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**Cross-border cooperation and
entrepreneurship: the role of
social capital**

**Prof Dr Raymond Saner & Prof
Dr Lichia Yiu
CSEND, Geneva**

Cross-border Cooperation can powerfully help create socio-economic development. This could be of particular significance in view of the new EU borders and the need to create stability and good neighbourhood adjacent to EU. Successful and mutually beneficial cross-border could help extend benefits due to EU enlargement to regions newly neighbouring the enlarged EU.

The literature on cross-border cooperation highlights the importance of social factors which relate closely to key aspects of social capital. Over the last decade, social capital has become a key concept in economic and social development reflection, but less so regarding its actual practices and application. Nevertheless, there is widespread consensus that the traditional composition of resources such as physical, financial and cultural capital has to be broadened to include social capital.

A few studies focus on trans-border regions like the Upper Rhine Valley or Lake of Constance region. However, the question which experts on regional development have not been able to answer relates to the social capital which is required to ensure sustainability of regional integration across national borders. Michael Porter, an internationally acknowledged expert of regional competitiveness and innovation, when describing factors leading to successful regional competitiveness states the following: "...while some knowledge is embedded in materials, components, products and machinery, other knowledge is embedded in human capital, part of which is tacit (1998, pp 447).

This paper's aim is to make explicit what remains tacit in regard to regional competitiveness within the context of transborder/regional cooperation and apply it to entrepreneurship as applicable to the economic, political and social spheres. In specific, this paper will identify the component parts that constitute social capital in transborder cooperation drawing on lessons learnt from the Upper Rhine Valley and demonstrate the importance of Social Capital for successful (sustainable) transborder/ regional integration within the European region and to support the process of European cross-border integration.



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