European Integration, Regionalisation, and Democratization: Investigation in Dependent and Independent Variables

ANASTASSIA OBYDENKOVA
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Abstract

This paper analyzes the cross-border cooperation between regions in Russia and in Europe. Theoretically speaking, it focuses on the process of the regionalization of foreign policy as compared with the process of federalization and the interplay of domestic and foreign factors in the process of regime transition within the Russian regions. More precisely, it examines the factors that facilitate the development of regional cooperation with European partners, and also the impact of this cooperation on the process of democratization within the regions. The initiative of European countries and organizations are the most important, and, therefore, their “neighborhood’s effect” is likely to be the most influential external factor in the process of transition once transition is analyzed, not on national, but on the regional level. Thus, the analysis approaches the phenomenon of regional cooperation with Europe as both a dependent and an independent variable.
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1. Introduction

Networking and cross-border cooperation are seen as possible tools to facilitate the transition to a market economy and democracy. Cross-border regional cooperation might become an initial stage of integration. It stresses the geo-economic interpretation of the international system over the traditional geopolitical one. Naturally, regions enjoy only modest diplomatic competences and their foreign activity is limited to “low politics” issue areas. However, regional cross-country cooperation in Europe may become one of the leading driving forces of integration in general. It is particularly interesting and challenging to study when analyzed from a cross-continental, e.g., European-Asian, perspective.

This paper analyzes the cross-border cooperation between regions in Russia\(^1\) and in Europe\(^2\). Theoretically speaking, it focuses on the process of the regionalization of foreign policy as compared with the process of federalization and the interplay of domestic and foreign factors in the process of regime transition within the Russian regions (constituent units – CUs). More precisely, it examines the factors that facilitate the development of regional cooperation with European partners, and also the impact of this cooperation on the process of democratization within the regions. The initiative of European countries and organizations are the most important, and, therefore, their “neighborhood’s effect” is likely to be the most influential external factor in the process of transition once transition is analyzed, not on national, but on the regional level. Thus, the analysis approaches the phenomenon of regional cooperation with Europe (RCE) as both a dependent and an independent variable.

The interplay of internal (domestic) and external (foreign) factors is two-fold. Schematically, the double interplay of internal and external factors can be presented in a diagram (see Diagram 1).

\(^1\) In this study, the notions of “region” and “constituent unit” (CU) are used interchangeably.

\(^2\) By “Europe” I mean: (1) the administrations of European CUs (regions), (2) European organizations (EU), and (3) European companies (as trade partners). All these actors are called “European partners” or “Europe”.

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Firstly, we speak of the possibility of the influence of “domestic” factors (reform of federal design – establishment of asymmetrical federalism) on forming a “foreign” factor (foreign policy of the regions towards Europe – regional cooperation with Europe, RCE). Secondly, we examine the influence of “external” factors (RCE) on “internal” factors (this time on regime transition within the regions).

In the first part, the analysis of “driving forces” of the cooperation of Russia’s regions (RCE) with Europe is subdivided into the analysis of the “contextual” conditions that are favorable for the development of the RCE and the analysis of the impact of so-called “domestic-policy-factors” (reforms of new federal design that were implemented during the 1990s). In the second part, the paper examines how the regular cooperation of Russia’s regions with European companies, organizations (EU and the administrations of the regions of European states helped to strengthen democratic institutions and practices in Russia’s regions. In a broader theoretical view, it aims to test the theory forwarded by Deutsch that regular cross-border “communication” in Europe leads to “value expansion”, i.e. exporting democratic values.

The choice of Russian regions as the primary focus of the research is justified by the fact that looking at the sub-national level provides important advantages which help to answer the main questions motivating this study. Firstly, Russian regions provide an excellent opportunity for a comparative study because in most analyses many key variables are kept constant (history, culture, institutional legacies). Secondly, the sub-national level and the high number of cases (89 regions) permits a quantitative analysis enhancing the statistical credibility of conclusions. Finally, what makes this analysis more valuable is that we also have an opportunity to analyze the interplay of “internal” (“contextual” and “domestic”) and “external” factors in one theoretical framework.

The preliminary conclusions on the analysis of RCE as a dependent variable are, first, that a number of “contextual” conditions are favourable for the development of the RCE: (1) geographic location facilitates RCE (thus, for example, regions located in the European part of the RF and those bordering the EU are more open to establishing cooperation with European partners); (2) the level of economic development make certain regions attractive partners and encourage RCE; (3) the
“ethnic” regions (those CUs where predominantly non-Russian ethnic groups, e.g., Tatarstan, Bashkortostan, etc.) are more inclined to establish RCE independently of the federal centre. Secondly, the “internal” dynamic of federal reforms (domestic-policy-factors) determine the intensity of cooperation of the CUs with European partners. This argument is based on the analysis of the work of Haas and Schmitter which analyzes the significance of similar factors in the outset of the integration process (and cooperation was considered as the initial or preliminary stage of this process).

The role of both contextual factors and RCE in regime transition in the CUs are examined in the second part of the paper. The basic presumptions are that (1) regions located in the European part of the RF might be more inclined to democratization than those located in the Asian part; (2) ethnic regions (as those with higher autonomy comparing to the none-ethnic regions) might be more pro-democratically developed; (3) economically developed regions might be also at the same time be more “democratically developed”; (4) finally, according to the “values-expansion theory” forwarded by K. Deutsch and C. Frederich, cooperation with Europe might have helped to develop some democratic tendencies in the regions.

If the “contextual” conditions prove to be crucial, we will have to acknowledge a certain determinism in both forming the foreign policy of the regions and democratic development on the regional level. However, if “domestic-policy-factors” prove to be more important, then it might help to learn some lessons from the reforms of the federal state and the impact of asymmetrical federal design on establishing cross-border regional cooperation.

2. Definitions of Dependent and Independent Variables and Measurement

2.1 “Contextual” conditions: geopolitical (size and borders), ethnicity, economic development

Independent variables are broadly subdivided into two groups: contextual variables and domestic-policy variables. Among the “contextual” variables we distinguish size, direct border with the EU, location of the CU in the European or Asian part of Russia, economic development of the CU, and ethnicity. The “contextual” factors are those which are not likely to change in the short-run; they are more or less stable and may give the impression of a certain determinism which does not depend on reforms, institutions, or political leaders.

“European” vs. “Asian regions”: Russia is situated on the continent of Eurasia. The name itself suggests that about half of RF’s regions are located in the European part of the country and another half of the regions are located in the Asian part. Therefore, if one analyzes Europe in a broad geographical sense, the RF cannot be ignored. This is a dummy variable: those regions which are located in European part = 1, and those in Asian part = 0.

Size: The geographic size of the CUs measured in sq. km. The variable proved to be insignificant in preliminary calculations and was omitted from further regression analysis.

Regions with an EU-border are regions with North-western borders (dummy variable: EU border = 1, no EU border = 0). The EU-border was analyzed as it was in 1999 (i.e., before the EU Enlargement of 2004). Since, the 2nd dependent variable (regime transition) was measured in 2000, we can only use the data of
1990s (for both contextual and domestic-policy variables) to make objective conclusions.

The Economic factor is the level of economic development given as rank estimated by the EBRD expert group (according to the number of the CUs, the highest = 89 and the lowest = 1).

Ethnicity is measured by the percentage of ethnic-titular groups living within the borders of a region (e.g. the percentage of Tatars living in Tatarstan, or Bashkirs in Bashkortostan). Although the ethnicity factor is a “contextual” one, it was “institutionalized” in the Russian Constitution which gives the so-called “ethnic” regions greater autonomy and the status of republic (see the section on domestic-policy factor below). Therefore, the ethnic factor could have been omitted from the calculations completely as it is included in domestic-policy factors as constitutional asymmetry based on ethnic criteria (the percentage of an ethnic titular group living within its’ region). However, we prefer to keep ethnicity as a “cross-test” variable for the federal status.

2.2 “Domestic-Policy-Factors”: Asymmetric Federalism

The second group of independent variables are described as “domestic policy” factors. It is especially interesting to take into consideration the federal reform (establishment of asymmetry) in the period of regime transition – the period which is highly unstable and includes numerous experimental trials. Testing the impact of the reforms of the federal government helps to distinguish those which were the most successful in the 1990s. The Domestic policy domain includes all the spheres of political and social life of the country as a whole and specific regions. Among numerous reform packages implemented over the 1990s, the analysis focuses particularly on the introduction of asymmetrical federal design. The establishment of asymmetrical federalism has had two waves: the establishment of “constitutional asymmetry” (privileging some of the CUs over the others in the federal constitution of 1993) and “contractual asymmetry” (concessions by the federal government to some of the regional governments in the form of bilateral treaties which outlined some additional domain of autonomy for these regions from 1995-1999). The introduction of the domestic policy variables helps to analyze the effect of the reforms of the federal government on the level of involvement of the CUs in foreign policy and to see the interplay of “domestic” (internal) and “foreign” (external) factors. Quantitative analysis makes it possible to test statistically the hypothesis that federalism should facilitate RCE by giving the regions more autonomy in managing economic, social, cultural, and foreign policies. Thus, the RCE is analysed as a dependent variable with determinants of “domestic” institutional factors (asymmetrical federalism both constitutional and contractual) and “contextual” variables.

“Domestic-Policy-Factors”, establishment of asymmetrical federalism, are subdivided into constitutional and contractual asymmetry. The RF Constitution outlines differences in status between the various types of CUs and distinguishes republics from “the rest”. In contrast, the power-sharing agreements signed between regional and federal governments have not been as formal nor of the same public importance as the Constitution. The bilateral treaties were a temporary measure during the period of transition during the 1990s and were meant to compensate for the “legal vacuum” that was the predominant characteristic of this period.
Constitutional asymmetry implies three different degrees of autonomy of the regions that were outlined by the RF Constitution in 1993. Contractual asymmetry was implemented by bilateral treaties that some of the CUs signed with the federal government. These treaties (often called power-sharing agreements) gave an additional degree of autonomy to about a half of the regions. According to the Constitution of 1993, the RF is divided into 21 republics, 55 oblast and krais, one autonomous oblast, and 10 autonomous okrugs. Moreover, all the CUs are divided into “ethnic regions” (republics, autonomous oblast, autonomous krais) and “territorial regions” (oblasts and krais). There are 32 CUs defined as “ethnic regions”. This group includes 21 republics, 10 autonomous okrugs and 1 autonomous oblast.

The system of indexes is based on the three Federal Treaties that were incorporated in the Constitution:

The Treaty on Delimiting Subjects of Jurisdiction and Powers Between Federal Agencies of State Power of the RF and Agencies of Power of the Sovereign Republics within the RF (outline the most extensive privileges with respect to the other CUs, index “3”); the other Treaty was signed with the Territories (krais), Regions (oblasts), and Cities of Moscow and St. Petersburg of the RF (these CUs have less autonomy then republics, index “2”); and one treaty with the Autonomous region (oblast) and Autonomous National Areas (okrugs) within the RF (these CUs are located within the other CUs, and, therefore, assigned index “1”). These treaties outlined the formal – or “legal” – hierarchy of the CUs. However, the Federal Treaties were the main but not the only criteria taken into account.

The system of indexes elaborated for estimating the degree of autonomy exercised by CUs of different statuses as it is outlined by the RF Constitution of 1993:

1. The republics are the most privileged CUs of the Federation, republics are empowered to elect their own presidents (only later on krais and oblasts were allowed to follow their example). According to the Federal Constitution, the republics may have their own constitution, while oblasts and krais only charters. Republican authorities signed agreements with federal governments giving them extensive control over natural resources, special tax advantages, and the right to conduct foreign policy. In the calculations the CUs with the status of “republic” has received index “3”.

2. The second group with index “2” includes all those CUs which, roughly speaking, are not republics and are not geographically placed within the other CUs, and those which are placed within the other CU but gained independence from the “parent” CU or were given some privileges. To this group belong Federal cities (the capital city Moscow and the former Tsarist capital St. Petersburg are designated as federal cities); “territorially” divided CUs - forty six oblasts and six krais. There is no difference among them in terms of constitutional rights. The name “krai” was given to the territories that once stood on the furthest boundary of the country.

3. There is only one autonomous oblast on the territory of the RF – Jewish AO. It gained independence from Khabarovsk Krai on 25 March 1991. Therefore, it is to be classified as equal to any of the oblasts and krais.

4. The other exceptions are the resource rich autonomous okrugs (Khanty-Mansiisk and Yamalo-Nenets) which have long sought independence from the region of which they are a part and this was taken into account in elaborating a
system of indexes. Therefore, Khanty-Mansiisk and Yamalo-Nenets, along with Jewish oblast, are assigned index “2”.

5. The third group with index “3” includes ten autonomous okrugs. The Federal Constitution is very ambiguous about the status of these CUs. Article 5 says that they are equal to the other 89 units. However, Article 66 subordinates them to oblast or krai on whose territory they are located. The Russian Constitutional Court refused to clarify this ambiguity on 14 July 1997. All okrugs are designated to specific ethnic groups. However, the titular nation constitutes a majority only in the Komi-Permyak AOk and in the Agin-Buryat AOk.

Measuring the “contractual asymmetry” was a relatively easy task. “Bilateral Treaty” is a dummy variable: the CUs with the treaties were assigned index “1” and the CUs without treaties - “0”. The data on bilateral power-sharing agreements (called also “treaties”) was collected from two handbooks on Russian regions.

2.3 Regional Cooperation with Europe (RCE)

One of the possible measurements of RCE as an initial stage of integration is the “reciprocal trade ratio” elaborated by Karl Deutsch. In this study, the reciprocal trade ratio would be the ratio of the regions’ trade with Europe to trade with other regions within Russia. Given that we deal with 89 regions, it is not possible to collect the information on inter-regional trade flows to both Europe and to other regions within the RF. So, we have modified the Deutsch concept “Regional cooperation with Europe”:

1. all the EU’s non-profit projects launched in the CUs of Russia during the 1990s (including cultural programmes, academic exchanges, regular conferences, and projects aimed at facilitating transition to market economy and democracy);
2. regular trade between the regions and Europe;
3. investment projects in the regions.

To sum up, the RCE was subdivided into:
(a) regions which have regular European trade partners;
(b) regions which are involved in non-profit projects joint with European partners (e.g., bilateral cultural, legal, political, environmental projects, projects on democratization and human rights issues; academic exchanges, experts assistance, etc.); and
(c) the amount of European investment in the regions (data is collected by the European Bank of Reconstruction and Development and is composed of rank of investment risk and rank of investment potential by the end of 1990s). The parameter of investment potential incorporated data on previous investment experience in the CUs and reflected the compatibility of the regions with the European norm of market economy. This index was the result of a complex evaluation of EBRD analysts of current political and economic situations in each of the 89 regions. This index has incorporated such parameters as investment risk across legal, political, social, economic, financial, criminal and ecological sectors.

Thus, the RCE was subdivided into four categories:

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Trade: The regular trade relations of Russia’s CUs with the European countries and organizations (dummy variable: those regions which have regular European trade partners = 1 and those which do not have = 0).

Projects: The common projects of the Member States of the EU, or the EU, and the regions (cultural, building projects, reconstruction; academic, student exchange, etc.) (dummy variable: the regions with projects = 1, and without project = 0).

Rank of Investment risk: The higher the number, the higher the risk. The rank goes from “1” for a region with the least risk and ends with “89” for a region with the highest risk of investment. This rank is built on the evaluation of the local laws (regional charters and constitution); level of crime, environmental situation.

Rank of Investment Potential: It was initially evaluated by the EBRD group of experts: the CU with the highest potential = 1 and the one with the lowest potential = 89. I have used the reverse measurement with the highest potential of 89 and the lowest investment potential of 1).

2.4 “Transition to Democracy”: press freedom

Democracy includes many parameters – division of powers, fair elections, party competition, freedom of association, regular executive turnover, etc. However, in this study we are not dealing with an established democratic context but with a so-called “regime in transition”. Second, the number of CUs makes it impossible to analyze the major criteria of democracy across all of them and there are no statistical data available to make a cross-regional N-large study. Therefore, we have chosen the freedom of the press as a necessary prerequisite of democratic development and consolidated democracy. Local, regional, and “rules of the game” often have nothing to do with the federal legislation. Thus, the role of the media does not correspond to some niche defined by federal law. Rather it reflects the situation within each region and allows us to determine the “domestic” peculiarities of the regional political regimes.

The democratic regime in a federal state implies the existence of democracy on the local and regional levels and this is strongly associated with press freedom at these levels. The European Convention on Human Rights defines freedom of speech as “The right to free expression, the right to receive and disseminate information and ideas”. The press has the main function of serving as a mediator between the society and the authorities and is, therefore, a catalyst for change in society. The role of the press increases during pre-election periods when it has the potential to shape public opinion and to determine result of the elections. If press freedom is suppressed, this leads to a situation in which citizens are given unreliable information which might be used to secure the victory of those in power. Thus, the press turns into a tool for settling scores in political battles without really caring about the everyday needs of ordinary readers. Therefore, the freedom of press in Russian regions seems to be one, quite objective, criteria for measuring the nature of regimes they have pursued. Local authorities try to adapt liberal federal legislation to their own needs, often by issuing repressive local orders that restrict press freedom and infringe the right to freedom of speech. This parameter was also incorporated into the system of indexes. It is especially valuable information because it includes a thorough analysis of the local laws,
which, as was already noticed, can be quite different from those on the federal level5.

The right to seek and receive information freely is dependent on unrestricted access to information, the transparency of the executive, representative and judicial authorities, the response of officials to requests for information, and the fairness of accreditation requirements. The Survey created an index of the level of free access to information in each region of the RF by analyzing local laws and the practices involved in facilitating access to information. A second index of the production of information is measured by the analysis of the regional registration regulations (broadcast licenses), local tax and other codes which affect the media’s economic activities, and the government’s role in regulating access to the means of production of information, both print and electronic. Finally, the third “component” of press freedom is the dissemination of information which is measured by an analysis of the specific conditions created by local administrations to maintain or dismantle their monopoly on media distribution.

To elaborate the measurement system, the project has analyzed the following:

1. regional laws regulating media activities,
2. analysis of regional accreditation rules for journalists
3. field research in regional markets (experts collected data on number, circulation and ownership structures of print media; number, capacity, ownership structures of publishing houses; number, signal capacity, coverage area and ownership structures of TV and radio broadcasting companies; and information on the terms and conditions for granting state support to mass media in each market). Environment established by local administrations for distributors of press (includes analysis of tax system and other privileges for distribution and the number of permits needed to open press outlets).
4. Information request test. The request for information has been sent to the head of the region (executive), regional administration, to regional legislative assembly, prosecutor, etc. The purpose of this test is to determine to what extent the regional authorities comply with the RF Law on Mass Media in different regions. According to this Law, executives and the legislature, and others must provide the editorial board with any information they request. The request on the budget transparency of the regional administrations is also employed as a dependent variable in this study.

The data of the project seems to be quite an objective indicator, useful for further analysis of regime change at the regional level.

3. What factors influence the development of RCE?

Quantitative Analysis: RCE as a dependent variable

3.1 Puzzle and Questions

The puzzle is why only some of the regions have really profited from increased autonomy that was granted to most of the CUs during the time of transition in the 1990s to establish regular cooperation with European partners? Not all the regions were active in establishing their own foreign economic activity. Why did some of the regions opt to act on the international level while other regions were

5 The data for the regions are accumulated by the Public Examination global project and conducted by the Russian Union of Journalists, the Glasnost Defence Foundation, the National Institute for Sociopsychological Studies, The Mass Media Law and Policy Centre and ANO Interviews.
reluctant (or unable) to undertake such an initiative? What factors encourage the participation of the regions in international, particularly European, affairs? What factors encourage interregional cooperation?

On the one hand, a number of “contextual” factors might have had some impact on the development of the RCE: (1) geopolitical factors such as common borders, may play a significant role; (2) the level of economic development (includes possession of industries, plants, and natural resources) makes some regions more attractive for investment than others.

On the other hand, RCE was initiated after the major reform of centre-peripheral relations was completed (after both the Constitution and Federation Treaty institutionalized the autonomy of the regions). In this connection, we may presume that the regions with the higher autonomy (constitutional or and contractual) were more active in interregional cooperation.

“Contextual” factors include geopolitical factors (location in the European part of Russia and Northwest external border, size), the level of economic development and natural resources, and ethnicity. The domestic factor is the status of the CU in the Federation (as the result of the establishment of constitutional and contractual federal asymmetry).

3.2 Hypotheses

The set of the hypotheses is the following:

Hypothesis 1: The geographical factor (size and neighbourhood) makes the cooperation of Russia’s regions with Europe more feasible (size).

Hypothesis 1.1: The CUs, which are smaller in size, better adapt to the external influence (they are more manageable, and policy learning is followed by fast policy implementation).

Hypothesis 1.2: Those CUs which are located in the European part of Russia are more inclined to cooperate with Europe in trade, common projects and programmes (neighbourhood 1).

Hypothesis 1.3: Those CUs, which directly border the EU, are more likely to establish RCE than the others (neighbourhood 2).

Hypothesis 2: Other factors, such as the level of economic development of CUs encourage the RCE by making these resource-rich regions more attractive partners in economic ventures.

Hypothesis 3: The CUs that have received greater autonomy within the Federation as the result of the establishment of asymmetrical federal arrangements; and, therefore, are more independent in determining their domestic and even foreign politics, will tend to be more “integrated” into European affairs than the others. This asymmetry has been twofold: constitutional (measured by federal status of the regions as stated in the RF Constitution) and contractual (measured by bilateral treaties which some of the CUs have signed with the federal government specifying additional powers and the rights of these CUs).

Hypothesis 3.1: CUs with the status of republics have more opportunity to conduct foreign policy and, therefore have been more active in the development of RCE (as they have more autonomy in both their domestic and foreign politics). The CUs that have received higher federal status in the RF Constitution have developed RCE (the impact of constitutional asymmetry).

Hypothesis 3.2: The CUs that have signed bilateral treaties are more “integrated” into European affairs than the others (the impact of contractual asymmetry).
3.3 Calculations and Analysis
The index measuring the degree of RCE is (a) the regular trade relations of the some of the CUs with European countries and companies (trade); (b) common projects and programmes (projects); (c) investment (investment risk and investment potential). Accordingly, we run 4 regressions to test these aspects of the dependent variable: two logistic regressions for “trade” and “projects” models and two linear regressions for “investment risk” and “investment potential”.

Table 1: The role of contextual variables and domestic-policy factors on four aspects of the integration of Russia’s regions in Europe

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Note: Entries for Logistic Regressions are Beta (B) and Standard Error (SE) given in parentheses. Entries for Linear Regressions are Standardized Coefficients (Beta), with t-test given in parentheses.

*** significant at the 0.00 level
** significant at the 0.01 level
*significant at the 0.05 level

The size factor was omitted because initially it has shown no significant impact at all. Ethnicity showed a slight impact. Therefore, it was kept in the calculations.
The calculations help to draw conclusions with respect to the factors which might encourage regions of a federal non-member state to develop cooperation with European regions, companies, and organizations. It also helps to answer a more theoretical question regarding the factors motivating the RCE.

*Model 1* of the table shows that such “contextual” factors, such as geopolitical location in the European part of the RF, or a direct border with EU-countries had no impact at all on the forming of trade links between the Russian regions and Europe. Neither did economic development provide an explanation. Therefore, we can reject the hypothesis that only economically developed regions are proper trade partners. Another factor, ethnicity, did not appear to be of any importance. Thus, the so-called “ethnic regions”, mini-states within the RF, were not particularly active in establishing trade connections with Europe.

Among the “domestic-policy” variables, “constitutional asymmetry” seems to be insignificant in forming the trade policy of the regions. The republics, as the regions with the highest autonomy institutionalized by the Constitution, have not established any regular trade links with Europe. Although the Constitution gives them a wider range of powers to conduct both domestic and foreign policies, it seems it did not encourage them to develop trade links with foreign states.

The second parameter of “domestic policy” factors, “contractual asymmetry”, seems to be the only one which “encouraged” the CUs to develop regular trade relations with EU Member States. The variable of “bilateral treaty” demonstrated the highest significance in the logistic regression with Beta = 1.26 and Standard Error = .57 and the overall significance at the 0.05 level. Finally, for the whole model, the Nagelkerke R Square was equal .254.

In other words, those regions that have received greater autonomy, more enhanced rights in the area of conducting their own foreign and trade policy in the form of bilateral treaties, or power-sharing agreements, became the most active trade-partners of European counterparts compared with those regions which did not have such agreements. One may hypothesize that the explanation for this is not the bilateral treaty itself but rather the level of economic development which initially had encouraged these regions to ask for bilateral treaties. However, this suggestion can be rejected on the ground that the level of economic development demonstrated no significance at all in *Model 1*. Therefore, economic development is not a sufficient condition for the development of trade with Europe.

*Model 2* analyses which factors influenced the activity of some of the regions in concluding joint projects and programmes on a regular basis over the 1990s (for example on the implementation of democratic norms; cultural projects; academic exchange etc.). As may be expected, only geographic location was a significant factor for involvement in such projects. However, being located in the European part of Russia was not a sufficient factor in developing closer ties with European neighbours through such projects. Only the regions bordering the EU countries located in Northwest Russia (with EU-border) were the most active in participating in the EU’s projects and programmes launched in the regions. Logistic regression has demonstrated that about 90 % of the regions involved in these projects and programmes were located in the Northwestern part of Russia and had a direct border with the EU.
The level of economic development and ethnicity did not play any role at all. “Constitutional asymmetry” was not significant either. However, bilateral treaties proved to be more important in calculations of the second regression. In other words, the regions involved in common projects with European countries tend to have power-sharing agreements with the federal authorities and having these agreements had an “inducing” effect on the integration process.

*Model 3* demonstrates the importance of cooperation in investment. Among the “contextual” variables, location in the European part of the RF seemed to be the crucial one. The regions located in the European part of Russia exhibited a much lower investment risk than those located in the Asian part of the country. This geopolitical variable of location in the European part of the RF was the most significant factor (Significant at .000 level), with Beta = - .381 and t-test = - 3.99. Having a direct border with the EU plays no role at all (though it might be under-valued in calculations because out of 89 regions, very few have a direct border with the EU).

Another “contextually” significant variable was the level of economic development (significant at .01 level). The more economically developed the region was, the less investment risk was involved. The variable demonstrated the Beta = - .299 with t-test = -2.76.

“Domestic-policy” variables did not seem to have had any impact on the investment risk – apparently the constitutional arrangement and bilateral treaties of the regions with the federal government did not affect the level of the investment risk in the regions.

The whole model has a quite high R Square (R Square = .411 and Adjusted R Square = .366). Therefore, the “European” regions of Russia (those CUs which are located in the European part of the continent) are more attractive investment destinations and, seem to be more compatible with European legal and political norms (as the rank of investment risk incorporated the evaluation of the regions across legal, political, crime, ecological parameters).\(^7\)

*Model 4* demonstrated what factors influenced successful investment in the regions. Such “contextual” factors as geopolitical location and ethnicity had no impact at all at the investment experience (also called “investment potential” as it is also a guidance for future investments in the regions). Neither did “domestic-policy” factors affect the investment potential. The only significant factor was the level of economic development of the regions (this variable is significant at .000 level in this particular *Model*). This model has an even higher R Square (R Square = .552) than R Square of the previous models.

### 3.4 Conclusion

The statistical calculations help to draw some theoretical conclusions concerning the interplay of “contextual”, “domestic-policy”, and “foreign policy” factors. It is important to highlight the different impact of “contextual” and “domestic-policy” variables on the RCE. The theoretical findings can be demonstrated with the help of the diagram (See Diagram 2 below).

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\(^7\) For details see Chapter 4 and 5 which describe in detail the EBRD evaluation system.
Among the “contextual” factors, the geopolitical factors (both location in the European part of the RF and a direct border with the EU) proved to be important. The regions located in this part of the country are more attractive for investment and have lower investment risk compared to those located in the Asian part of the RF. However, such factors as “ethnicity” and the geopolitical factor of “size” seem to be insignificant. Being an “ethnic-region” does not make the region more active in foreign policy even if it possesses additional autonomy.

The same conclusion is relevant to the two “domestic-policy” factors: “constitutional asymmetry” and “contractual asymmetry”. The Constitution outlining formal differences between the various regions seems to have had no impact on the activity of these regions in establishing cooperation with Europe. However, those regions which have signed bilateral treaties and, thus, enhanced their autonomy, seem to have developed stronger trade links, cultural and academic ties with Europe.

The statistical calculation confirmed Hypothesis 1 which stated that the geographical factor makes the RCE more feasible. However, it rejects the hypothesis that the CUs which are smaller in size are better able to adapt to external influence because they are more manageable, and policy learning is followed by more rapid and effective policy implementation. The analysis confirmed that those CUs which are located in the European part of Russia and those with a direct border with the EU are more inclined to be “integrated” in Europe through trade, economic ties, common projects and programmes.

The next hypothesis has stated that the level of economic development of CUs should encourage RCE because economically developed regions are attractive partners in economic ventures. This hypothesis has proved to be valid but only to a degree. The level of economic development was not important in developing trade ties and common projects; however, it was significant in the development of investment projects.

The third hypothesis has stated that CUs that had received more autonomy within the Federation as the result of the establishment of asymmetrical federal arrangements (therefore, are more independent in determining their domestic and even foreign politics) tend to develop more cooperation with European countries than the others. The asymmetry was twofold: constitutional (as measured by the
federal status of the regions as it is stated in the RF Constitution) and contractual 
as measured by bilateral treaties which some of the CUs have signed with the 
federal government specifying additional powers and the rights of these CUs). 
The former type of asymmetry had no impact, while the contractual or informal 
one did have positive effects encouraging the favoured regions to be more active 
in establishing trade links, common projects, and other forms of cooperation. 
To conclude, domestic policy factors seem to be the real and almost the only 
determinant of RCE. Regional cooperation depended on politics of federal 
government, on reforms of federal design and on asymmetrical federal 
arrangements which was an outcome of these reforms.

4. Value Expansion and Policy Learning: testing the impact of RCE 
on the regime transition in the 89 CUs of the RF

4.1 Questions and Puzzles
This section analyses RCE as an independent variable and traces its potential 
effect on the development of democratic tendencies in the Russian regions by the 
end of 2000. Why should we analyse the impact of the RCE on regime transition? 
Firstly, all of European countries can be broadly characterized as democracies. 
The principle of democracy is also an officially recognized value of the EU and, 
therefore, is a predominant characteristic of the integration process. Secondly, the 
EU had to face directly the problem of the regime transition during its 
enlargement process. And most of the requirements for new member states were 
concerned with the problems of the regime transition in the Central European 
countries. Therefore, it is quite a challenging task to explore whether there is any 
EU “democratic impact” in the regions of Russia, as the biggest EU’s neighbour. 
That also allows us to test one of the “classical” theories of European integration; 
that “value expansion” is one of the possible outcomes of cross-border 
communication.⁸

Being “integrated” into Europe means more than just geographic location within 
the European continent and having interdependent economies. It also means 
shared political values which are, generally speaking, the core of a political 
culture built on the principles of democracy, human rights, the rule of law, civil 
society, and market economy. Most of the EU-RF common projects and 
programmes at the sub-national interregional level were meant to enhance these 
principles.
The regular cooperation of Russian regions and European partners are measured 
by “trade”, “projects”, “investment risk” and “investment potential” (the last two 
categories are based on the success of the previous experience of investment). 
However, geopolitical factors – proximity to the EU, common border with 
European countries – may provide a partial explanation of policy learning and 
more successful development of democratic trends in the regions. Therefore, we 
include two more independent - “contextual” - variables measuring the 
“geopolitical belonging” to Europe which is measured by: (1) location in the 
European part of the RF and (2) the existence (or absence) of a direct border with 
EU-countries. The last two variables allow us to test whether geographic 
proximity, as argued by Deutsch, is a sufficient condition for “value expansion”.

⁸Deutsch, 1966, Nationalism and Social Communication. The M.I.T. PRESS, Massachusetts Institute 
We assume that the regions located in the European part of Russia and those in the Northwestern part (with a direct EU border) should be more “democracy prone” compared to the regions located in the Asian part. Therefore, we distinguish six, independent, variables, that might explain the success or failure of democratization: two geopolitical variables and four variables reflecting different forms of cooperation with Europe through trade, projects, and investment\(^9\).

The dependent variable is the level of democracy which is measured by a set of indicators elaborated by the Public Examination Global Project. The Project includes a thorough analysis of the local laws and the practices of the mass media (research on press freedom). Press freedom was subdivided into freedom of access to information, distribution of information, production of information; and budget transparency index.

### 4.2 Hypotheses

There are six hypotheses which are tested by the method of linear regressions:

**Hypothesis 1**: The European neighbourhood has a certain impact on expanding a “democratic environment” to its neighbours. This hypothesis is subdivided into two others:

- **Hypothesis 1.1**: Those regions that are located in the European part of the RF tend to be more democratic than the others located in Asian part of the country.
- **Hypothesis 1.2**: A common border with the EU (and, as a result of it, more intensive cross-border communication) is inclined to make a region more democracy-prone as compared with others.

**Hypothesis 2**: Regular trade relations may have the effect of “expanding the democratic environment” on trade-partners.

**Hypothesis 3**: Joint projects and programmes may facilitate the regime transition through “policy learning”.

**Hypothesis 4**: Investment, as one of the types of “communication”, has influenced the politics of regional authorities and made the regions democracy prone. This variable is composed of a ranking of investment risk and ranking investment experience by the end of 1990s (Hypothesis 4.1 and 4.2).

### 4.3 Calculations and Analysis

According to the number of aspects of the dependent variables, we have run five regressions with two geopolitical predictors (“European location” and “EU border”) and four “co-operational” predictors of “cooperation” (“trade”, “projects”, “investment risk” and “investment potential”). The regressions test what factors encouraged the development of regional laws protecting free access to information (Model 1); free production of information (Model 2); free distribution of information (Model 3); press freedom in general which incorporates freedom of access, production, and distribution (Model 4); finally, the last regression tests the possible “external” impact on the development of democratic practices and implementation of laws through the request for information on budget spending addressed to the executives of all CUs. According to both regional and federal laws, the executives must provide the information on budget spending if they receive such a request from the public (Model 5). The last model shows not only the official existence of laws but also

\(^9\) The six aspects of integration are described in Section 6.7, pp.40-41.
how laws are observed by the regional governments. The test of the implementation of laws was conducted as final stage of the Project (PEGP): a request for information concerning budget transparency was sent to all of the administrations of the 89 constituent units of the RF and was evaluated according to a system of indexes elaborated by PEGP. All of the dependent variables were ordinal. Therefore, we used only the method of linear regression. The results of the five regressions are demonstrated in Table 5.

**Table 2:** The impact of European integration on the regime transition at the regional level.

<table>
<thead>
<tr>
<th>Geopolitical Variables</th>
<th>Free access Model 1</th>
<th>Free productivity Model 2</th>
<th>Free distribution Model 3</th>
<th>Press Freedom Model 4</th>
<th>Budget Transparency Model 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eur. Regions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Eur. Border</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cooperation Variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td>-</td>
<td>-</td>
<td>-.23 (-2.05)*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>.35 (1.33)</td>
</tr>
<tr>
<td>Inv. Risk</td>
<td>-.23 (2.00)*</td>
<td>-.40 (-2.82)**</td>
<td>-</td>
<td>-.22 (-2.00)</td>
<td>-</td>
</tr>
<tr>
<td>Inv. Potential</td>
<td>-</td>
<td>.30 (2.63)**</td>
<td>.223 (1.87)</td>
<td>.39 (3.70)***</td>
<td>-</td>
</tr>
</tbody>
</table>

*Note: Entries are Standardized Coefficients (Beta), with t-test given in parentheses.

*** significant at the 0.00 level
** significant at the 0.01 level
* significant at the 0.05 level

**Model 1:** The right to seek and to receive information freely is dependent on unrestricted access to information, transparency of executive, representative and judicial authorities, the response of officials to requests for information, and the fairness of accreditation requirements. The Survey created an index of the degrees of the **freedom of access** to information in each of the regions of the RF by analyzing local laws and the practices involved in facilitating access to information. The only significant independent variable influencing this parameter was investment (risk). The regions with lower investment risk tend to have better access to information. Standardized coefficient (Beta) of investment risk is -.23 and it is significant at the 0.05 level. Taking into account that parameter of investment risk is based on investment experience during the previous years, this suggests that, being a “communication link”, investment did have a certain
influence on the development of the transparency of regional executives, representative and judicial authorities. This was reflected in the response of officials to the requests by PEGP for information, and in the establishment of fairer accreditation requirements in the regions. The R square of the model is .138 and it has revealed one influential factor.

*Model 2:* Second index indicating **production** of information was measured by an analysis of the regional registration regulations (broadcast licenses), local tax and other codes which affect the media’s economic activities, and the government’s role in regulating access to the means of production, both print and electronic. There are two indicators of investment (risk and potential) which were shown to have quite a significant impact on the “freedom of production”. The investment risk has Beta -.345 with t-test -2.82 and is significant at the 0.01 level. The Beta of the investment potential is equal to .295 with t-test equal to 2.63. The R square of the model is .21 indicating some improvement from the previous model. The regional registration regulations, local tax and other codes which affect the media’s economic activities present a more flexible area which is more adaptive to standards of democratic societies.

*Model 3:* The third “component” of press freedom is **dissemination of information.** It was measured by the analysis of the specific conditions created by local administrations to maintain or dismantle their monopoly on media distribution. This is probably the best single indicator of press freedom since it reflects the problem of monopoly in media dissemination. The regression revealed the positive impact of trade and investment on press distribution, on the establishment of regional laws regulating media activities and on the analysis of regional accreditation rules for journalists. Regular trade ties with European partners seem to have encouraged local administrations to establish a liberal environment for press agencies (that was measured by an analysis of (non-) favourable taxation and by the number of permits given to press agencies).

*Model 4* The fourth model incorporated all three aspects of **press freedom:** freedom of access, freedom of production, and freedom of distribution. It confirmed the previous findings on the importance of both indicators of investment experience. The R square of the model was higher than in all other models, R square = 0.28.

*Model 5* **Budget Transparency** was tested in the information request test. A request for information was sent to the head of the region (executive), regional administration, to regional legislative assembly, prosecutors, etc. The purpose of this test is to determine to what extent the regional authorities comply with the RF Law on Mass Media in different regions. According to this Law, executives, the legislature, and others must provide editorial boards with any information they request. This is the reflection, not only of the institutionalisation of democratic norms, but also of the implementation of laws, of democratic culture, and democratic attitudes towards the electorate (which is a more advanced stage of transition to democracy). Unfortunately the test requesting information on the budgetary transparency of regional administrations that was sent to all of the regional executives had a very small response rate. In most cases, the authorities either ignored the request or provided an unsatisfactory answer. Given this fact,
the R square of the model turned out to be quite low (just .073). However, it is remarkable that the regions that had participated in the joint EU’s projects demonstrated the highest responsibility of the regional administration towards such a request. The significance was 0.18 with Beta = .354 and t-test = 1.33. The participation in the EU Projects were the only significant variable influencing the development of such an “advanced” stage of democracy as “value implementation”.

However, it was the only regression which demonstrated a significant positive influence of EU-RF regional projects and programmes. The executives of the CUs that were participating in such programmes and projects (some of which were aimed at enhancing democratic practices) turned out to be the most responsive to a request for information on budget transparency. Both the answer to such a request and the content of an answer clarifying how and when the budget of the regions was spent is a good indication of consolidating democracy on the regional level.

4.4 Conclusion

None of the geopolitical variables (neither location in a European part of the RF nor a direct border with the EU) has had any significant impact on any of the five indicators of regime transition. Thus, we reject the hypothesis, forwarded by Deutsch, that roads, neighbourhood, seaports, etc., as the means of cross-border communication, lead to “expansion of democratic values”. Those regions which “shared” borders, roads, and other such means of “communication” did not seem to be more democratic than the regions which were remote from the EU borders.

In contrast, so-called “cooperation variables” (cooperation in investment, trade, non-profit projects) turned out be quite significant. All of them, have exhibited some influence on different aspects of the dependent variable. The trade relationship was shown to have a positive influence on freedom of distribution. Participation in EU projects encouraged development of a democratic culture, or in other words “value implementation” (which was tested by the request for information on budget transparency). Finally, investment has proved to be significant in all of the regressions with the exception of “budget transparency”.

5. Conclusion:

Interplay of “internal” and “external” factors

5.1 Interactive Approach

The paper has focused on the role of contextual and institutional domestic-policy factors on the developing RCE. Having analyzed this relationship, the paper has addressed the issue of regime transition as a dependent variable with a determinant of RCE as an external factor, controlling for a number of contextual factors.

Thus, the phenomenon of RCE was analyzed as both a dependent and an independent variable. First, the research has focused on factors that might have encouraged the cooperation of Russia’s regions with European counterparts. The main argument was that the domestic policy of central government (establishment of asymmetrical federalism) had influenced not only the

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10 However, that might be due to a very low turn-out of the answers to the information requests that had been sent to the regional governors.
development of internal regional politics but also the development of cooperation links with Europe. Second, it has asked what has been the impact of this cooperation on regime transition in the regions.

Therefore, the paper has attempted to shed some light on the interplay of contextual, domestic and international factors. In other words, it has analyzed how the domestic reform of the administrative state structure had influenced the development of RCE. How has the establishment of asymmetrical federalism (both constitutional and contractual) influenced the development of the foreign policy of Russia’s regions towards Europe? How has RCE influenced the regime transition in the regions which had been involved in this cooperation?

The “context” is further subdivided into “geopolitical” factors, economic development, and ethnicity in each of the 89 regions. Asymmetrical federal arrangement is composed of constitutional and contractual federal asymmetry, as we have seen. The European integration of the Russian regions was influenced by both the “context” and “domestic-policy-factors” (reforms of a federal design). However, both the asymmetrical federalism and RCE seem have influenced the nature of regime transition in the 89 regions.

5.2 Effect of “context” on development of RCE

The paper has posed the question on the role of “contextual” factors in developing cross-border regional cooperation of Russia’s regions with its European counterparts. Given the geographic disparities across Russia’s regions (about a half of the CUs are located in the European part and another half in Asian part of the country), the size of the country, the ethnic mosaic, one might suggest that this “context” might have had a certain impact on differences on both the formation of foreign policy of the regions towards Europe and the success of democratization. We have hypothesized that the regions located in the European part of Russia are more open to the development of democratic

<table>
<thead>
<tr>
<th>Context</th>
<th>Regime Transformation in the regions</th>
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<tbody>
<tr>
<td>Geopolitics</td>
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<td>- direct border;</td>
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<td>- European part</td>
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<tr>
<td>Economics</td>
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<td>- resource-rich</td>
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<tr>
<td>- econ. developed</td>
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<tr>
<td>Ethnicity</td>
<td></td>
</tr>
<tr>
<td>% of ethnic in CU</td>
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</tr>
</tbody>
</table>

Asymmetrical Federalism

- Constitutional asymmetry (ethnic criteria)
- Contractual asymmetry (economic criteria)

The findings can be subdivided into (1) the impact of contextual factors on development of RCE; (2) the impact of domestic-policy factors (constitutional and contractual asymmetry) on development of RCE; and (3) the impact of RCE on regime transition in the regions which had participated in this cooperation.
institutions and the adoption of democratic values than those located in Asian part.

However, the statistical analysis has demonstrated that such geopolitical factors as size, population, and even location in the European part of Russia has had no influence at all at the development of trade, involvement in joint projects, and potential investment. This indicates a critical change in international relations – a predominance of the political dimension over the geographic and geopolitical one. However, the regions located in the “European” part of Russia seem to have lower investment risk than those located in the Asian part. Another geopolitical factor, proximity to the Northwestern border, allowed CUs to participate more actively and regularly in a number of joint projects and to be involved in a number of cross-border regional organizations.

Another important conclusion is concerned with the role of ethnic minorities in the RCE. The hypothesis has stated that ethnically defined regions (republics) tend to be more active on the international arena as they have higher autonomy than the other CUs. The statistical calculations have demonstrated that the ethnic CUs are rather detrimental to the establishment of cultural, academic, political, and economic relations with Europe. It is an even more surprising discovery if one takes into account that most of the ethnic units (republics) not only have more autonomy in conducting their own policy, but are also quite rich in natural resources and could be potential trade partners of European companies. However, the variable of ethnicity exhibited, in fact, a slightly negative effect on potential cooperation with European partners.

The third contextual factor analyzed, was the level of economic development of a region. That factor proved to be significant for the development of investment projects. The regions with a developed economy seemed to be the preferred choice of European investors. This variable was significant in choosing the right investment regions in the RF. However, it has had no impact at all on the establishment of cultural links, in regional participation in different non-profit joint EU-RF projects. The regions of Northwest Russia were the most active CUs in establishing RCE. However, these CUs were not among the most economically developed CUs.

The second set of calculations has examined the role of domestic policy on the forming RCE.

5.3 Effect of central government domestic reform: the impact of “formal” and “informal” federal asymmetry on the development of RCE

The paper has examined the impact of federal design on development of cross-border regional cooperation with Europe (RCE). The differences in status of CUs established by the RF Constitution have had no effect on the development of regional cooperation between Russia’s CUs and European ones. Although the CUs with the status of republics were given much more autonomy, they did not profit from it to establish cultural, academic, or economic links with European regions and trade partners. The republics were not particularly active in the establishment of any kind of cooperation with Europe. Therefore, the Thesis has concluded that the “constitutional” federal asymmetry has had no impact on RCE. More interesting findings were made about the role of “contractual” federal asymmetry. The regions that have signed bilateral power-sharing agreements with the federal government seemed to have developed strong trade links with
Europe. The geopolitical location of these CUs and the level of their economic development were not important factors in the development of cross-border cooperation in trade. In other words, federal policy towards the regions (establishment of contractual asymmetry) was the only significant factor influencing the development of the foreign policy of the regions towards Europe.

5.4 The Importance of RCE in regime transition in the regions

The second part of the quantitative analysis focused on the impact of the RCE, as an external factor, on regime transition in the Russian CUs. Analysis of the effects of the external factor has allowed us to complete the original Diagram 2 and to introduce a new dimension in Diagram 3. This Diagram demonstrates the place of the “external factor” and the effect it has upon the further development of the regions.

First of all, the geopolitical factor, being located in the European part of the country, proved to be an insignificant factor. None of the geopolitical variables (neither location in the European part of the RF nor direct border with the EU) have had any significant impact on regime transition in the regions. Therefore, we have also rejected the hypothesis, forwarded by Deutsch, that common roads, neighbourhood, seaports, etc., as the means of cross-border communication, enhance expansion of democratic values. Those regions with “shared” borders, roads, and other means of “communication” did not seem to be more democratic than the regions which were remote from the EU borders. Therefore, geographical location in Europe is not a sufficient condition for developing democratic culture.

In contrast to geopolitical variables, “cooperation variables” (cooperation in investment, trade, and non-profit projects launched by the EU) demonstrated some positive influence on the development of pro-democratic regime transition in the CUs. The trade relationship has demonstrated a positive influence on the freedom of distribution of information through the establishment of regional laws regulating mass media activities, the analysis of regional accreditation rules for journalists, and favourable taxation. Participation in the EU’s projects encouraged the development of a democratic culture, or in other words “democratic values expansion” (which was tested by the response of local governments to requests for information on budget transparency). Finally, investment has proved to have a significant impact on transition towards democracy in most of the regressions.11

Cross-border regional cooperation is a form of international communication and is a vital feature of European integration. Such “communication” enhances policy-learning and policy implementation on the regional level. “Such a regime (communication) could perhaps one day become a viable alternative for EU membership for those countries wanting closer cooperation with the Union, without being constrained by all the different facets of communitarian integration”.12

11 The only regression where investment showed not to have an impact was the one with “budget transparency” as a dependent variable. This is most likely due to the missing data for the information request test measuring this variable.
European and subregional organizations create a favorable environment for the development of democratic institutions. Thus, RCE has provided an initiative for the adaptation [adoption?] of democratic legislation not only on the regional level but also on the national level as well. Therefore, cross-border regional cooperation is not to be viewed as the segmentation of the country. Through the foreign activity of its regions, Russia’s European policy became more inclusive. In future, it might help to increase Russia’s involvement in the process of European construction through its regions.

The external factor influencing the process of regime transition – the rise of international regions, trans-border economic co-operation - is of a long-term rather than short-term nature. While the domestic policy factor should be taken into account, the role of external environment, particularly in the process of European integration, also plays an important role in the process of democratization. It provides Russian regions with positive external inputs, regional participation in different international and cross-regional organizations. Although, the external impact was quite a significant factor during the 1990s, the domestic policy factor proved to have a critical influence on the regional cross-border cooperation with Europe. The institution of bilateral power-sharing centre-regional agreements seems to have stimulated the intensive development of such cooperation.

Cross-regional integration seems to be an alternative to nationalism and secession. Regional integration could contribute to reform in the state building process and might have a rather positive impact on centre-periphery relations. It encourages economic development in the regions. The integration of border-regions provides an incentive for the adaptation of legislation for the country as a whole. The size of the whole country seems to be a crucial factor – some regions claim to feel closer to the foreign countries they border than to Moscow. Therefore, regional integration in Europe, cross-border regional cooperation, is not to be viewed as leading to a segmentation of Russia. Through the independent foreign activity of its regions, Russia’s European policy has become more inclusive: it might even help to achieve more successful Russian involvement in the process of European construction. As Elisabeth Johansson states, “The ability of subregional initiative to form part of an overlapping institutional framework and blur the line between the ‘ins’ and ‘outs’ of the euro-Atlantic institutions is perhaps most relevant in the relationship between Europe’s two great powers” the European Union and Russia”.

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References


