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Europeanization, territorial governance and the economic crisis: the changing cross-border dynamics of the social and solidarity-based economy in the Basque Country

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Résumé: Le territoire frontalier basque constitue un laboratoire pour la recomposition de la gouvernance territoriale et des registres alternatifs du lien économique. Cette communication revient sur l’observation de 26 projets transfrontaliers d’économie sociale et solidaire (ESS) dans des secteurs distincts (langue et culture basques, agro-écologie, pêche, médias, entrepreneuriat féminin, insertion, action sociale). La première hypothèse concerne les séquences historiques de ces formes de coopération « par le bas », qui ont largement anticipé sur l’institutionnalisation d’une politique publique transfrontalière. Ces acteurs sauront néanmoins se saisir des instruments de la coopération lorsque celle-ci s’institutionnalisera dans les années 1990. La crise de 2008 générera de nouvelles appropriations du transfrontalier, avec un tiédissement de l’enthousiasme autour de l’Europe des régions et le renforcement de formes hybrides de coopération entre ESS, acteurs publics et économie marchande. La deuxième hypothèse renvoie aux asymétries que les acteurs doivent surmonter pour aboutir à des réseaux transfrontaliers de gouvernance: asymétries institutionnelles entre niveaux de décentralisation, asymétries politiques entre des perceptions fonctionnelles et politisées de la coopération; asymétries organisationnelles entre des ESS de nature différentes; asymétries marchandes enfin, avec le risque d’une coopération instrumentale « dos-à-dos » d’abord motivée par l’accès à des fonds européens ou bilatéraux.

Europeanization, territorial governance and economic crisis: the new cross-border dynamics of the social and solidarity-based economy in the Basque Country.

Abstract: The Basque border area represents a test case for the transformations of territorial governance and the structuring of alternative economic spaces. This paper is based on the qualitative analysis of 26 cross-border projects related to the social and solidarity-based economy (SSE), in distinct sectors (Basque language and culture, agroecology, fishing, media, women entrepreneurship, social integration and social services). The first hypothesis relates to the historical sequences of this cooperation from below that anticipated the formal institutionalization of a cross-border cooperation policy. Civil society actors, nevertheless, were prompt to seize the new policy instruments of cross-border cooperation that emerged in the 1990s. The 2008 economic crisis generated new forms of cross-border governance: the initial enthusiasm for the Europe of the regions decreased, and hybrid interactions between SSE, policy makers and private businesses increased. Our second hypothesis relates to the asymmetries that the actors have to overcome in order to build effective cross-border governance networks: institutional asymmetries between different levels of decentralization, political asymmetries between functional and political perceptions of cross-border cooperation; organizational asymmetries between different SSEs; market asymmetries finally, with the risk of a “back-to-back” and instrumental cooperation only motivated by the access to EU-based or bilateral funding opportunities.
Using sub-national realities as a starting point for understanding the dynamics of Europeanization constitutes a methodological detour which is useful when describing how territories adapt to new regulations and new styles in public policy, as well as the diffusion of beliefs and norms initially defined at the European level (Radaelli 2003: 30). This territorial point of departure is indispensable for analysing the dynamics of cross-border and transnational cooperation, which constitutes one of the most tangible effects of European integration. Although a large number of works have addressed these relationships from the perspective of inter-institutional relations, few of these (Sanchez-Salgado 2007) have emphasized the role of civil societies and the Social and Solidarity Economy (SSE1) in configuring and operating these schemes. This viewpoint is even more indispensable in cross-border regions which are marked by a cultural identity transcending state frontiers. This cultural variable complicates the nature of cross-border relations and the uses made of European instruments, which consequently cannot be restricted to technical and depoliticized procedures (Malloy 2010; O’Dowd and McCall 2008). In that sense, the Basque border region, located between France and Spain, can be considered as a “borderscape”, in the sense given by McCall:

“Borderscapes are border landscapes displaying cultural and political complexity, contested discourses and meanings, struggles over inclusion and exclusion, and involve multiple actors (Rajaram and Grundy-Warr, 2008, pp. ix–x). However, borderscapes are also important landscapes for inter-cultural dialogue that advances conflict amelioration. Borderscapes signify the fact that these multifarious dynamics stray well beyond the borderline” (McCall 2013: p. 199)

This complexity comes into full play in the Basque border region. The task is thus to assess the involvement of the Third Sector and the social economy in the emergence of a cross-border network governance, in the sense of ‘public policy making and implementation through a web of relationships between government, business and civil society actors’ (Klijn and Skelcher 2007: 587) These governance networks are meant to go beyond corporatist-type institutionalized models of negotiations, allowing for processes of agenda-setting, devising and implementing public policies which are more flexible and more transparent. In this perspective, this paper will intend to address three sets of questions: (a) how does the participation of SSE actors contribute to the truly cross-border character of a cooperative effort going beyond direct ‘one-on-one’ and instrumental forms of cooperation? Does cooperation in this case take on a form which strengthens or transcends national borders (O’Dowd and McCall 2008)?; (a) what is the role played by (conflicting) territorial identities in fostering or impeding the engagement of SSE in cross-border cooperation (CBC)? (c) what is the role of market constraints in this cross-border activism: are the internal tensions specific to SSEs again visible here2? Did the 2008 economic crisis, particularly pronounced in Spain, constitute an opportunity or a constraint for alternative economic spaces such as those promoted by SSE organizations in their cross-border activities?

In order to address these questions, the paper draws on evidence gathered from 32 interviews conducted in 2013 among third sector cross-border experiences involved in CBC in the

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1 The terms Third Sector and social economy broadly refer here to ‘organizations producing goods and services which are not founded on the principle of maximizing profits’ (Laville, 2000: 4).

2 For Defourny and Nyssens (2006) there is an initial tension between those SSE companies which put the whole of their production onto the market and organizations whose activities have only a limited economic dimension and which are based on non-market resources. A further tension may emerge between organizations designed to satisfy the mutual interests of their members and organizations of general interest.
The selected 26 projects that were partly or totally funded by cross-border interregional and EU funds (17 projects funded between 2006 and 212 by bilateral agreements between Aquitaine-Euskadi, 7 by the Aquitaine-Navarre fund between 2007 et 2012, 6 which were eligible for FEDER-POCTEFA funds). All of them included at least one partner belonging to the third sector and social economy. Interviews were conducted on both sides of the border, however they were biased towards French Basque actors, given that this territory, with some exceptions (Jacob 1994; Ahedo 2008; Bray 2006), has been neglected so far by the literature on Basque mobilizations. The selection of cases tried to cover different sectors: language and culture, minority media, agriculture, health and social issues, job creation, environment and sustainable development, women’s rights, small industry and crafting, sustainable tourism. In addition, interviews were conducted with public institutions involved in CBC: Regional council of Aquitaine, Basque autonomous government, Government of Navarra, Aquitaine-Euskadi Euroregion, intermunicipal structure of Garazi-Baigorry, municipality of Banka.

Observation shows that no unambiguous, univocal set of principles and practices can be discerned. The plural nature of the SSE is patent, here as elsewhere. It is analyzed here in two stages. Firstly, these cross-border relations have quite recently developed at the edges of dynamic civil societies which have first broken new ground in cross-border relations, and have then become linked to a new public policy framework which has eventually become favourable to CBC (section 1). The current engagement of SSE organizations in cross-border relations is taking place under the influence of this legacy, with contrasting forms of operation. In particular, SSE actors involved in CBC need to overcome four asymmetries in order to constitute effective cross-border governance networks: institutional asymmetries between contrasting levels of decentralization; political asymmetries between functional vs. politicized framing of cooperation; organizational asymmetries between different SSE; market asymmetries finally, with the risk, reinforced by the 2008 crisis, of an instrumental “back-to-back” cooperation (section 2).

1. A proactive role for the SSE in cross-border relations

1.1. SSE and cross-border relations: a role as initiator

SSE organizations largely anticipated on policy-makers in matters of CBC. This was first due to their social embeddedness in their respective territories. The relative importance of the social economy in the Basque Autonomous Community (BAC or Euskadi) is well known. The Basque Observatory of the Social Economy (Observatorio vasco de la economía social, OVES) distinguishes between the traditional social economy, associated with cooperatives (employing 56,231 persons in 2010) and workforce-owned companies (sociedades laborales, 9,177 employees), and more recent forms. The social economy is marked by a strong presence in the industrial sector, although it is increasingly undergoing a process of tertiarization. This dominance by industry is in great part due to the Mondragón group of cooperatives (83,859 employees in 2010, 81,320 in 2014), though not exclusively so. The Basque social economy also takes the form of new types of multi-partner cooperatives associating public and private partners within the social sector (Enciso Santoclides 2004).

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4 OVES (Observatorio vasco de la economía social – Gizarte ekonomiako euskal behatokia), Informe de situación de la economía social vasca, GEZKI-EHU (San Sebastián, 2011): 19
For demographic and historical reasons, it remains to compare the French Basque Country (FBC) with its immediate neighbour. However, two dynamics, one associative and the other cooperative, have also marked the FBC at the regional level since the 1970s and have contributed towards instituting a specific “territorial regime” for SSE in this territory (Itçaina 2010). These development dynamics include producer cooperatives, micro-finance, fair trade, peasant agriculture, and since 2013, a local social currency (euskal moneta). In 2011, the FBC was the leading French territory as regards the presence of Local Clubs for Entrepreneurial Women (Club locaux des femmes qui entreprennent, CLEFE), and for the Soule district, Local Savings Committees for Young People (Comités locaux d’épargne pour les jeunes, CLEJ) (Brana et Jégourel 2011). All these experiences were put forward by a territorial social movement in favour of local economic development, with a notable, but not exclusive, participation of abertzale (Basque nationalists) activists.

However, not all SSE sectors are based on this territorial and highly politicized pattern. Social Integration through Economic Activity (SIEA), in particular, is based on distinct developmental practices and governance models. In his comparative study of the SIEA sector in the Basque Autonomous Community and in the French Basque Country, Manterola (2013) has evidenced two distinct regional models. The Autonomous Basque Community has a concentrated institutional model based on competition and exposed to market fluctuations. In contrast, the French Basque Country’s model is decentralised and largely depends on the public authorities, who demand greater market involvement. The impact of the market, whether chosen or imposed, undermines the economic viability and social aims of these enterprises.

Be they of distinct nature and scale, some SSE actors in the Basque Country initiated contacts between operators on both sides of the border, beginning in the 1970s. At this time, the objective was to avoid depending on public policy, which during this period was somewhat hesitant, but to 'transcend' the border by constructing a cross-border territory in bottom-up fashion. A shared cultural identity constituted the essential basis for cross-border initiatives. These dynamics were particularly visible in two sectors. For Basque language and culture, the end of the Franco dictatorship allowed the movement to be structured on a basis that was at once associative, cooperative and public, within provincial and regional (Autonomous community) institutions. On the French side of the border, the first ikastola (Basque language schools) emerged in 1969, in the form of associations. With the Spanish transition to democracy, a large number of movements were organized on a cross-border basis. However, very quickly these structures came up against the institutional asymmetry between the two sides of the border, especially following the institution of Autonomous Communities in Spain in 1980. In Spain, the Basque language was granted official status both in the BAC and in Navarre; in contrast, it still has no official status on the French side of the border. Most importantly here, the forms of organization which the cross-border movement adopted during this period are based on values very close to those of the SSE: ikastolas south of the border were for the most part set up as cooperatives, and cultural and linguistic associations have proliferated.

The cross-border dimension of the SSE has been just as marked in the producer cooperatives sector. The workers’ cooperative movement (SCOP, Sociétés coopératives de production) that arose after 1975 in the FBC was directly inspired by the Spanish Basque Mondragón experience. This was more than just a theoretical reference-point: several future creators of SCOPs were trained at Mondragón, and training support was accompanied by financial and logistical support. For many Spanish Basque nationalists, supporting the French Basque cooperative movement constituted a way to help what they perceived as a politically and
economically deprived territory. In 1982 the French Basque movement set up the Lana association, attempting to include cooperatives on the Mondragón model, with the ambition of industrializing the interior of the region on the model of the valleys of Guipuzcoa. This cross-border influx was essential during this first, definitely activist phase of the cooperative movement in the FBC.

1.2. A new institutional framework favourable to CBC

In the 1970s, civil society was ahead of institutional CBC, at that time in its faltering initial stages. The stabilization of the democratic regime in Spain and that country's accession to the European Community in 1986 were to slowly modify this state of affairs. European integration was a factor favouring CBC in Basque areas, which at this time took two very different, not to say opposed, forms (Letamendia 1997). On the one hand, inter-state cooperation over border controls was strengthened by European anti-terrorist and immigration policy. At the same time, European integration helped establish a framework of cooperation favourable to interventions by regional and local authorities, this framework having been hitherto exclusively reserved for States (Harguindeguy and Hayward 2012).

From 1983, the French Aquitaine region and the Spanish BAC were among the nine border regions which founded the Pyrenean Labour Community (Communauté de Travail des Pyrénées/Comunidad de Trabajo de los Pirineos - CTP). Spain's entry to the Common Market saw a proliferation of institutional cooperation schemes. Cooperation between the BAC and Aquitaine developed after 1989, a period which coincided with the reform of structural funding and the impetus given to regional policy by the Single European Act. To the identity-based cooperation of social networks was now added institutional cooperation, stimulated in particular by European funding from INTERREG programmes after 1990. In the Basque Country, INTERREG funding took over from existing collaborations between local authorities. The BAC and Aquitaine added to the numerous structures in existence by setting up a common intervention fund for research, development and training. Navarre joined this fund in 1992, before withdrawing in 2000 because of political tensions with the Basque government. In consequence, Aquitaine maintained separate protocols with Euskadi, Navarre and Aragon.

Among other experiences, the Bayonne-San Sebastian Eurocity established cooperation in planning matters between the two urban areas. The Bidasoa-Txingudi Eurodistrict (established in 1992) followed by the Bidasoa-Txingudi consorcio (created in 1998) brought together the French town of Hendaye and the Spanish town of Fuenterrabia and Irun in one inter-municipal organizational structure. The consorcio became an exemplary success story for Pyrenean cooperation (Harguindeguy 2007). The Treaty of Bayonne, signed by France and Spain in 1995, strengthened the legal framework for cooperation by granting more room for manoeuvre to local authorities. Small-scale experiences of local cooperation between Navarrese and French Basque border municipalities and valleys flourished. Finally, the Aquitaine-Euskadi Euroregion, inaugurated by the (then both socialists) regional presidents Alain Rouset and Patxi Lopez on 12 December 2011, in the form of a European Grouping for Territorial Cooperation, represents a new stage in setting up a framework for CBC, this

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5 A first agreement between the Diputación Foral of Guipuzcoa and the Bayonne-Anglet-Biarritz conurbation was signed on 18 January 1993. A permanent Agency for cross-border cooperation was set up in 1997 as an European Economic Interest Group.

time at inter-regional level. The General Council of the Pyrénées-Atlantiques department and the Regional Government of Navarre also re-launched their cooperation agreement in April 2012.

As a result, the institutionalization of CBC as a policy matter presents three characteristics at its present stage. On the one hand, far from being monopolized by abertzale (Basque nationalist) parties, cross-border policies are promoted by heterogeneous coalitions of actors who have instrumental and/or identity-related visions of the border. Secondly, the institutionalization process in the FBC has had a positive effect on the consolidation of CBC. Finally, the partial Europeanization of public policy (in the sense of the uses made of European schemes for cooperation) has not necessarily entailed an Europeanization of norms and values, even within the border territory properly speaking (Bray 2004). It was thus in this new context of a public policy framework favourable to cross-border initiatives that SSE actors were to undertake their initiatives.

1.3. A potential relation between CBC and conflict amelioration

This pragmatic stance towards CBC developed by the institutions had to deal with the identity issue in the Basque border region. The decrease of political violence after ETA’s definitive ceasefire in 2010, cross-border relationships were framed by some actors of the political conflict – essentially from the abertzale side – as potentially contributing to the agenda of conflict transformation. The promotion by abertzales from both sides of new peace forums on the French side (such as Bake bidean, along the road to peace) testifies this will. Thus, still from an abertzale framing, the engagement of socio-economic actors in CBC was seen as contributing to conflict amelioration through the engagement of the “grassroots” in peace building.

Obviously, and apart from the very specific peace movements, Northern and Southern Basque grassroots and third sector actors engaged consistently in CBC in their respective sectors without aiming directly at contributing to the “peace process”. Some looked for functional purposes of economic cooperation, while others gave a more political orientation to their action. For abertzale activists however, reinforcing cross-border relations constituted a further step towards the unity of the Basque people. Small projects, even if depoliticized when applying to institutional cross-border schemes, were framed as contributing to the nation-building process (“eraikuntza nazionala”). Notwithstanding the unavoidable rival interpretations, the increase of CBC since the 1990s had an indirect effect on the normalization of cross-border relations, through processes and mechanisms of knowledge diffusion and mutual learning (Radaelli 1999), overcoming institutional asymmetries, thus having an indirect but positive impact on conflict amelioration. In that sense, we would join Bray and Keating’s (2013) careful conclusion on the potential interactions between peace process and cross-border relations:

“As the peace process evolves, the projection of the Basque community across the border could be one element that will reconcile the conflicting French/Spanish and

7 In addition to conflict resolution and transformation, McCall proposes conflict amelioration as an intermediate concept: “it is now generally accepted by peace-building theorists that the engagement of the ‘grassroots’ is an essential component of a peace-building endeavour. This is particularly the case in border conflicts where borderlanders are, more often than not, on the periphery of the state and geopolitically remote from the central government. Accordingly, conflict amelioration, as used here, attempts to capture a peace-building effort wherein political violence has largely abated, competing ethno-nationalist political elites have entered into an agreement on governance and, crucially, local borderland ‘grassroots’ communities have been engaged in an ongoing peace-building effort.” (McCall 2013: 206)
Basque nationalist conceptions of political community. The Basque community, however, will remain a work in progress, interpreted differently by various actors on either side of the border.” (Bray and Keating 2013: 151).

The potential relation between bilateral and EU-sponsored CBC and conflict amelioration should be read following such a low-key approach. In an instructive comparison between the role of EU in the conflict resolution in Cyprus, Northern Ireland and the Basque Country, Bourne (2003) locates CBC as one of the four possible scenarios about the conflict-resolving potential of the EU. The 3rd scenario is most relevant to the focus of this paper and to the “conflict amelioration” perspective. The EU may stimulate the resolution of conflicts through what Bourne calls “subversion”: “In a process that mirrors the classic ‘community method’ of EU co-operation, parties to a conflict may be encouraged to co-operate with each other or make conciliatory moves as part of their compliance with the technical requirements of EU membership or as a consequence of functional objectives [our emphasis] otherwise unrelated to the politics of conflict” (Bourne 2003: 400). In the Basque case, European integration encouraged conciliatory moves on the part of the Spanish and French central governments that incidentally could satisfy certain Basque cultural and political aspirations. In the context of the single market programme’s emphasis on the removal of physical borders between member states, “French and Spanish governments overcame some of their reluctance to support more extensive cross-border collaboration.” (Ibid: 402). EU funds supported different programmes, including some with a clear cultural content, such as Basque language programming. Perhaps more importantly, Bourne adds, “market integration in the EU has helped justify the need for more permanent institutionalized co-operation among these authorities” (ibid.: 403). Without any doubt, the progressive consolidation of an institutional cooperation framework between infra-national territorial authorities since the 1980s testified this trend.

As mentioned earlier, the progressive building of this institutional cooperation framework had ambivalent effect on conflict amelioration. On the one hand, facilitating CBC “provided some important symbolic and material gains for Basque nationalists” (Bourne 2003: 403) by symbolically unifying the 7 provinces. The Spanish government also reinforced this politicized reading when it opened a legal action against the Basque autonomous government concerning its competences in CBC after the Treaty of Bayonne (Bourne 2003: 404). As observed by Letamendia (1997), the development of CBC also contributed, by spreading the Southern model of political autonomy, to pressure French authorities to institutionalize partly the French Basque country.

In other terms, this 3rd scenario was probably the most developed aspect of the European implication in the Basque conflict. It illustrated as well the gap between the initial aims of this EU-driven policy and the moves of meaning, if not the change of policy paradigm, during the phase of implementation. Bray and Keating (2013:144-145) shed light on the multiple understandings of the EU CBC policy in the Basque case. On the one hand, there was a gap between the initial aims of CBC as promoted by a European Commission stressing economic and functional considerations, thus downplaying the cultural and political elements, and its implementation by those Basque activists aiming at consolidating their pre-existing (Basque) national networks. But the reverse was true as well, given the functional use of EU CBC schemes by territorial actors. In this second sense, “the idea that European subsidiarity provides minorities in control of their own region with new opportunities to explore constituting cross-border political communities with their co-nationals needs to be qualified,

8 The four scenarios are the “stick catalyst effect”, the “carrots”, “subversion”, “post-modernist” (Bourne 2003).
since power relations are conditioned by state controls to varying extents” (Bray and Keating 2013: 145) and since, we would add, many of the local actors did not establish any connection between their CBC project and any Basque nation-building process. This process, that Bray and Keating categorize as “localism” gave effective results in the practical making of CBC networks: “Practical work at the very local level on specific projects also follows the logic of localism, of personal and partisan networks, and of micro-politics rather than grand visions of nation building. This is because on the local level actors can manage to achieve concrete results” (Bray and Keating 2013: 147)

Bourne foresees a fourth and “post-modernist” scenario: European integration, as a manifestation of broader processes of globalization, may transform and ‘moderate’ national identities. According to the post-modernists’ argument: “the reconfiguration of borders and other key features of ‘modern’ political order as part of the processes of European integration and globalization opens up new possibilities for less antagonistic forms of identification” (405). Some observers considered some developments of a “post-modernisation” of identities as post-sovereignist positions (Bray and Keating, 2013: 407). The Ibarretxe plan, as put forward by the then President of the Basque Autonomous Community in 2002, consisted in the commitment to a model of co-sovereignty, freely and voluntarily shared, an including a reference to the reinforcement of CBC. But this post-modernist approach did not help eliminate or de-emphasize differences and thereby reduce the grounds for conflict. The Ibarretxe plan, in particular, was depicted as being a very sovereignist one by its opponents.

As a whole, Bourne concludes that if the EU has become part of the landscape of conflict in the Basque Country, Northern Ireland and Cyprus, there is very little clear evidence that the EU has had a significant role in the resolution of conflict in these regions. As observed by McCall in the Irish and in other European contexts, there is, here also, “some disjuncture between the theoretical advocacy of ‘peace-building from below’ and difficulties in developing practical ways of engaging people at the grassroots in conflict amelioration activities” (McCall 2013: 206). This would be even more the case in the Basque case given the absence of political agreement including state authorities.

Given these lexical ambiguities, we prefer to assess the role of the third sector in the emergence of cross-border governance networks, that might indirectly impact on conflict amelioration. These governance networks are meant to go beyond corporatist-type institutionalized models of negotiations, allowing for processes of agenda-setting, devising and implementing public policies which are more flexible and more transparent (Klijn and Skelcher 2007). Therefore, how does the participation of SSE actors contribute to the truly cross-border character of a cooperative effort going beyond instrumental cooperation, and which is the role played by territorial identity in this process? In section 2, we will now try to address these questions through our case-study.

2. Pragmatic or identity-based cooperation? Cross-border cooperation and conflict amelioration

This section intends to give some empirical substance to the previous consideration by analyzing the main results of the qualitative survey we conducted among Third sector organizations actors and political institutions involved in CBC.

2.1. Persistent asymmetries as potential obstacles to CBC
In a previous survey conducted in the early years of institutional CBC (Itçaina et al. 1997), we had observed that CBC in the Basque country had to overcome the political and institutional asymmetries that still marked the differences between the North and the South of the border. More recent observations (Itçaina and Manterola 2013) and the series of interviews we are referring to here confirm that, more than 15 years later, these asymmetries are still present, despite a consolidation of a more favorable institutional framework for CBC.

**Institutional asymmetries** are still reflected in the budgetary gaps between the Aquitaine Region and the BAC, which has a budget ten times greater (Letamendia, 1997: 37) not to mention the Chartered Community of Navarre. However, this difference did not prevent all regions to invest equivalent sums in their bilateral agreements. A most relevant problem came from the difference between the extensive fiscal powers of the Basque and Navarrese autonomies and provincial Deputations and those of the French Regions and departmental General Councils. Finally, the centrality of the Prefect as the representative of the French state on the Northern part had not any real equivalence on the Spanish Basque side.

At a political level, the perception of cross-border cooperation by political elites on both sides of the border has often been marked by different forms of representation in the border territories. The Aquitaine region has been governed since 1986 by executives of both right and left which have had a functional (related to transports, infrastructures, economic cooperation) and not identity-based, perception of cooperation. To the south of the border, the BAC was controlled between 1980 and 2009 by the Basque Nationalist Party (PNV), either alone or in coalition, which at this period saw cross-border cooperation, as it did with the Basque diaspora (Totoricagüena 2005) an opportunity to strengthen ties between Basques while disregarding the level of the state (Ithurralde 2002; Bourne 2008). The Navarrese government represented a third configuration, with conservative or socialist regionalist majorities which favoured a functional approach to cooperation, carefully distancing themselves from the discourse of the Euskadi government. As a consequence of the Lizarra-Garazi sovereignist process that followed the ceasefire of ETA in 1998-9, Navarra withdrew from the trilateral cooperation agreement with Euskadi and Aquitaine in 2000, and kept on maintaining separate agreements with Aquitaine on a bilateral basis. In the same way, Navarra did not join the Aquitaine-Euskadi Euroregion that was set up in 2011.

This configuration, which held sway during the 1990s, needs to be nuanced in the 2010’s. On the one hand, and in a similar way to other minority nationalist parties in Europe (Elias 2008) the Euro-enthusiasm of the Basque government has gradually given way - even before the change of government in 2009 - to a form of Euro-pragmatism in response to the stagnation evidenced by the Europe of Regions. The PNV strategy long consisted of using the EU to make the role of nation-states redundant (Letamendia 1997: 37). But nationalists quickly realized that the EU could be used for exactly contrary strategic aims, especially by the Spanish state and other Autonomous Communities, which would shift disputes about the Basque tax regime to the European level (Bourne 2008).

Until the mid-1990s, the lack of territorial institutions in the French Basque Country served as a brake on the effective development of cross-border cooperation at the level of the Basque Country as a whole. This situation changed in the 1990s with the institution on the French side of the Basque Country Development Council (Conseil de développement du Pays Basque), the Council of Elected Representatives for the Basque Country (Conseil des élus du Pays basque), and the Basque Cultural Institute (Institut Culturel basque). In 1997, the French
Basque country was recognized as a “pays”, in the sense given by the 1995 law\textsuperscript{9}. These institutions are seen as compromises between nationalists, civil society and public authorities which are partly intended to compensate for the refusal by the State to create a new department (Letamendia 1997). In France, the Basque experience was seen as a commendable example of rationalized local development, and was one of the inspirations behind a generalization of territorial policy for local areas (“pays” policy). The joint expertise of the Basque Country Development Council and the Council of Elected Representatives led to the signing by local and regional authorities and the state of two territorial contracts which covered all sectors. Cross-border cooperation thus figured among the three priorities announced by the Development Council in the Basque 2020 prospective consultation exercise, along with territorial reciprocity (between the coastal zone and the interior) and sustainable development.

Alongside these general institutional and political asymmetries, our 2013 research revealed that social economy actors had to overcome two other specific asymmetries, a structural one and a conjunctural one.

The first one was an organizational asymmetry between Northern and Southern social economies. The TESS\textsuperscript{10} project, itself funded by the FEDER-POCTEFA program, issued a diagnostic revealing the very different nature of the social economies in the three regions: if industrial cooperativism remained strong in Euskadi, agrarian cooperatives were prominent in Navarra, while social economy would be more concentrated on services and SMEs in the French basque country and Aquitaine as a whole. Size matters: the small-scale cooperatives of the French Basque Country and of Aquitaine as a whole could be hardly compared to the cooperative giant of Mondragon in the south, to which should be added those cooperatives not belonging to the Mondragon corporation\textsuperscript{11}. Legal status and fiscal conditions also generated differences: a same activity could be undertaken by a cooperative in the South, and by an association in the North. On specific areas such as the fishing sector, the Spanish Basque cofradías, as medieval institutions ruling the economic and social aspects of the corporation (Hess 2009), had no real counterpart on the French Basque side. On the other hand, the French legal and tax system was more favourable than the Southern one as regards the small-scale social economy experiences such as micro-finance (Clef, Cleje, Herrikoa) or small workers cooperatives. In the cultural sector, the French state interventionism gave birth to the status of publicly-funded intermittent artists (intermittents du spectacle), which had no equivalent on the Spanish side. Globally speaking, however, mutual perceptions from social economy actors from both sides of the border were constantly marked by the asymmetry of size between Third sector organizations, as expressed by this French Basque activist working on a cross-border cooperative project for job creation by women:

\textsuperscript{9} Neither an administrative level nor a territorial collectivity, the “pays” (as defined by the 1995 Loi d’Orientation pour l’Aménagement et le Développement du Territoire or “Pasqua law” completed by the 1999 Loi d’Orientation de l’Aménagement Durable du Territoire or “Voynet” law), is a territory presenting a geographical, cultural and economic coherence, where municipalities elaborate a common project of development. The pays can generate development contracts with the State, the Region and other substate authorities.

\textsuperscript{10} Réseau transfrontalier de l’économie sociale et solidaire.

“We took part in meetings with Southern women, aged 55-60. They all said that this was impossible. A workers’ cooperative has to be constituted by 50 people. Not by two of them. It’s something collective. And we told them that a cooperative can be founded by two persons. Here [in France], it’s possible. Values are important. Numbers do not matter. Of course, it’s better to be many. But you can start with two people, and then you see.”

A fourth and more recent conjunctural asymmetry emerged with the 2008 global economic crisis, that has hit Spain particularly badly. The crisis initiated a starting reversed market asymmetry between the North and the South of the Basque Country. If Euskadi was far less hit by the crisis than any other Spanish region, however its consequences were harder than on the Aquitaine side. In 2012, unemployment was as high as 14,9% in Euskadi (25% in Spain) and 10% for Aquitaine (10,3% in France) (Bihartean-Eurorégion 2014: 7). The crisis generated new fragilities in the South for both the most market-oriented sectors (economic difficulties of the Fagor-Mondragon industrial cooperative) and for sectors depending on public resources. In 2013, the Navarrese government decided not to issue its cross-border call for projects with Aquitaine, given the rarefaction of its own resources. The crisis had a spillover effect by undermining the public institutions themselves, thus revising CBC as a policy-priority.

The scarcity of resources had a double and contradictory effect. On the one hand, the crisis generated an inward-looking evolution of many Third sector organizations that had to secure their own survival before launching new partnerships. Conversely, and beyond an apparent paradox, the crisis also prompted some Southern actors to turn to cross-border projects in order, precisely, to access bilateral or European funds to compensate for the decline of their own resources. Northern actors saw Southern actors coming to them in order to build some sort of instrumental partnership. This was the case of this cooperative local television from the Lower Navarre, that was called upon by local televisions from the Guipuzcoa:

“Now they don’t have enough money to work. As a consequence, they come up to us because they see that there are means in France and in Europe. So now they are coming up to us, but it’s because they need it.”

In this case, an initially identity-based CBC, motivated by a shared cultural project and the common use of euskera (Basque language), was associated with an instrumental partnership. It also gave more leverage to the Northern actor, unlike the usual situation when the French basque partner used to be the weak link of the partnership.

2.2. Contrasted styles of implementation

Despite these persistent asymmetries, the process of institutionalization of CBC by SSE actors was a consistent one, with, at least, three distinct styles of motivations and implementations.

**CBC as an instrument for nation-building**

In a first configuration, fundings coming from the institutional CBC schemes (whether they are interregional or EU ones) came to reinforce and to complement pre-existent CBC networks. This was particularly true for those networks clearly oriented towards a Basque
Nation-building process. As said before, the nation-building-oriented CBC had historically anticipated the institutional cooperation schemes by establishing consolidated cross-border networks in different sectors since the 1970s. Over the years, those alternative networks developed a new ability to use the new institutional schemes in order to consolidate their partnership. The federation of the French and Spanish Basque ikastola (Basque immersive schools) founded in 2009 a European Cooperative Society with that goal in mind. The Society for Basque Studies (Eusko Ikaskuntza), itself structured on a cross-border basis, but with different legal status (recognized as a public interest body in the South, as an association in the North) also used regularly CBC schemes to develop cross-border cultural projects. Basque-speaking associative radios from Navarra and the French Basque Country also used these funds, as had done before the cross-border radio station Antxeta irratia in the Txingudi border zone.

Again, all these experiences oriented towards nation-building had to overcome two difficulties. The first was the recurring problem of institutional equivalence. When, in the late 2000s, the French Basque association for local development Hemen (here) wanted to launch a cross-border job exchange system they were faced with the refusal of the Spanish public employment service (INEM), which wanted to cooperate with its institutional counterpart in France (Pôle emploi), and not with an association such as Hemen. The second difficulty, less expressly, concerned the risk on some sort of “Basque Jacobinism”, even in the abertzale milieu, where CBC was frequently biased towards a concentration of decision-making and management power in the South.

**Sector-based CBC, with a reference to a shared Basque identity**

For a second category of CBC projects, it was not necessarily Basque national identity, but rather a shared Basque cultural and territorial identity which was present as one of the motivation for cooperation, without constituting the core of a cooperation above all based on sector-based goals. This was true in particular for those CBC projects related to social movements such as women movements, small farmers’ movements, environmentalist movements aiming at building or reinforcing cross-border networks on specific issues. For these projects, the shared Basque identity intersected with sector-based interests. To this end, a cross-border association between organic farmers from the French Basque country, Euskadi and Navarra (EHKOlektiboa) was founded in 2014. The aim of this association consists in creating a cross-border organic labelling, that would be a “private, but collective” brand. For BLE, the French Basque association promoting the project:

“The members are the farmers. Farmers coming from the whole Basque Country. But our goal is not the Basque Country as a herri (people), it’s not the Basque Country for the Basque Country. There is, however, a national vision. But our philosophy consists in saying that most of the people are positive about identifying themselves or joining a labelling that would cover the whole Basque Country. I identify myself. This territory (lurralde) has a cultural reality, and they all agree on this.”

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15 BLE: Biharko lurraelen elkartea: association for the land/earth of tomorrow.
16 The Basque herri, like the Spanish pueblo, is polysemic and, according to the context, can be translated by: people, country, village, nation.
17 Interview BLE, 2013, translated from Basque.
Similarly, the French Basque women association *Emazteek diote*\(^{18}\) initiated its relation with its Southern counterparts in 1998-9, during the period of the Lizarra-Garazi pact, when the truce of ETA created a favorable atmosphere for sovereignist and cross-border projects. Even if not motivated by Basque identity but centred on women’s issues, the CBC initiated by feminists benefitted from this climate directly related to the political process.

Functional and non identity-based CBC

For a third category of projects, CBC was based on new partnerships between actors who did not necessarily know each other before the project, and who did not base their cooperation on the reference to a shared Basque identity. This absence of identity-based common grounds did not prevent these projects from having effective results in terms of network governance. This was the case in particular for two projects related to the cultural and industrial heritage, one associating municipalities and valleys from the Lower and High Navarre (on the iron mines of Banca), the other associating associations from the coastal French Basque labourd and from Guipuzcoa on the maritime heritage. This category would also include projects with more functional aims. A CBC project on migrants’ integration associated a French partner (the AIFRISS association) whose promoter described himself as being “very jacobine” (interview) and reluctant towards the Spanish Autonomic territorial organization. Meanwhile, this association had developed over the years consistent skills in attracting European funds for cross-border and transnational projects. However, cases of instrumental and “back-to-back” cooperation also emerged, thus reproducing the “deadweight effect” dreaded by the institutional promoters of CBC. Finally, some specific sectors of social economy, such as the Social integration through Economic Activity, very different territorial institutional structures and markets prevented, to date, from the institutionalization of any consistent CBC (Itçaina and Manterola 2013; Manterola 2013).

2.3. Politicizing vs depoliticizing CBC: fitting with the institutional expectations

Evaluating the “success” or “failure” of CBC depends strongly on which were the initial goals of the cooperation. When referring to the Basque case, Bray and Keating observe that:

“Cross border cooperation has thus been successful in some ways but not in others. The verdict depends on what we are talking about: the romantic unification of people without frontiers, the unification of the ‘Basques’, institutional unification, or the pragmatic solving of social and health services, transport infrastructure, or taxation. However it can well be argued that one cannot be effectively carried out without the other.” (Bray and Keating 203: 148)

Our empirical fieldwork fully confirms this plurality of interpretation. There might be a gap between the declared objectives of some cross-border cultural movements (contribute to Basque nation-building) and the declared policy objectives of CBC (increase functional cooperation for socio-economical aims). This plurality is even more obvious when it comes to the impact of CBC on conflict amelioration. If not stated explicitly, we might hypothetize that policy-makers also see CBC as contributing to a general appeasement of social relations in the Basque country, precisely disconnecting CBC from cultural and political identities. This functional reading could be seen as an effort of depoliticization of CBC by public institutions, in the sense given by Jullien and Smith (2008):

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\(^{18}\) Women’s voice.
‘Often also called ‘technicization’, depoliticization is a type of political work which downplays values in favour of arguments based upon ‘expertise’ and ‘efficiency’.’ (Jullien and Smith 2008: 21)\(^{19}\)

However, it would be oversimplifying to oppose a depoliticized CBC led by policy-makers and a politicized use of CBC by social movements. The institutionalization of CBC had an impact on identity-related social movements which, in order to use the new windows of opportunities, had to depoliticize and technicize their own discourse in order to make it acceptable in the institutional process. More precisely, they had to fit their discourse to the priorities expressed by the Euroregion, which were patterned around EU priorities: social and territorial cohesion, energy transition, school dropout, mobility. They also had to fit with the Euroregion’s global goal consisting in overcoming its role as a mere financial resource for cross-border projects:

“The Euroregion has not been established to manage the Aquitaine/Euskadi call for projects. It was created in order to elaborate a strategy of mobilization, of ‘capture’, as the Spaniards say, of European funds.”\(^{20}\)

Both Regions wanted clearly to avoid the “subscribers” applying every year to the bilateral CBC schemes, and prompted the applicants to “change gear” and to apply to other, notably EU FEDER-kind funds. This generated particular financial (cash advance and co-funding) and procedural difficulties for small and fragile Third sector organizations lacking organizational and financial capacities. Consequently, some of the former beneficiaries of bilateral funds saw a contradiction between the institutional will of consolidated and everlasting cross-border partnerships, and the interruption of bilateral funds after some years in order to prioritize newcomers in CBC.

For their part, those third sector organizations based on Basque identity and nation-building process frequently applied double standards. On the one hand, they tried to fit with the institutional requisites in order to gain access to CBC institutional schemes. If these attempts failed, they could still mobilize the alternative network of CBC related to the “Basque social movements industry” (Casquete 2006). This was the case when the ELB farmers’ union decided to found in 2005 an alternative Chamber of agriculture in the French Basque Country (EHLG: Euskal Herriko Laborantza Ganbara, Chamber of agriculture of the Basque Country). Confronted with the hostility and a legal action undertaken by the state and by the majority union (Itçaina 2011), EHLG had no choice but to turn to the cross-border Basque social movements in order to secure alternative resources. The support of a foundation linked to a Southern Basque nationalist union (ELA), the Manu Robles Fundazioa, was decisive to acquire the facilities of EHLG, as well as the support of the Udalbilza cross-border association of local councillors. In 2006, EHLG also passed an agreement with Itsasmendiokoia, a public agency for rural development related to the Basque Government. Similarly, and in a less publicized style, the above-mentioned cross-border association of organic farmers EHKO applied to bilateral interregional funds, but the project were rejected because – in their view - the Aquitaine region was implementing its own label for organic food. By default, promoters of EHKO turned to Udalbiltza as an alternative resource. There was a strategic ability and an ideological flexibility from the part of local actors to play with the institutional and the alternative resources in order to move their projects forward.

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\(^{19}\) By contrast, “Politicization occurs when actors explicitly employ values either to transform the meaning of an issue or in order to transfer its treatment to another site of negotiation” (Ibid: 21).

\(^{20}\) Interview, Eurorégion Aquitaine-Euskadi, Hendaye, 2013.
Finally and as a side effect, the institutionalization of CBC also generated new and unexpected competitions between third sector organizations struggling to gain access to public resources. This was the case for French and Spanish Basque associations struggling for the takeover of public funds concerning the memory of the Basque fishing in the Newfoundland. This competition could be based on both economic and ideological reasons. In the educational field, the three French Basque education networks for the teaching of euskera (associative immersive schools ikastola, public bilingual schools Ikas-bi/Biga bai; Catholic private bilingual schools Euskal Haziak) cooperated when claiming more institutional recognition from part of the French state, but competed with each other to access the available funds coming from the South, especially from the Basque autonomous government (Harguindeguy and Itçaina, 2012). In that respect, the starting institutionalization of a Basque linguistic policy in the French Basque Country had an unexpected effect. The Public Office for Basque language (OPLB-EEP), created in 2005, included representatives from the Spanish Basque government – alongside representatives of the French state and local authorities - in its board, and aimed at channeling, rationalizing and, from the state’s perspective, controlling the resources coming from the South. This generated a controversy over the redistribution of these monies between the three educational networks, which had until then maintained bilateral access to the Southern institutions. These controversies were, in a sense, a good illustration of the effectiveness of the starting institutionalization of the French Basque area, going beyond a mere “cosmetic decentralization” (Mansvelt Beck, 2005).

Conclusions

The involvement of Basque SSE actors in CBC has followed two tracks: an institutional track aiming at establishing a stable framework for a functional and sector-based CBC, and an alternative track reinforcing the Basque nation-building process through cross-border social movements. By focusing on Third sector organizations involved in CBC, we found that both of these tracks were used alternatively or even simultaneously by several civil society organizations, according to ideological factors but also to more contingent and pragmatic ones. SSE organizations developed new skills in order to consolidate their own resources and to overcome the four (institutional, political, organizational, market) asymmetries we identified between both sides of the border. Even if these relations did not impact directly on the peace process itself, the intensification of cross-border relations, in any case, led to a better mutual knowledge between both sides of the border, to a revision of the stereotypes, and to a focus on shared practical issues. In the end, this rise of CBC, even if unstable and multi-dimensional, certainly contributed indirectly to the normalization of cross-border relations and, as a consequence, to a silent and sustainable process of conflict amelioration.

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