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**THE TWIN CITY MODEL IN THE PYRENEES TERRITORY: ANDORRA AND  
ALT URGELL BORDER REGION.**

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**ABSTRACT**

The new Europe of 25 countries still has different boundary spots inside like Switzerland with special agreements. One of these cases is the *Principat d'Andorra* in the Pyrenees, between France and Spain. Since the 1960's decade this mountainous country of 465 sq. km has grown from 6,000 to more than 70,000 inhabitants in 2005 taking advantage of commercial and financial opportunities in relation to French and Spanish states but also to the European Union laws.

At the beginning of the 21st century different policies from the government of Andorra have tried to diversify economic activities, to bring under control urban growth and developing territorial links with *Alt Urgell* a Catalan county of 22,000 inhabitants close to the southern boundary. There are human, goods, services and capital movements in both directions and public and private transport is very important. Because of that is possible to say that a twin city system is in process to be implemented. Our research group has completed a study which has elaborated primary data results on different type of relations in this city system.

The first wave of migration into Andorra was from Catalonia after the Spanish Civil War and from *Alt Urgell* and surroundings (1960-80) promoting important links between families. Many of them now have Andorran nationality. After the 1980 was there an important Spanish and Portuguese migration with an actual population of Andorrans 38%, Catalans 22%, Spaniards 17%, Portuguese 10%, French 6% and others 7%. The official language is Catalan and the currency is the euro. The number of visitors in Andorra was more than 13 million people in 2005 with important winter resorts. The Government of Andorra, recently, has taken the important decision to strengthen relations with the European Union, adapting several laws, even with a risk of reducing financial and commercial advantages.

In this paper we explain a model of reciprocal networks to be set up between economies and citizens of both, Andorra and *Alt Urgell*, territories. Mainly, there are flows in both directions, in relation to labour force mobility, goods and services purchase and direct economic investment. There are also plans to increase efficient transport networks and to make agreements related to environmental management. Andorra has more population and economic and financial initiatives whereas *Alt Urgell* has more urban and agrarian land available but also cultural and specific retail trade to give satisfaction to the whole population of twin city system. On top of that, the special governance of Andorra gives an important role to *Alt Urgell*. The *Bishop of Urgell* is at the same time the *co-Prince of Andorra*, together with the French President, and the seat of both religious and political positions are in the *Seu d'Urgell*.

## SUMMARY

1. A twin city in a very rural mountainous area.
2. Some broadly geographical features.
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4. An accelerated economic process: from subsistence to glocal.
5. Consolidation of a border economic territory: a flow network structure.
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### 1. A twin city in a very rural mountainous area.

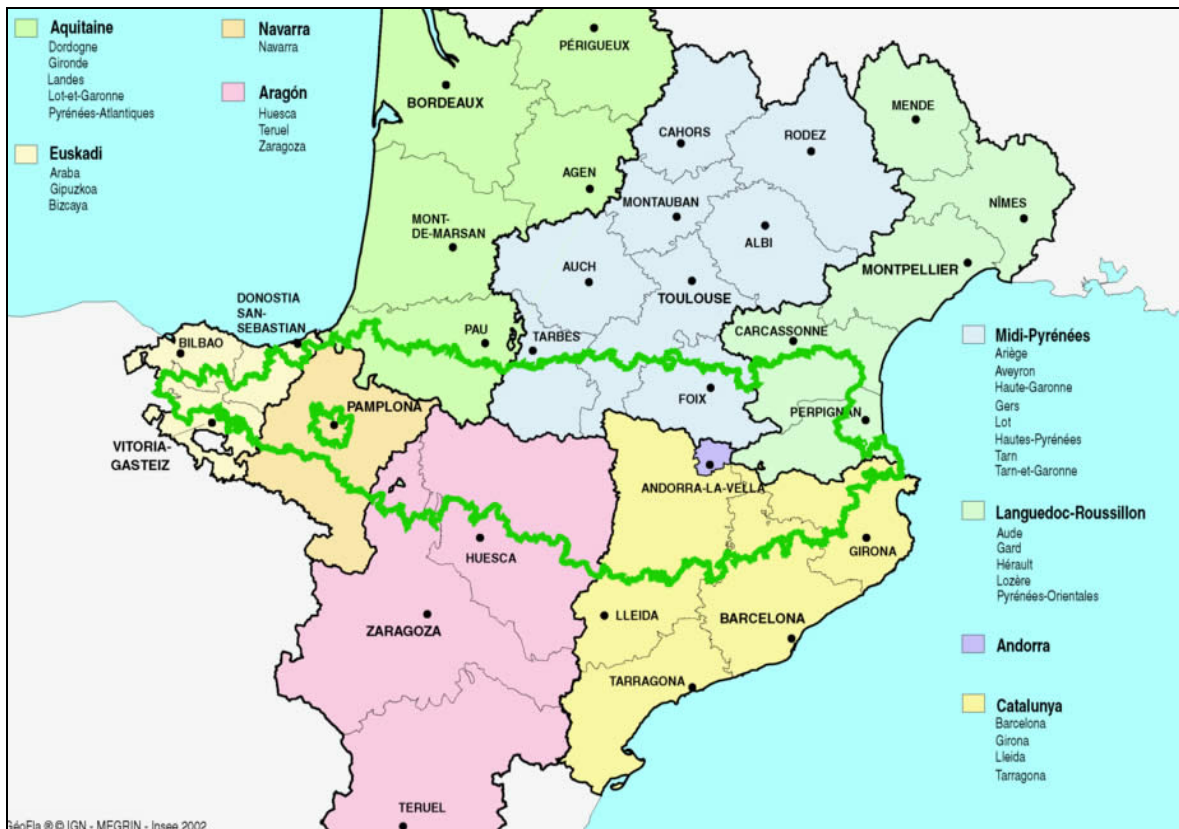
In this paper we explain a model of reciprocal networks to be set up between economies and citizens of both, Andorra and *Alt Urgell*, territories. Mainly, there are flows in both directions, in relation to labour force mobility, goods and services purchase and direct economic investment. Nevertheless, these flows are different in each direction. Andorran capital and savings are invested in the Catalan side mainly in land, properties and firms when in the other way are chiefly saving banks of people and firms and remuneration of service firms. There are also other flows like salaries to people who life in the Catalan side and work in Andorra or commercial spending of Andorran people in the other side. To strengthen those links there are plans to increase efficient transport networks and to make agreements related to environmental management (Pallares-Blanch et alii, 2005).

Andorra has more population and economic and financial initiatives whereas *Alt Urgell* has more urban and agrarian land available but also cultural, including education, and specific retail trade to give satisfaction to the whole population of twin city system. On top of that, the special governance of Andorra gives an important role to *Alt Urgell*. The *Bishop of Urgell* is at the same time the *co-Princep of Andorra (State President)*, together with the French President, and the seat of both, religious and political locations, are in the *Seu d'Urgell* (Bricall et alii, 2001).

This border economy case is important because it is located in a very mountainous area, with a stable political situation of nearly eight hundred years, where European growth from 1960's has helped to develop a twin city model (Beaujeu-Garnier, 1963). The characteristics of each side of the border area are different and because of that relations of diverse nature, complementary but also with a multiply activity effect exist (Tulla, 1997). Coming back to Hartshorne theory of twin city district, the centres of both areas are functional independent but "*certain of the most striking cultural features of the one city are not found in the other*" (Hartshorne, 1932). This model is at the same time a result of a methodological analysis and a cultural and humanistic reality (Campbell, 1994). H.Clout (1975) and D. Burtenshaw (1976) present similar situations in the Franco-Belgian and Saar-Lorraine borders.

Andorra and Catalonia are members of the association of European Border Regions (AEBR) organized in the Pyrenees Working Commission (CTP) with other three regions of the Spanish state and three of the French state (see figure 1). There are four working groups dealing with infrastructures and transport systems, technological development, cultural matters and sustainable development. An executive member of each region occupies the presidency of the CTP for two years. The four working groups are also run by executive of other different regions. In practice is a lobby to defend their objectives (Muñoz, 1995).

**Figure 1: Comunitat de Treball dels Pirineus.**



Source: COMUNITAT DE TREBALL DELS PIRINEUS (<http://www.ctp.org>) (2006).

## **2. Some broadly geographical features.**

The *Principat d'Andorra* is an independent country of 464 sq. Km. and 70,000 inhabitants in 2005 (Sanguin, 1973). It's a mountainous region mainly in the upper basin of Valira River, a tributary of Segre and Ebro rivers in the Mediterranean side of the Pyrenees. The highest peak, *Coma Pedrosa*, has 2,946 m. and the lowest point in the Spanish southern entrance of the country has 840 m. The Envalira Pass (2,400 m.) is on the way to France. Recently has been built a tunnel at 1,900 m. height. There is a small area of Andorra in the Atlantic side of the Pyrenees (Pas de la Casa, 2,091 m.) where the French border is located. The whole region is located in the main Pyrenees axis, between Spain in the South and France in the north, with hercinian and alpin folding. Landscape and Climate give good conditions for winter resorts but also for summer tourism.

There are three different areas following the river courses structure, similar to a "Y". Flat land or moderated slope fields at the bottom of valleys is about 20 % of the territory. The southern area, close to Spain, concentrates most of the population and service activities. It's a river shaped basin and has most of the useful land. The northeast area, glacier shaped basin, is on the way to France and offers retail trade and winter resorts mainly to French costumers. The northwest area, also a glacier shaped basin, has several ski resorts and presents some of the most beautiful landscapes.

**Table 1: Total population of Andorra, main nationalities.**

Year	inhabitants	Andorran	Spanish	French	Portuguese	Others
1832	3.900	-	-	-	-	-
1900	5.231	-	-	-	-	-
1930	4.142	-	-	-	-	-
1950	6.176	42,90%	54,40%	2,30%	0,10%	0,30%
1960	8.392	33,30%	62,20%	3,60%	0,50%	0,40%
1970	19.545	30,30%	61,30%	5,50%	1,60%	1,30%
1980	35.460	27,20%	58,30%	6,40%	3,40%	4,70%
1990	54.507	28,60%	49,70%	7,60%	7,20%	6,90%
1995	63.859	30,80%	45,10%	6,70%	10,80%	6,60%
2000	67.844	33,20%	42,90%	6,70%	10,70%	6,50%
2005	72.320	37,90%	38,80%	6,50%	10,00%	6,80%

Source: BRICALL, J.M. (1975); and *Ministeri de Justícia i Interior d'Andorra*.

Population has grown very fast in the last forty years (see table 1) and it is distributed among 7 parishes. *Andorra la Vella*, *Les Escaldes-Engordany* and *Sant Julià de Lòria*, with 70 % of the total 70,000 inhabitants in 2005, occupy the southern area with 120 sq. Km. *Encamp* and *Canillo* with 20 % of the population and 194 sq. Km. fits with the northeast area. *La Massana* and *Ordino* with 10 % of the population and 150 sq. Km. correspond to northwest area. . This distribution provides an urban connection with neighbourhood area in the Spanish border.

Population history shows an evolution from a long stagnation period until 1950 and a very fast growth period (1950-1995) multiplying by ten the initial population. During the last ten years it is still growing but in a moderate way. This is also the period of more Andorran owned houses in the neighbourhood Catalan area. If we look to main nationalities of Andorran population (table 1) from 1950, only a third have Andorran nationality with some variations according to migration flows and government laws. Spanish origin was more than 60 %, mainly from neighbourhood area until 1980's but when it started decreasing, Portuguese and other origins increased together with a policy of giving Andorran nationality to long stance residents. The French group is stable at 5 to 7 %. On top of that, there are more than 2,000 border worker commuters and an average of 40,000 daily visitors.

The *Seu d'Urgell* and surrounding municipalities cover an area of a 547 sq. Km with 15,000 inhabitants. This is a flat land area about 150 sq. Km where the rivers Segre, in a rift valley orientated east-west, and Valira, going north-south, join. The whole area is situated between the Pyrenees axis ( Monturull, 2,704 m. and Salòria, 2,789 m.) of granite and metamorphic materials and Pre-Pyrenees ranges of limestone with peaks up to 2,500 m. height.

All routes join at the *Seu d'Urgell*, mainly in the north from Andorra and France, in the east from France and Barcelona through *Cadi Tunnel*, and in the south from Barcelona, Lleida and whole Spain. There are other several minor roads to neighbourhood counties. Because of that is a historical market town with functional services and industrial location. It is the main urban centre of an administrative region called "High Pyrenees and Aran" about 5,800 sq. Km and 70,000 inhabitants (table 2). It is important to see that we have a very populated area in Andorra with similar number of functions than La Seu d'Urgell which has only a fifth of inhabitants. One is orientated to tourism and retail trade for foreign visitors and the other serves this administrative region previously quoted, but also some needs of Andorra.

**Table 2: Total population of Catalan Study area.**

Year	High Pyrenees and Aran(1)	Alt Urgell	Neighbourhood boundary area (2)	la Seu d'Urgell
1887	85.290	21.597	14.212	3.545
1900	74.131	19.083	12.697	3.520
1930	75.756	20.933	14.267	4.584
1950	76.376	22.134	15.001	7.062
1960	72.168	21.058	14.755	7.773
1970	67.450	19.874	14.251	9.404
1981	61.402	19.335	13.052	10.190
1991	59.382	19.010	13.211	10.374
1995	61.067	19.006	13.779	10.630
2001	62.632	19.105	14.407	10.887
2005	70.470	20.936	14.885	11.906

<b>Surface(km<sup>2</sup>)</b>	5.775,60	1.447,50	549,3	15,4
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<sup>(1)</sup> Counties of High Pyrenees and Aran are: Alt Urgell, Alta Ribagorça, Cerdanya, Pallars Jussà, Pallars Sobirà and Val d'Aran.

<sup>(2)</sup> Municipalities of neighbourhood area are: Alas-Cercs, Estamariu, la Seu d'Urgell, Montferres-Castellbó, Ribera d'Urgellet and Valls de Valira.

Source: IGLESIES (1961), INE and IDESCAT (1950-2001).

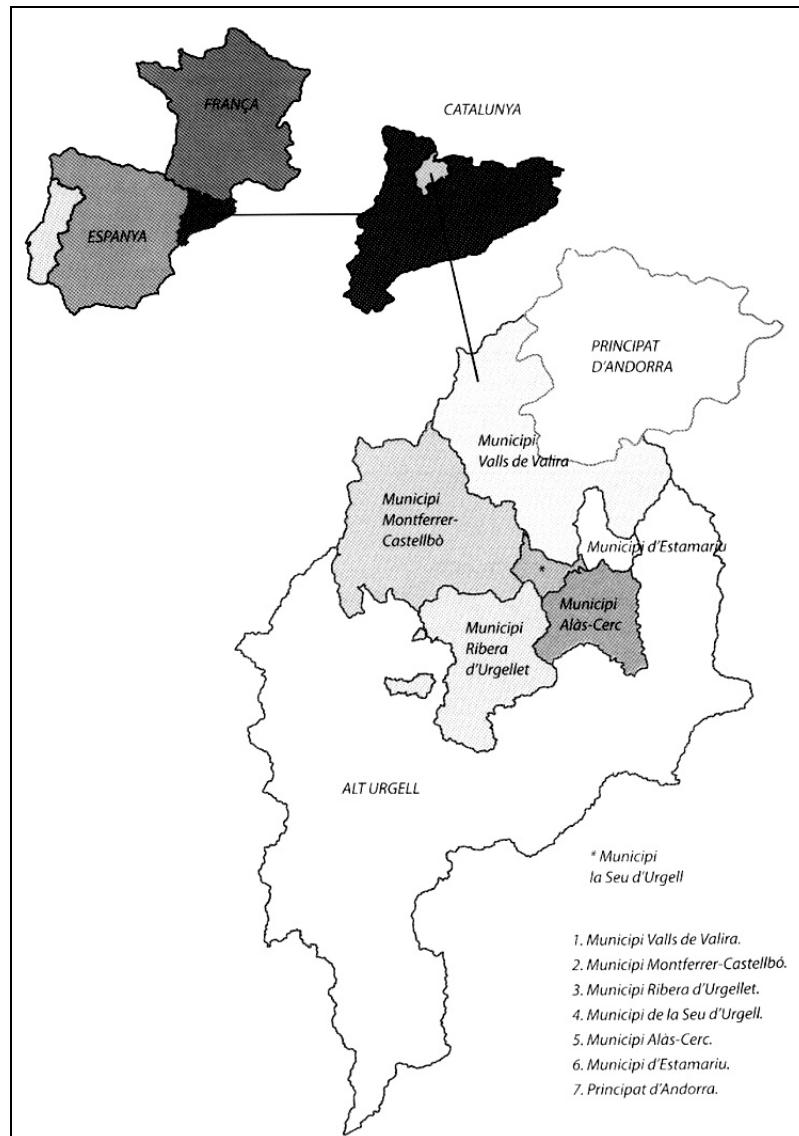
The *Urgellet Area* has an economic structure based in agrarian activities and their industrial processes, mainly dairy factories, urban functional services and diverse types of tourism including second homes. Recently, there are high-tec industries and services taking advantage of an attractive landscape, but also synergies of this twin city *La Seu d'Urgell-Andorra*. It used to be a pattern of scattered settlement like in Andorra but now is concentrated around the market town and at the bottom of main valleys. In comparison with Andorra, new tourist housing has not spread through all countryside and mountains.

### **3. Main Historical and political characteristics.**

In the early 9<sup>th</sup> Century diverse counties in southern Pyrenees were created by the Franc Kings to prevent Arab conquest of France. One of them was the County of Urgell with the market town of *La Seu d'Urgell* as a seat of the count but also with a Lombard Cathedral as a seat of the bishop. This county includes Andorra. In the 13<sup>th</sup> Century a noble (*Vescompte de Cabó i Castellbó*) being under the County of Urgell gave to his daughter Andorran Valleys as a dowry. The husband was the Count of Foix, title that in time belongs to the King of France. At the same time the Bishop of Urgell had feudal rights to Andorra. An agreement was reached after several conflicts in 1278. The Bishop of Urgell and the Count of Foix were recognizes as “*co-princeps*” of the Andorran Valleys with the same feudal rights. The population of Andorra had to give a half contribution to each “*co-princeps*” but in practice had more freedom than other valleys because they had two lords. They create a Parliament and other home institutions, in each parish and for the whole valleys. Since the French revolution there have been new laws but in practice nothing has changed until 20<sup>th</sup>

Century. The Head of the French State and the Bishop of Urgell have been acting as co-presidents of the country, meeting one time a year at least (Pou Serradell, 1986).

**Figure 2: Neighbourhood councils in the Catalan border Area.**



Source: POU SERRADELL (2005).

It is important to say that Andorrans accepted by referendum a new Constitution Act in 1993 with permission of the two “*co-princeps*”. The official language is Catalan and to have Andorran nationality it is necessary to learn this language and some cultural and historical facts. The country was accepted in the U.N. and main decisions correspond to the Primer Minister and their Government. There are elections every four years and step by step Andorra has accepted international agreements. At the beginning of the 20<sup>th</sup> Century agreements have been signed with French and Spanish States related to trade and taxes. Before that, in 1990, an agreement was signed with the European Community giving to Andorra a status of economic relations as a third country. In 2001 a new agreement has been obtained with the European Union related to have funds for collaboration in environment, inheritance and cultural matters. In change, Andorra has accepted to increase taxes on tobacco, alcohol, petrol and other goods but also to increase smuggling control. Another

important action has been to give information on bank deposits of physical persons to European countries. In 2001, also, Euro has been accepted as official currency of the country. In future, Andorra wishes to move to a more structured economy less dependent on foreign trade because at present 95% of GDP is related to that.

The *Alt Urgell* County has the same historical origin than Andorra, both areas being a part of Catalonia, independent country since early 9<sup>th</sup> Century. Two centuries later was created a monarchy based in a confederation of Catalonia, Aragon, Valencia and Balearic Islands, and afterwards of Sardinia, Sicily and Napolitan countries. At the end of 15<sup>th</sup> Century king Fernando of Aragon married Isabel, Queen of Castilians, maintaining each country their own laws, budgets and rights. At the beginning of 18<sup>th</sup> Century there was a dynastic war where Catalans supported Austrians and Castilians supported Bourbons. The last ones won and Catalonia lost its independence. In the 20<sup>th</sup> Century, existed a political and economic autonomic body in the 1920's (*Mancomunitat de Catalunya*) and during the 2nd Spanish Republic (1930's). In 1976 was recognized again this autonomic status and improved in 2006.

In relation to the administrative organization of Catalonia there are 41 counties and seven regions, one of them "The High Pyrenees and Aran". This allows each region to apply planning, to organize public investments and services. La Seu d'Urgell is the main centre of this region, with most of central functions, including the seat of Bishop who is also "co-president" of Andorra. The geographical proximity of the Bishop to Andorra facilitates integration between both areas, Andorra and Alt Urgell. The palace of Presidents of Andorra is located in *la Seu d'Urgell* and the House of Andorran Government in *Andorra la Vella*. It could be seen this situation as a humanistic image of the twin city model.

#### **4. An accelerated economic process: from subsistence to glocal.**

Andorra has been a relatively poor country until 1960's and because of that the existence of boundaries was not really important. Nevertheless, there are three main processes to explain the beginning of change (Bricall et alii, 1975):

- a) War periods (first, 1914-18, and second, 1939-45, world wars and also Spanish Civil War, 1936-39) have been important to open the country to more international relations and to receive foreign population and capitals.
- b) New investments to produce electricity power from a lake-river system in 1930's to provide energy to some factories of tobacco and starting tourism.
- c) To complete road infrastructures connecting La Seu d'Urgell in 1913 and France in 1929.

Main activities were subsistence agriculture, livestock and natural resources until mid-20<sup>th</sup> Century. Population migrated mainly to industrial areas of Catalonia and France and only the first son or daughter of each household inheritance the farm. Other activities are related to tourism, some industries processing natural products and services. It is a common agrarian mountainous area with some taxing advantages. In this sense there have been important French and Spanish agreements for foreign trade and services like education or posting. Nevertheless, stagnation of population until 1950 indicates the predominance of agrarian activities (Chapeau, 1986).

Alt Urgell county was in a similar situation than Andorra but agrarian activities were more productive and trade with close counties was important. At the beginning of the 20<sup>th</sup> Century there has been an important change after vineyards disappearance because of the filoxera epidemic. Grass field and dairy cows with dairy factories were introduced to replace them in the *Seu d'Urgell*, collecting milk from different counties including Andorra. Nearly all farms have been specialized on dairy cows since 1986 when E.C. has promoted cattle in mountainous regions. At present it is still very important, either milk factories of cheese and butter and slaughterhouses in *la Seu d'Urgell* (Tulla, 1994). Personal and administrative services have always been important together with some textile and natural processing industries. Some tourism, mainly related to spa resorts or summer holidays, has been also notable.

There are some facts which may characterize transformation to a modern, economic and social, reality:

- a) A continuous migration process to industrial areas of Catalonia. At the beginning rural families used to have many members and some of them decided to find a job in the city. After that some of the poorer farms have closed and finally only important farms with good irrigated land continue.
- b) Road system was extending from the last years of 19<sup>th</sup> Century to 1930's giving more opportunities to travel and trading. There is a process of specialization and preparing the area for a more massive tourism.
- c) *La Seu d'Urgell* grows as an important market town with a number of functions equal to second level centres in Catalonia. People working on these jobs have generated more service and housing activities.
- d) To increase the level of open economy has promoted important changes in activity and land use structures.

In the period 1900-60 were initiated, some economic and social links between Andorra and the neighbourhood area in Catalonia which are the base for further integration today.

### **5. Consolidation of a border economic territory: a flow structure.**

Andorran population has been growing since 1950 to today (table 1) when in the Catalan side of the Pyrenees has been declining until 1990 and after that starts to recover (table 2). It is possible to say that Andorran economy is near to be saturated when the neighbourhood area increments activity, partly because of twin cities synergies. In both cases, diverse kinds of tourism are the main economic engine multiplying building and trade activities.

Main economic sectors in Andorra are related to tourism, winter resorts, accommodation, transport, a large variety of shops, building activity and so on. Nearly 14 millions people have visited the country in 2005, but it is important to distinguish between visitors of a day (commuters and a day retail trade buyers) and tourists (who stay several days). Visitors are mainly Catalans and some French people when tourists are from other nationalities and a similar number of Spanish and French from urban and far away areas (see table 3). J.M. Bricall and collaborators have presented in 1975 an Andorran economic model where Trade and hotelier sectors induce activity to other sectors. These are basically building, transport and energy. Agriculture and livestock together industry are independent of this interaction



and they still exist because other reasons like to produce tobacco to be able to import foreign tobacco or preserving grass fields to have cattle as a tourist commercial product to identify Andorra.

Twenty five years later, Bricall (2001) directed another research to show that this model is still valid. Looking to occupied population, in 1972 were 63% in services when is 80% in 1998. Building sector has decline from 20% to 16%, but with more absolute number of workers. Primary sector nearly has disappeared passing from 8% to 1%. Industry has changed from 9% to 4% of active population. Among services it is important to point out the growing role of financial sector, either as a refuge of foreign capital and giving loans to firms and households. It is accepted as a new induces activity in the model. The weakness of Andorran model has three points: strong dependence of foreign trade, a growing dependence of foreign labour and a reduced land available. We could add destruction of environment and landscape resources are main values of qualitative tourism.

In the Catalan neighbourhood area we found an urban area, growing according with urban planning since 1930, with clear characteristics of a second level functional centre. In contrast the remaining county is basically agrarian. Recently there is a great expansion of second homes in villages or few new urban promotions. These two parts of the county give a dual economy model: milk and cattle production together with agriculture producing for some industries in the town for one side while trade, services and urban functions together with diverse forms of tourism is more related to Andorran model for the other side. It is important to find a local development model which combines both economic group of activities together with links to Andorran activity (Pallares-Blanch, 2003).

We have used some statistics of Andorran and Catalan Governments to carry on our research (Pallares-Blanch et alii, 2005) but most of relevant information has been obtained by enquiring and doing field work, either with private and public institutions. The Twin City Model is defined as two cities or urban areas, which are usually separated by a frontier, where mutual interaction is highly developed. The basic reason of this interaction is labour, trade and leisure movements between these areas (Beaujeu-Garnier, 1963). Moreover, there are important current economic and capital flows which strengthen that relation between Andorra and *La Seu d'Urgell* areas. As a result of establish coordinated programs there are also common projects, on policies and infrastructures, like in transport, environment, education, health services, sports and culture. Besides that there is a humanistic base related to either historical or present day's sense of territorial identity of close neighbourhood areas.

**Table 3: Visitors in Andorra (thousands and percentages).**

Year	One night or more	One day only	Total	Spanish	French	Others
1960	-	-	1.264	45,90%	51,40%	2,70%
1970	22,50%	77,50%	2.796	50,10%	46,50%	3,40%
1980	24,30%	75,70%	14.414	64,80%	31,00%	4,20%
1990	25,40%	74,60%	11.935	59,70%	35,30%	5,00%
1995	27,60%	72,40%	10.450	60,60%	34,70%	4,70%
2000	24,90%	75,10%	10.991	56,20%	39,20%	4,60%
2005	31,00%	69,00%	13.885	56,40%	40,50%	3,10%

Source: Departament of Tourisme (Andorra); BRICALL, J.M. (1975) and LLUELLES, M.J. (1991)

## 6. The Andorra and Urgell border region as a real twin city model.

One of the clearest examples of this border economy area is to look to diverse flows between Andorra and the Catalan neighbourhood area (Pallares-Blanch et alii, 2005). If we see table 4, we may point out that Spain gives monetary flows to Andorra mainly in two items: Spanish visitors spending and Spanish Bank deposits in Andorra. Andorra exporting is not significant.

In the other direction we find five main kinds of flows:

- a) Institutional spending in Spain or public cultural services organized in Andorra by Catalan Entrepreneurs.
- b) Private services received by Andorran firms and households in different economic sectors.
- c) Personal services and travelling paid by Andorran households and salaries paid to Catalan workers, living in the neighbourhood area and working in Andorra.
- d) Andorra imports from Spain and Andorran e-trade paid to Spanish firms and households. It is economically compensated because there is a huge Spanish spending on tourism and retail trade in Andorra.
- e) There are important profits of Spanish investment in Andorra and purchase of houses and Land in the neighbourhood area by Andorrans. Bank deposits of Spaniards in Andorra compensate in economic terms these monetary flows.

To evaluate the real impact of this border region as a twin city we should translate economic relationship to social ones. There are main facts:

- 1) Foreign trade is 95 % of GDP because most of imports are necessary to give tourist services and retail trade opportunities to Spanish visitors. In the opposite direction it is important to point out that most of Andorrans go to buy basic products in the *Seu d'Urgell* market.
- 2) Andorran people buy houses and properties in Catalonia, mainly in the surroundings of *la Seu d'Urgell* because some of them commute to work but also go for tourism. There are 2,000 Catalan people living in the neighbourhood area commuting to work in Andorra and most of the population going to buy basic products in Andorra.
- 3) Most of the productive services used by Andorran firms are offered by Spanish ones. In the opposite direction many households and firms have their bank deposits in Andorra.
- 4) Cultural events are important in both sides of the boundary. Education, mainly university studies, is also different in each side promoting a qualitative movement of commuters. Health services are different in each side depending on the nationality or medical specialities.
- 5) In general, it is possible to say that 75% of Andorran economy is related to Spain chiefly in the neighbourhood area, another 20% in relation to France and only a 5% is only generated in Andorra.

In conclusion, there are intensive networks either of economic or social matter. Most of these links and flows are between Andorra and the neighbourhood area (Lluelles, 1991). The fast grow of Andorran population demands housing and because of limitation of space a lot of people locate in the surrounding area in Catalonia. At the same time there are an

important price differences depending on the good or service. This fact promotes an increasing people and service movements between both sides of the frontier.

**Table 4: Monetary flows between Andorra and Spain (mainly Catalonia neighbourhood area) in thousands of Euro, year 2000<sup>(1)</sup>**

<b>Monetary flows</b>	<b>From Andorra</b>	<b>From Spain<sup>(2)</sup></b>
<b>A. Institutional</b>		
A.1. Spending of Principat d'Andorra home office in Spain	420	
A.2. Public cultural services paid to Catalan entrepreneurs	5.288	
<b>B. Private Services</b>		
B.1. Services done by Spanish firms in Andorra	6.076	
B.2. Spanish insurance companies in Andorra	32.623	
B.3. Maintenance of housing owned by Andorrans in Spain	16.127	
B.4. Andorran Service on tourism runned by Spanish firms	11.239	
B.5. Services offered by Spanish Telecommunication firms	9.436	
B.6. Spanish Tourist Services with destination to Andorra	4.385	
B.7. Payments to achieve Spanish electricity by Andorra	9.616	
B.8. Andorran firms offering services in Spain		16.000
<b>C. Household spending of Andorran Population</b>		
C.1. Health Services and social benefits paid to Spain	5.739	
C.2. Educational Services paid to Spain	8.158	
C.3. Spending of Andorran people travelling to Spain	115.451	
C.4. Salaries paid to workers in Andorra living in the Catalan side	38.743	
C.5. Salaries paid to workers in the Catalan side		500
<b>D. Commercial balance</b>		
D.1. Andorra imports from Spain	540.911	
D.2. Andorra exports to Spain		29.209
D.3. Payments to Spain because e-trade	34.258	
D.4. Payments to Andorra, from Spain, because e-trade		12.000
D.5. Spending of Spanish visitors in Andorra		820.421
<b>E. Capital investments</b>		
E.1. Interest share capital and profits of Spanish in Andorran firms	129.306	
E.2. Andorran investments in Spain, different than other areas	33.711	
E.3. Houses and land bought in the neighbourhood area by Andorrans	14.576	
E.4. Bank deposit of Spanish people and firms in Andorra		185.765
<b>Total<sup>(3)</sup></b>	<b>1.016.063</b>	<b>1.063.895</b>

<sup>(1)</sup> When it is possible is an average of 1999-2001. Other times are one of these years.

<sup>(2)</sup> Whereas flows from Andorra are in official figures of Andorran Government, flows from Spain are estimated. For instance, there is a known average spending of each visitors and it includes good and services achieved by Spaniards.

<sup>(3)</sup> Gross Domestic Product (GDP) of Andorra in 2000 was 1.522.538 thousand euros (Bricall et alii, 2001).

Source: POU SERRADELL (2005); BRICALL, J.M. (1975); BRICALL, J.M. (2001) and statistical operators.

## **7. Forecast of the region: a growing economy in front a qualitative environment.**

There is an important urban pressure in mountain areas, either in France and Catalonia, and authorities have realized that planning is necessary (Price, 1995). At present, a Territorial Plan of High Pyrenees and Aran will be approved next months. Basically, it has been designed: (i) an urban system (towns and villages to promote and main communication system related) with local plan rules, (ii) a system of natural protected areas based on Europe 2000 Schedule, (iii) a zone land use system to protect agrarian and industrial areas in relation to the Landscape European Convention (Florence 2000) and (iv) to define some areas to be used for tourist or urban needs according to some assumptions (Vilagrasa, 2003). Nevertheless, in Andorra urban growth has been excessive and now a great debate has started on how to reorganize territory management. The main positions on that are related to right or left political approaches to regional planning, either in Catalonia where left parties are in government or in Andorra where the Primer Minister belongs to a right party. This situation could be solved in future if there are some planning acts in Andorra.

In relation to this twin city model, in future, there could be two different situations. First one, to export Catalan planning rules to Andorra looking for land use equilibrium. Second situation is to avoid planning in both sides of the boundary. Then urban growth will increase in all the low lands near to main road systems. As a result of that, environment and landscape will deteriorate and tourism or new technological firms will avoid this area. The planning situation in both sides could coordinate land use and to promote a more integrated border urban system together with a preservation of agrarian land and natural protected areas (Ganyet and Tulla, 1993). Then there could be a more selective location of new economic activities and housing.

There are two main types of frontier, a political separation of to states throw a line or a barrier which separates spaces. Some times it is more a mental separation. The border between Andorra and *Alt Urgell* belongs to the first type. It is an economic artificial barrier but people in both sides have a humanistic understanding to solve administrative problems. Twin city structure of Andorra and *Seu d'Urgell* is based in two main processes: Economic and social networks but also in a humanistic sense of identity of both sides of the frontier. New agreements between Andorra and the E.C. will make easy to structure this twin city reality. In order to preserve environmental quality, land use structure and better infrastructures should be promoted a coordinated Urban and Territorial Planning Body, at least related to some main items. Nevertheless, the main background of these twin cities is a common sense of territorial identity with this side of The Pyrenees.

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