stimulating foreign investment and entrepreneurial initiatives. In Ljubljana and Zagreb respondents stated that improvements are needed in provision of conference activities, telecommunications, municipal services, hotels, restaurants, property market services, more financial investments, and flexibility of the municipal authority, all of which are needed to implement strategies and development programmes for competitive post-socialist city.

Urban development projects and inter-urban strategies of Graz, Trieste, Ljubljana and Zagreb in the Alps–Adriatic region

Most respondents in Graz, Trieste and Zagreb and Ljubljana decided that the most important projects during the 1990s, that *improved the quality of life* in their cities were as follows: revitalisation of the city centre and old residential neighbourhoods, provision of new green, sports and recreation areas, new shopping centres, investment in education and R&D activities, cultural events, better transport infrastructure etc. These projects are important not only for improving the quality of life of local inhabitants, but also for improving the international image and city attractiveness.

The most important projects improving the *city competitiveness* at the international level were also targeted towards improving the »image of the city«, as preservation of the architectural heritage in city centres, new (or renovated) hotels, restaurants and shops, transport infrastructure (highway, airport), improved business, cultural and tourist facilities, and better scientific cooperation and networking (e.g. international projects, conferences, seminars etc.). Independence of Slovenia and Croatia in 1991 and the capital city status of Ljubljana and Zagreb were also mentioned as important factors for enhancing the international role of these two cities.

The goal of this urban development projects was to attract foreign visitors, investments from the national/regional budget and EU funds (e.g. programme URBAN in Graz and Trieste, PHARE and INTERREG cross-border programmes) and private sources, thus creating an added value and additional resources to couple local budget for implementation of urban projects. Most respondents in surveyed cities supported the continuation of these development projects, with emphasis or specialisation on:

- **cultural activities** – i.e. tourist attractions, further promotion of scientific cooperation, better transport connections;
- **local entrepreneurialship** (“market niche”) – i.e. Graz (automobile industry), Trieste (port and logistic activities), Zagreb (business centre for south-east Europe);
- **»internationalisation« of cities.**

The most frequently mentioned areas of (possible) inter-urban cooperation between Graz, Trieste, Ljubljana and Zagreb were economic activities (i.e. trade, foreign investments, joint ventures, partnerships, links with commercial chambers, joint actions on foreign markets etc.), scientific and research links (i.e. education programmes, courses, conferences, seminars, joint projects), cultural activities (thematic exhibitions, concerts, festivals), and better transport accessibility (highway, railway, airports). The active inter-city cooperation is lacking, as well as common policies, instruments, consultations, and harmonisation of spatial management and planning instruments at the cross-border level.

All respondents were convinced that more intensive cross-border co-operation between Graz, Ljubljana, Trieste and Zagreb, and with other cities and regions in Austria, Croatia, Hungary and Slovenia would have stimulated the competitiveness of these cities in (Central) Europe. Joined into an urban network these cities could become important actors not only in the Alps–Adriatic region, but also in an enlarged Europe. The most suitable policy initiative suggestions mentioned for improvement of the **inter-urban cooperation** that could strengthen the competitiveness of Graz, Ljubljana, Trieste and Zagreb in comparison to other Central European cities, or other urban networks in the EU, are the following:

- stimulating cross-border bilateral **cooperation** between neighbouring cities and regions (e.g. Trieste/Koper – Ljubljana/Zagreb – Graz/Maribor) and promoting multilateral connections and city cooperation with joint participation in the EU projects (INTERREG, FP, etc.) and city associations;
- **institutionalisation** of (new) cross-border »EU« regions (e.g. North Adriatic, Styria) and /or formal status of the Alps-Adriatic working community (region);
- **common vision and development strategies** for cross-border cities and regions, city networks, joint programmes and projects for economic development, infrastructure, education and research, culture, tourism, environment and spatial management activities;
- **city-marketing and promotion** of cities, and the cross-border Alps–Adriatic region located between »global« cities of Venice and Vienna.

Implementation of these **policy initiative suggestions** should be the task of local, regional and national authorities, supported with adequate budget resources, including funds from the EU, and the private sector.

Policy initiative suggestions for improving international city competitiveness and quality of life in cities

The above presented research results represent independent opinions of policy and decision-makers in years 2000-2001, and not officially accepted attitudes institutionalised in development strategies. This means that policy initiative suggestions are not binding and that an action programme for implementation of assessed potentials or comparative advantages could not be prepared straightforward, without the political consensus, including implementation measures, i.e. instruments, programmes, projects and financial resources. The results of this survey however, show an interesting overview of constraints, policy initiative suggestions and attitudes concerning city competitiveness and sustainability, and

possibilities for improved cross-border and inter-regional cooperation of cities in the Alps-Adriatic region.

According to the perception and opinion analysis of city competitiveness, images, development problems and projects, and potential cooperation areas between cities in the cross-border Alps–Adriatic region, it could be confirmed that Graz, Ljubljana, Trieste and Zagreb are currently competing with each other at the international level. These cities are important regional (Graz, Trieste) or national centres (Ljubljana, Zagreb), but they had not been inadequately internationalised until recently. Until 1991 none of the cities in the Alps–Adriatic region had the status of a capital city. After independence of Slovenia and Croatia, Ljubljana and Zagreb respectively obtained this function, which is also a comparative advantage vis-à-vis other cities in Alps-Adriatic region. Under the processes of globalisation and EU-isation these cities also feel the need for improving their international image, competitive strengths and city marketing strategies. The survey confirmed that most city competitors of Graz, Ljubljana, Trieste and Zagreb are located in Central Europe, in the Alps–Adriatic region.

Despite different national and regional development levels, Graz, Ljubljana, Trieste and Zagreb are cities with similar urban problems. Certain (specific) problems in Ljubljana and Zagreb, which are still undergoing transformation to a post-socialist city, became very clear from the results of the survey. Despite differences, suggested policy initiatives are very similar in all four surveyed cities that could be an important vision in support of potential »**common**« city-marketing strategies for improving the international competitiveness and role of this city network, and the Alps-Adriatic region in (Central) Europe.

The most important international competitive strength of Graz, Ljubljana, Trieste and Zagreb in Europe are the **quality of life** in these cities– i.e. manageable city size, preserved natural environment, cultural heritage, education and scientific programmes, qualified labour force, tourist attractions, conference activities etc. These are simultaneously competitive advantages of the whole Alps–Adriatic region. The advantages could gain in value with possible stimulation of the inter-urban cooperation, joint visions, projects, and common city marketing and spatial planning and development strategies for the region. International role of these cities have to be strengthened, cross-border regional and trans-national cooperation stimulated, thus attracting more foreign investment, tourists, headquarters and offices of international organisations. Active support from local (and national) politicians and the role of municipal authority in city management are equally important, including adequate and flexible spatial management and planning systems.

In all surveyed cities improved **internationalisation** is *sine qua non* of future urban development that could counteract capital cities in Central Europe as Vienna, Budapest, Prague, or regionally and functionally important centres as Munich, Milan, or Venice and Salzburg. Therefore Graz, Trieste, Ljubljana and Zagreb should participate in the formulation and enforcement of adequate joint development strategies with implementation of instruments at the inter-urban (“city-to-city”) as well as trans-regional level. Exchange of knowledge and experience is important mainly in solving »global« problems, such as environmental protection, provision of integral transport infrastructure, city revitalisation, democratic, transparent and efficient local (and regional) governance etc. For implementation of some of these initiatives financial resources can be obtained from the EU funds. Besides that a clear vision in each of these cities and a harmonised development strategy for the whole Alps-Adriatic region has to be devised, with a list of joint projects needed to achieve the set goals for strategic promotion of these cities and the Alps-Adriatic region in Europe, and world-wide. Joined into an »institutionalised« urban network, these cities can become important actors in the Alps–Adriatic region, as one of potential EU regions and »global integration zone« in Central Europe.

New urban development strategies: The »official view«?

Graz, Trieste, Ljubljana and Zagreb, as other cities in the Alps–Adriatic region are currently competing and not really cooperating with each other. As a response their local authorities have been formulating new urban development strategies for the 21st century. The main goal of these strategies is to improve international position and city competitiveness in European urban system, and in specific city networks.

The official city development strategies of Graz and Trieste include enhanced cross-border links and cooperation with cities and regions in South-east Europe. However, Trieste is run by political actors that are preventing more pro-active cooperation with cross-border cities in Slovenia and Croatia. In Ljubljana the city development strategy emphasises sustainable development, quality of life and competitiveness, but does not contain explicit strategies for international promotion of Ljubljana. Zagreb has a tendency to become important actor in South-east Europe, but the strategy lacks effective instruments of implementation. An interesting (common) feature is that all officially formulated strategic development goals in surveyed cities, without exception, emphasise comparative advantages concerning *“connectivity and connectability”*, as a value-added attribute of geo-strategic position of these cities in Central Europe. All cities are seen as “bridges”, either between the East and West, or North and South of Europe.

Hence, a comparative review of new urban development strategies in Graz, Trieste, Ljubljana and Zagreb emphasise certain key directions which could be important for improving city competitiveness and cooperation vis-à-vis other European cities in the future:

- improving the international **position and role** of cities within the (Central) European urban networks;
- improving **marketing** of cities competitive advantages;
- improving the **quality of life** in cities (i.e. housing, environment, infrastructure, services, employment, education) within the sustainable development paradigm applicable in all cities;
- implementation of *“flag-ship”* (city specific) urban development projects.

Table 6: New official urban development strategies

GRAZ	TRIESTE	LJUBLJANA	ZAGREB
International orientation			
-improve international role and inter-city cooperation (economy, culture, education); -improve international position and recognition in urban networks (culture, heritage, sustainable city);	-improve international role of the city (location of international organisations); -improve international recognition of the city (»porta franca«);	-improve formal inter-city cooperation with »partners« from Europe and world-wide; -establish links with capital cities in EU;	-enforce and improve (formal) inter-city cooperation with 13 »partner« cities in Europe and world-wide; -improve international recognition of the city (trade, tourism);
-make use of geo-strategic location (»bridge«) in Europe (consulting and	-establish the leading role at the cross points of Central Europe, and in Adriatic and Danube	-re-establish links with ex-YU (capital) cities and other capital cities in Central and Eastern	-establish leading position in urban networks in South-east Europe (fairs,

business services for firms and organisations from Central and Eastern Europe;	influence zones (trade, fairs, entrepreneurs);	Europe;	Congress tourism, etc.);
-improve links with the cross-border city of Maribor (»partner« city);	-improve links with Ljubljana and Zagreb (leading functions) and Koper-Rijeka (ports);	- internationalisation and city-marketing strategy of Ljubljana (specific functions and market niche) is not yet formulated;	-re-establish links with ex-YU capital cities (especially with Belgrade, and other CEE capital cities);

Strategic goals			
-»Vision 2000+« (attractive, intelligent, international city); -university, cultural, economic and tourist centre; »eco-city« (centre of environmentally-friendly technologies);	»Trieste – trade centre for trade class« (19th century slogan), improvement of port activities and city internationalisation; -university, port, financial, tourist centre;	-improve international competitiveness of Ljubljana; -improve conditions for business activities and entrepreneurship; -integral transport infrastructure; -information society; -social cohesion and accessibility to services; -improve living conditions; -diminish environmental pollution;	»Zagreb – European metropolis«; »Europeanisation« of city image (local economy, culture, public administration, services); -implementation of development vision and new strategies of sustainable development;
Urban development programmes and projects			
»European city of culture 2003«; »Eco-profit« (environment and tourism); -renewal of historic city centre (protection of cultural heritage and trade attractiveness); »Service card and »Business guide« (entrepreneurial cooperation).	»Old free zone« (revitalisation of old port and establishment of new economic and cultural functions); -transport centre (new motorways, parking spaces in the city); »Centro storico« (renewal of historic city centre); »Ater of Trieste« (continuation of internationally known programme of innovative social housing provision).	- improve business functions of the city (technology park, renewal of fair and trade sites); -integral transport (rail and bus station, city rail, parking, roads); -reinforce housing construction and revitalisation of the city centre); -improve waste disposal and management, sewage system; -maintenance of local parks; -improve cultural, sport and educational facilities.	»Zagreb – entrepreneurial metropolis« (fairs and trade centre, role in WTO); -promotion of »Zagreb style« (services, business facilities, products); -revitalisation of city centre, historic districts, new shopping centres; »Zagreb welcome card« (business cooperation).

Source: Pichler-Milanović, Hočevar, 2002.

Conclusion: The Way Forward

Because of the globalization, European enlargement and integration, geo-strategic, economic and institutional changes in Central and Eastern Europe, the position and role of European cities has also changed during the last decade. Graz, Trieste, Ljubljana and Zagreb are relatively small and more or less only centres of national or regional importance, in comparison to Vienna, Munich, Budapest or Prague which have already grown on the international ladder. Graz, Trieste, Ljubljana and Zagreb are members of numerous international and regional organisations and networks, but the effects from such co-operation and established links are substantially below expectations. In the past there were too many protocol and formal ties, and just few with real substance and long-term results. The prevailing practice of international and cross-border cooperation cannot ensure the translation of knowledge and experience from other cities. Some EU programmes and bilateral projects are accelerating cross-border city and regional cooperation, however often it remains in the initial (i.e. »project«) phase and is looking for political decisions to be taken at the national and local levels, for more concrete actions. Obviously active participation in specific networks or organisations is necessary which could be achieved only by political and professional consensus, with support of local inhabitants.

Therefore the cross-border cities in the Alps-Adriatic region essentially need to improve their city-to-city cooperation of various local institutions and actors, to update transport infrastructure, preservation of the natural and cultural heritage, provide better employment opportunities and business services, and to enhance social cohesion and environmental qualities. Interests of the public and private sectors at the local and cross-border levels have to be suitably integrated. Thus, development of a coherent joint multi- or inter-city strategic vision and development policy with establishment of urban networks could be achieved in the Alps-Adriatic region, operating as a promotion factor of city competitiveness in an enlarged Europe. Implementation of such a joint strategy would gradually also improve the quality of life of all citizens. Improving competitiveness with differentiated offer of international events is also important, because it implies a high quality business and living environment. New identity, international image and recognition of cities, including the institutionalisation of the cross-border Alps-Adriatic region (as a new »EU« meso-region) still have to be achieved by bringing to life strategic programmes and projects. Necessary steps in this direction are suggestions of policy and decision-makers from Graz, Trieste, Ljubljana and Zagreb for joint development strategies and actions, new (integrated) spatial planning instruments, and coherent territorial policy at the EU, national, regional and local level. City authorities are becoming "connecting actors" between the public and private sectors, (inter)national, regional and local institutions, inhabitants and other stakeholders in the city (or region). Improved cooperation between Graz, Trieste, Zagreb and Ljubljana within cross-border Alps-Adriatic region, and with other (Central) European cities, is a challenge and basic condition for stimulating city competitiveness, and international position of the Alps-Adriatic region in an enlarged Europe.

ENDNOTES:

ⁱⁱ The ESDP highlights the special role of cities, which could be undertaken by: Euro-corridors, global integration zones, gateway cities, urban clusters and individual urban poles, in support of a better territorial balance within the enlarged EU that will include a number of urban regions, small and medium size cities, a diversity of rural hinterlands, mountain regions, and islands.

ⁱⁱ The paper is based on the results of the research project »Competitiveness of Slovenian cities in Central Europe« and »Comparative advantages of Ljubljana in European integration processes« (1999–2003) financed by the Slovenian Ministry of Science and Technology and the City Municipality of Ljubljana. The survey answers (2000-2001) in Graz, Trieste, Ljubljana and Zagreb were provided by post, e-mail, telephone or face-to-face interviews. This paper was published as the book chapter in

Giffinger, R. (2005) *Competition between Cities in Central Europe: Opportunities and Risks of Cooperation*. Bratislava: Road.

ⁱⁱⁱ The main objective of INTERREG III (2000-2006) is to promote a harmonized and balanced development of the European territory where national borders would no longer be obstacles for alliances and development. The INTERREG III B programmes covers transnational cooperation in the field of spatial development that have been launched all over Europe through: e.g. Western Mediterranean, Alpine Space, Atlantic Area, CADSES, Northern Periphery and Archi-Med cooperation areas. ALPINE area covers parts of France, Italy and Germany and the entire territory of Austria, Slovenia, Switzerland and Liechtenstein. CADSES area covers Austria, Bosnia and Herzegovina, Croatia, the Czech Republic, part of Germany, Greece, Hungary, part of Italy, Macedonia, Moldavia, Poland, Romania, Slovakia, Slovenia, Serbia and Montenegro, and part of the Ukraine.

^{iv} During years 2000-2001 the questionnaire survey was sent to approximately 30 policy and decision-makers in each surveyed city (Graz, Trieste, Ljubljana, Zagreb) including city of Maribor and Coastal conurbation (Koper-Izola-Piran/Portorož) in Slovenia. Information was gathered from leading politicians, policy and decision-makers working in industry, retail, education, the media, culture, religious groups, voluntary and international organisations, national (public) and private sectors (see Pichler-Milanović, 2001; Pichler-Milanović and Hočevar, 2002).

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