EUI WORKING PAPERS
SPS No. 2005/05

# Europeanization, Democratization, and Regionalization: The Role of Transnational Regional Cooperation in the Regime Transition in Regions

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ISSN 1725-6755



Printed in Italy
European University Institute
Badia Fiesolana
I – 50016 San Domenico di Fiesole (FI)
Italy

http://www.iue.it/
http://cadmus.iue.it/dspace/index.jsp

## Abstract

While EU policy has certain influence on the regions *within* the EU member-states, it might also have some impact on the process of regionalization in the neighboring non-member countries. The question is whether Europeanization goes beyond the EU's members and candidates?

The external factors influencing the process of regime transition – the rise of international regions, trans-border economic co-operation - is of long-term rather than of short-term nature. While the domestic policy factor should be taken into account, the role of the external environment, particularly of the process of European integration, also plays an important role in the process of democratization. The regional transnational cooperation in Europe may become one of the leading driving forces of the integration process. It presents a particular interesting and challenging study once it is dealt with from a cross-continental, European-Asian, perspective.

**Contents**

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## 1. Introduction

European integration and enlargement as well as basic principles of the EU policy (above all the principle of democracy) have influenced not only the "neighboring-countries" but also *the regions* of the neighboring nation-states. Focus on the regions rather than on the countries is more valuable for this analysis. The politics and the adaptation of regional administrations is more flexible than that of the central government and more influenced by the process of integration and enlargement.

The initiative of the European countries and organizations are the most numerous in Russia, and, therefore, their "neighborhood effect" is likely to be the most influential external factor in the process of transition, once transition is analyzed not on the national but on the regional level. The choice of Russian regions as the primary focus of the research is also justified by the fact that looking at the sub-national level provides important advantages for answering the main questions motivating this study: does Europeanization goes beyond the EU's members and candidates? The regions of Russia provide an excellent opportunity for a comparative study because in most analyses, many key variables are kept constant (history, culture, institutional legacies). Finally, what makes this analysis more valuable is that we also have an opportunity to analyse the interplay of "internal", or subnational, regionalization vs. "external", supranational regionalization, and their overlap in one theoretical framework.

In the theoretical part, the paper analyzes the notions of "Europeanization", "democratization", and "regionalization". In the empirical part, it focuses on the impact of Europe on the regions of a non-member country (Russia). More precisely, it analyzes the impact of the transnational regional cooperation (TRC) between the regions of Russia and Europe on the process of democratization *within* the regions.

## Europeanization, democratization and regionalization: Investigation of Contradictions and Complementarities

Some of the concepts which are central to this theory – Europeanization, democratization, regionalization – need to be clarified. Their definitions and operationalizations are not necessarily uncontested and they develop along with these phenomena and research. However, it is not the purpose of this study to investigate these concepts in depth, but rather to highlight those aspects of these concepts which are relevant for the case-studies (analyses of the north-west regions of Russia).

### Europeanization

One of the key concepts of this study is Europeanization. "Europeanization" is not a common term and there is lots of ambiguity in its interpretations. We distinguish within the concept of Europeanization, its philosophical aspect and its functional aspect.

Philosophically, Europeanization stands for a wider concept of Western European civilization and philosophy, cultural and creative values and achievements compliant with the high standards of quality artistic production, capitalist methods of production, industrial and post-industrial methods of social organization, a strong tradition of knowledge creation and scientific research, an educated population, values like tolerance, solidarity, liberty.[1]

Functional interpretation of Europeanization as a concept implies the existence and enlargement of the EU. It also means "meeting the membership criteria of the EU", which are liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law.[2] Article 49 of the TEU says that any European state that respects the principles which are common to the present member states – liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law – may apply to become a member of the Union.

The studies of European integration (EI) can be broadly subdivided into "bottom-up" and "top-down" approaches. The former analyzes the European institution-building process as a dependent variable, looking for its causes and actors, the member-states.[3] The latter approach analyzes the impact of European integration and Europeanization on domestic political and social processes of the member states and beyond.[4] As Risse underlines, "This move studying 'top down' processes is desperately needed in order to fully capture how Europe and the European Union (EU) matter."[5] This study follows the second approach and asks the question: How does Europeanization affect non-EU members and non-candidate states?

The works of Cowles, Caporaso, Risse, define Europeanization as the "emergence and the development at the European level of distinct structures of governance, that is, legal and social institutions associated with political problem solving that formalizes interactions among the actors, and of policy networks specializing in the creation of authoritative rules."[6] Morlino adds to this definition the "development of networks of interactions among domestic and supranational actors to initiate and unfold the decision making process during the input base" and the "gradual and differentiated diffusion-penetration of values, general norms, and specific decisions from those European institutions into the domestic politics, that is, into the working domestic institutions, decision-making processes and domestic policies at different levels."[7] Finally, the "top down" approach also describes Europeanization as processes and mechanisms by which European institution-building may cause change at the domestic level.[8]

First, it is assumed that there exist a set of "pressures for adaptation" exercised by the EU institutions. Second, Europeanization is also viewed as the stimulation and creation of

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[1] Nada Svob-Dokic, *Europeanization and democratization: The Southern European Experience and the Perspective for New Member States of the Enlarged Europe.* Paper Contribution to the CIRES Conference "Europeanization and Democratization" Florence, Italy, 16/06/2005 – 18/06/2005

[2] Article 49 of the *Treaty of the European Union (TEU)* (ratified 1993) Copenhagen, European Council 2002

[3] Moravcsik, Andrew. 1999. *The Choice for Europe: Social Purpose and State Power from Rome to MAstricht.* Ithaca, NY: Cornell University Press; and Héritier, Adrienne. 1999. *Policy Making and Diversity in Europe. Escape from Deadlock.* Cambridge: Cambridge University Press

[4] Risse, 2000:1, *EUI Working Paper*

[5] Risse, 2000:1, *EUI Working Paper*

[6] Maria Green Cowles, James A. Caporaso, and Thomas Risse, (eds.), 2001, *Europeanization and Domestic Change.*(Ithaca: Cornell UP, 2001:2

[7] Morlino, Leonardo, 2002, The Europeanisation of Southern Europe, in A. Costa Pinto and N.S. Teixera (eds.), *Southern Europe and the Making of the European Union 1945-1980,* New York, Columbia University Press, pp. 237-260

[8] Ladrech, Robert. 1994:69. Europeanization of Domestic Politics and Institutions: The Case of France. *Journal of Common Market Studies* 32 (1):69-88

networks between domestic and supranational factors. The third aspect is termed as "impact" and implies, on the one hand, norms and decisions, and on the other hand, shared values, ideas, discourses. According to this view, Europeanization is a process *within* the EU; the impact of the EU institutions on the EU-members and candidates.

This research approaches Europeanization in a different way, investigating it as both dependent and independent variables. On the one hand, it applies the concept *beyond* the EU, looking for possible impact of the EU on non-members and non-candidates. It narrows down the interpretation of Europeanization to

**(1)** processes and mechanisms by which European institution-building may cause change at the domestic level (the EU mechanism implemented in its regionalized politics in Russia investigated in Section 2);

**(2)** the development of networks of interactions among domestic and supranational actors (in this study, between the regions of a non-EU state and the EU and the regions of the EU-states) (the example of networks and interactions between two regions of the Russian Federation (RF) and Europe investigated in Section 3); and

**(3)** the gradual and differentiated diffusion-penetration of democratic values, general democratic norms from those European institutions into the domestic politics of the regions of Russian Federation (Europeanization as independent variable, as an impact on regime transition in the regions investigated in Section 4).

Therefore, this study extends, geographically, the notion of Europeanization beyond the EU and narrows down its functional interpretation. In other words, Europeanization will mean the democratic impact of the EU (through cooperation), and value expansion on "smaller" partners, the regions of the RF.

Furthermore, it also approaches Europeanization from the "down up" perspective. An important point concerning operationalization of the concept is the absence of "pressures for adaptation" in all of the case-studies. The regions of the RF are not "forced" by the central government to develop cooperation links with European neighbors but, on the contrary, they are sometimes restricted in developing such links. Thus, exactly this major difference between regions of the EU-members and candidates allows us to investigate the Europeanization as a dependent variable as well. It allows us to ask a question: What factors "encourage" certain regions to develop cooperation with actors of tbe already-integrated Europe?

**Democratization**

Democratization and Europeanization are often used interchangeably. There is, of course, a certain overlap between these two notions, but they are not the same. Democratization implies significant changes in a political process that influences decision-making and all social processes in the state in transition from an authoritative or totalitarian regime to a democratic regime.

All of the Western-European countries can be broadly described as democracies. The democratic principle is also an officially recognized value of the EU and, therefore, is a predominant characteristic of the integration process. The EU had to face directly the problem of regime transition during its enlargement. Most of the requirements for new member states were concerned with the problems of regime transition in the Central European countries. Post-communist European countries have been undergoing some transformations in which the EU has sometimes played a significant role. Thus, the democratization core of the Europeanization is an important issue.

However, it is important to underline that democratization in the post-communist space had started before the EU impacted politically post-Communist countries and it was a

precondition to opening up toward cooperation with European partners. It can be interpreted in terms of spillover – the more democratic the country was, the more chances it had to enter the EU; and the more democratization initiatives it was undertaking. Thus, we can say that democratization was both the precondition and the outcome of Europeanization.

It is a challenging task to ask whether there has been any European (EU) impact on democratization in the regions of the RF through cross-border cooperation. Russia's regions provide an excellent opportunity for a comparative study of federal reforms as a part of regime transition since many key variables were kept constant (history, culture, institutional legacies and international environment). Political regimes that existed in Russia from the mid-1950s until the late 1980s – both at national and subnational levels – were commonly regarded as authoritarian. There were some differences in the relative economic development and ethnic composition of Russia's administrative units; the regional regimes were similarly configured along the lines of a set of actors and institutions. However, in the late 1990s, the varieties of political regimes in Russia demonstrated large-scale diversity in Russian regional politics – regimes with some features of democracy in St. Petersburg, authoritarianism in Kalmikiya, and even "warlordism" in the Primorskii krai as well as some hybrid regimes in other regions.

Almost every constitution and charter adopted by the regional governments in the 1990s proclaimed the "sovereign, democratic, rule-of-law state" and gave a list of civic, economic, and political freedoms: the division of powers; rule of law; the invalidity of secret laws; open, free, and fair multi-party elections; basic freedoms of speech, assembly and conscience, the defence of all forms of property rights, etc. However, in some of the regions, behind the formally established democratic "rules of the game", one would fine almost no division of powers, manipulation of elections, suppressed freedoms of speech, etc.

Some regions can be described as authoritarian, with a regional executives that control and subordinate the regional legislatures, courts, and local authorities (e.g., Primorskii krai under Yevgenii Nazdratenko, Kalmikya under Kirsan Ilyumzhinov, Tatarstan). Some regions have "pluralist" regimes where both executive and legislative branches are controlled by different political forces, where there is a (political) opposition and even political confrontation between a regional authority (executive) and the authorities of a regional capital (e.g., Krasnodar, Perm) or different part of a region (Tyumen). The relatively democratic regions are Novgorod, Archangels, Samara, and St. Petersburg.

The main questions to be asked are whether regions located in the North-west part of Russia have developed more democratically given they fall in the area of the regionalized policy of the EU under the Northern Dimension and whether the neighbourhood of well-entrenched European democracies have influenced the transition in those regions. These are the questions to be answered.

**Regionalization**

Europeanization is often analyzed along with regionalization. The European Union itself is described as a *regional* integration. One can differentiate between supra-national regionalism and sub-nation regionalism. Both concepts, Europeanization and regionalization, not only are interconnected between each other, but also with concept of democratization.

Just like Europeanization is often interpreted in terms of democratization, regionalization may also be a response to pressures for democratization. Regionalism is often seen as "an element of modernization and democratic assertion." [9] Enhanced autonomy of the regional

[9] Michael Keating, 1995:9, Europeanism and Regionalism, in *The European Union and the Regions*, Barry Jones and Michael Keating (ed.s) , Clarendon Press, Oxford, 1995:1-22

governments is supposed to make them more responsible to the population of the region rather than to the central government. And it is also easier for the population of a region to control the activities of the regional administration through the process of regional election. Thus, the decentralization that had taken place in Russia in the 1990s, as a form of regionalization, combined with impact the of regionalization in Northwest Europe (an external impact of the EU) presents a valuable case study to test the impact of Europeanization and regionalization on democratization.

Theoretically, the concepts of Europeanization and regionalization may seem contradictory. Europeanization brings about the idea of unification along legal, political, economic lines between the members and candidates of the EU. Meanwhile, regionalization brings about the idea of diversification; regions as actors. However, there is great deal of coherence and compatibility between the two processes. Europeanization may increase regionalization. Thus, for example, new member states and prospective member states were encouraged, through the PHARE programme, to regionalize themselves.[10] "European policies penetrate national space, bringing regions into contact with each other and the Commission, so that state territories are simultaneously Europeanized and regionalized."[11]

However, the same tendency, although to a lesser degree, can be analyzed in application to non-member and non-candidate countries. The regionalization in northwest Russia is the best example of the impact of regionalized and integrated Europe. The EU regional policy towards the north-west regions of the RF has been developed through the Northern Dimension programme, which includes numerous academic networks, conferences, exchange of experts, consultants, and interregional associations. The model of a policy-learning region makes even more sense once it is applied to a region of a country in regime transition, where new policies are to be adopted.

However, the critical difference between the new members, candidates and the regions of non-candidates proceeds from the role of regionalization within the states. The official policies of the national politics of new members and candidates are directed to achieving maximum compliance with the EU criteria and to implementing recommendations for the mutual benefit of regional development and the central governments (which purpose is the place under the EU's umbrella). In contrast, the group of regions of non-candidate states do not have either the approval or encouragement from the central government. The choice to interact or not with the EU actors belongs to the regions only. Another complication is that the central government may control the initiatives of its regions towards "external" partners through institutional mechanisms regulating center-peripheral relations (federal arrangements, the federal constitution, center-peripheral contracts and agreements delimitating powers of the regions). Thus, domestic policy of the federal government towards the regions defines significantly the ability of the regions to be involved in networking with European actors or in models of a policy-learning region.

There are a few important points to be made regarding the notion of regionalization. **First**, regionalization may incorporate both unification and diversification. As for example, it may consist of forming a new region out of a few regions, merging the regions into one economic, political, or even environmental zone. Thus, the creation of new regions out of "old" regions is an example regionalization. However, it may contain tendencies of diversification – "individualizing" regions, distinguishing regions as political actors in the domestic or

[10] Michael Keating, 2002:205, Territorial Politics and the New Regionalism, in *Development in West European Politics 2*, Paul Heywood, Erik Jones and Martin Rhodes (ed.s), Palgrave, UK, 2002:201-220

[11] Michael Keating, 2002:215, Territorial Politics and the New Regionalism, in *Development in West European Politics 2*, Paul Heywood, Erik Jones and Martin Rhodes (ed.s), Palgrave, UK, 2002:201-220

international arena. That is why, on the level of nation-state, regionalization may consist not only in decentralization and/or federalization, but also in a form of centralization (when the process of composing new regions out of old ones takes place). The latter form of regionalization may also take the form of centralization and/or federalization. Federalization can be present in both areas if we think of these processes in terms of symmetry and asymmetry. Decentralization may also be accompanied by institutionalization of asymmetrical federalism, since asymmetry intensifies diversification across the regions. However, the establishment of (symmetrical) federalism may also be present in the centralizing state (if regions are merged for the sake of unification; or if the distinguished autonomy of the regions are is taken away from regional administrations).

**Second**, there might be more than one process of regionalization on a continental scale and the vectors of "neighboring" regionalization processes might not always coincide. As, for example, the regionalization in the integrated Europe has, as one of its purposes, the increasing of economic self-sufficiency and democratic government on the regional level. This is one of the reasons why European integration and regionalism are sometimes described as movements with "elements of consistency and mutual reinforcement."[12]
However, the "neighboring" process of regionalization throughout Eurasia, both on the level of nation-states and on the regions of nation-states, develops in the direction of greater authority on the regional level. The more autonomy constituent units of a state acquire, the more institutional space for establishing autocracy they have. That can also be applied not only to the regions as constituent units, but also to the nation states (for example the post-Soviet republics – Turkmenistan, Kyrgyzstan, Azerbaijan; and integration within the Community of Independent State).

**Third**, the phenomenon of geographic overlap between different process of regionalization can take place. And it becomes an interesting phenomenon to study once the "vectors" of the development of regionalization take different directions and are not compatible – as those regions developing towards democracy and a market economy overlap geographically with those regions developing toward autocracy and a centralized economy.
Example of such an overlap may be the process of regionalization which is taking place within the EU and goes well beyond the EU, through the Northern Dimension programmes, thus, encompassing, north-western regions of Russia (Karelia, Leningrad oblast, Sank-Petersburg, etc.). Thus, it overlaps with the process of regionalization within the RF (which, in the 1990s could have been characterized as decentralization – the establishment of highly asymmetrical federalism; and centralization since 2000 – as the introduction of symmetrical federalism and the creation of new regions through the merging of "old" regions). Additionally, there is another wider overlap on the continental scale between regionalization in Europe and in Asia – the EU and the CIS.
The question is, what is influencing what? Is there an impact of the enlarging EU on the regionalization and democratization of the northwest regions of Russia? Or, has regionalization within Russia (through decentralization and federalization) led to the development of transnational regional cooperation, sometimes so intensive that it was even, contestably, defined as the "integration" of the north-west regions of Russia, into the EU? The list of questions can be further developed and subdivided into those tackling "contextual" factors (the role of geopolitical location; the length of the border; the size of a region)

[12] Michael Keating, 1995:1, Europeanism and Regionalism, in *The European Union and the Regions*, Barry Jones and Michael Keating (ed.s), Clarendon Press, Oxford, 1995:1-22

(Hypothesis 1) and those investigating domestic policy factors within Russia (the process of regionalization and federalization in the 1990s) (Hypothesis 2).
Anotther hypothesis is that regions of a transitional state involved in interaction with regions of established democratic states would follow the policy-learning model, adopting some of the democratic practices and values of their partners (Hypothesis 3).
The questions to be posed with regard to the analysis of the cooperation and communication between the actors of the integrated Europe and regions of Russia are the following:

**First,** what interaction is there in *regions* with two actors (one of which is a supranational actor – the EU, and another is a nation-state – the RF)? To answer this question, we will analyze the related institutional mechanisms of the EU and different forms of interaction between the regions of Russia and the EU (analyzed in Section 2).

**Second**, what factors help to initiate this interaction? These factors may be subdivided into "contextual" factors and "domestic-institutional" factors. This analysis will also help to distinguish the factors of regionalization within a state – factors which make regions unique, different in one or another way from each other. These factors can be conditionally divided into contextual (geopolitical location, ethnic composition, size, external borders) and institutional (the mechanisms which regulate the status of a region within a state) (subsequently analyzed in Sections 3 and 4).
There are also other geopolitical conditions: The existence of common border with the EU, the length of the border as an interaction point, the size of a region, the predominance of either an urban or a rural population. Among institutional factors are the degree of autonomy regions have acquired from the central government through the RF Constitution (constitutional asymmetry) and bilateral power-sharing contracts (contractual asymmetry) which were signed by about a half of all the regions of Russia?

**Third**, what is the impact of regional communication and cooperation with Europe on regime transition in the regions? On the one hand, we have transnational actors, the EU, which is composed of well-entrenched democracies, and on the other hand, its biggest neighbor, the RF, is a "transitional" state. Political regimes that existed in Russia from the mid-1950s until the late 1980s – both at national and regional levels – were commonly regarded as authoritarian. There were some differences in the relative economic development and ethnic composition of Russia's administrative units; the regional regimes were still similarly configured along the lines of a set of actors and institutions. However, in the late 1990s, the varieties of political regimes in Russia demonstrated large-scale diversity in its regional politics – regimes with some features of democracy in St. Petersburg, authoritarianism in Kalmikiya, and even "warlordism" in the Primorskii *krai* as well as some hybrid regimes in other regions.
Thus, the third, question is whether the regions of Russia involved in cooperation with European regions and organizations would be more pro-democratically developed than the others. This analysis would allow for the assessment of the impact of Europeanization on democratization. To sum up the theoretical section, the following conclusions can be made. All of these concepts – Europeanization, democratization, regionalization – have been analyzed in a double dimension: all of them can be presented as a two-way, "top-down" and "down-up" processes. Europeanization may be studied as a process initiated by member-states, but at the same time, it is also a "top-down" process with the influence of the institutions of the EU on its members and candidates. Similarly, democratization can be described in terms of the influence of central government on the regions (being a "top-down"

process at the beginning of transition), democratization is center-peripheral relationship switching from a centralized to a decentralized system. And as a "down-up" process, once the administrations of the regions have undertaken initiatives in regime formation, within the regions. Finally, the same can be said about regionalization, as a "bottom-up" process, when regions undertake the initiative to develop independently from the central government. But this could also be as a "top-down" process. The latter process was presented in two forms – on supranational and national levels. On a supranational level, the EU may encourage the states to regionalized through different mechanisms. On a national level, the central government can introduce the reforms centralizing center-peripheral relationship within the state.

Accordingly, the three phenomena can be studied as both dependent and independent variables. To operationalize them for our particular case-study, the North-west regions of Russia and Northern Europe, we must investigate the time frame of their development: the development of European institutions affecting Russia and its regions; development of democratization and regionalization in Russia and its regions.

## 2. Europeanization as a process, and its mechanisms
## The EU's Policy as an External Lever of Democratization: Regional Dimension

This section brings together the concepts of Europeanization, democratization and regionalization by looking at the EU's institutional mechanisms and its policy towards Russia and its regions.

Apparently, the EU is interested in strengthening its northern border and the north-western regions of Russia constitutes part of this area. Therefore, the EU policy in this region is in fact an "external" factor of the process of the regionalization within Russia. However, the phenomenon has rather positive connotation. It is viewed as lever of democratization within the regions, which has been realised through numerous EU programmes launched in this geographical area. Thus, the hypothesis is that EU does have some impact on regime transition in a number of regions, which permits us to describe it as a "Europeanization of the regions" (given that "Europeanization" is defined as a democratic impact through value expansion and networking). Apparently, Europeanization of the regions of Russia does not have as strong an impact as the EU has on its members and candidate-states. However, it is a significant one in the framework of a cross-regional analysis. This section looks at the instruments and institutions employed by the EU in its approach to the regions of Russia.

By 1989, in terms of treaties, the European Community (EC) had only the now outdated Trade and Co-operation Agreement (TCA) with Russia as it was signed with the USSR in December 21 1989. The only real instrument of politics towards Russia was the TACIS programme initiated in 1991. The first attempt at giving strategic direction to the evolving EC-Russia relationship was the decision to negotiate a Partnership and Cooperation Agreement (PCA) in March 1992. The PCA still remains the legal basis for the relations between the EU and Russia. Respect for democracy and human rights has been elevated in the leading principle of the future development of this partnership. "Cooperation", "partnership", "involvement" are the key-words defining the mode of "integration" of Russia and Russia's regions into Europe and are used interchangeably. PCA states that it favours "a gradual rapprochement between Russia and a wider area of cooperation in Europe, and neighboring regions, and Russia's progressive integration into the open trading system" (WTO).

The preamble to the agreement stresses the importance of the "common values" shared by the EU and Russia – respect for human rights, the rule of law, and the market economy. The

fulfillment of the "obligations under the Agreement", as conditions for cooperation, are interpreted as a direct reference to the primacy of the observance of democracy and human rights in Russia.[13] Therefore, *from the very outset of the EU-Russia relationship, the cooperation was based on democratic values as "common values" for both sides.*

Article 55 of the PCA means that Russia will be committing "to ensure that its legislation shall be gradually made compatible with that of the Community" with respect to most of the single market *acquis* including company and banking law, company accounts and taxes, health and safety, competition, public procurement, consumer protection, the environment, technical rules and standards, and customs law. In this way, it would provide the best guarantee that Russia would be fully integrated into a common European economic and social space, which is one of the main objectives of both the EU and Russian strategies.

The first more concrete strategy, which was based on the European Commission's communication[14], was presented at the meeting of the EU foreign ministers in Carcassonne in March 1995. The main aim of the strategy was to develop a mutually beneficial partnership with Russia, based on mutual responsiveness and respect for human rights. The communication declared the following aims: strengthening political, societal and economic stability in Russia, and sustainable development, which will improve the living standards of the Russian population, and; increased cooperation in resolving the most important regional and international questions. The priorities of the strategy are: (1) the further involvement of the RF in the development of the European security architecture; (2) the *further development of the democratic norms, institutions and practices; respect for human rights and individual liberties*; (3) further progress towards economic reform and encouragement of European Community/Russia economic interaction; (4) the intensification of bilateral and multilateral cooperation in other fields (justice, home affairs, crime prevention, management), and ; (5) the extension of open and constructive dialogue at different levels and in various forms, covering all matters of common interest.

The preparation for the drafting of the first Common Strategy on Russia was started in the aftermath of the financial and political crisis of 1998. The draft was presented at the Cologne European Council. The heads of state and government then formally adopted the first Common Strategy on Russia (CSR) almost without discussion. The CSR declared two strategic goals concerning Russia: "a stable, open and pluralistic democracy, governed by the rule of law and underpinning a prosperous market economy" and "maintaining European stability." The four principal objectives of the CSR are: (1) consolidation of democracy, the rule of law and public institutions; (2) *integration* of Russia into a common European economic and social space; (3) cooperation to strengthen stability and security in Europe and beyond, and (4) common challenges on the European continent.

The discourse had changed over time, as these documents show. It starts with such notions as "cooperation", "partnership", "involvement", and gradually, in CSR, came to use the notion of "integration". Based on these general guidance of "integration", the document spells out the numerous "areas of action" where further measures are required, such as developing *training programmes for Russian civil servants, promoting cultural and educational exchanges, conducting high-level dialogue* on economic issues, working with Russia to develop a joint foreign policy initiative, and overall environmental protection. Once these general principles were in place, the member-states could then add their own proposals. Thus,

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[13] Cf. Timmermann 1996:204. "Relations between the EU and Russia: The Agreement on Partnership and Co-operation." *Journal of Communist Studies and Transition Politics* 12:196-223

[14] Commission of the European Communities, "The European Union and Russia: the future relationship", COM (95) 223 final, 31 May 1995

Finland entered a reference to the Northern Dimension; Sweden added the importance of free media; Germany insisted on the importance of economic reforms in Russia and Great Britain was interested in nuclear safety. The CRS as a part of a learning process, is a way of approaching "common values and fundamental interests".[15]

The "Common Strategy" identifies four principal objectives, and contains numerous initiatives and projects implemented in different regions of the RF. First objectives are "consolidation of democracy, the rule of law, and public institutions in Russia". The EU's projects offer support for institutional reform, for example by promoting contacts between judicial authorities and law enforcement bodies in the EU member states and Russia, by encouraging the development of an independent judiciary and accountable police and prison services. The EU also hopes to contribute to the strengthening of Russia's civic society by encouraging greater *contacts between Russian and EU politicians, at both national and local regional levels, promoting cultural and educational exchanges, and supporting independent nongovernmental organizations (regional aspect).*

Secondly, the strategy envisages the "integration of Russia into a common European social area". There is already a considerable measure of economic interdependence: the EU is the most important of Russia's trading partners and Russia supplies a significant proportion of the EU's energy, mainly in the forms of natural gas and oil. The "added value" of the "Common Strategy" takes the form of specialist advice, training programmes, increased scientific and technical cooperation, financed under the TACIS programme.

Thirdly, the "Common Strategy" focuses on "cooperation to strengthen stability and security in Europe and beyond". It addresses "common challenges on the European continent" – social and environmental dangers, organized crime (money laundering, trafficking in drugs and people); illegal immigration; and terrorism. There is enormous scope for cooperation in meeting these challenges. There is already joint action to fight organized crime, involving cooperation between EU and Russian law enforcement agencies, and several important environmental projects, especially in northwestern Russia under the "Northern Dimension" initiative.

*TACIS* TACIS is the largest technical assistance programme in Russia. This programme is intended to facilitate the transfer of western "know-how" and expertise to assist in the development of the institutions, legal and administrative systems, management skills essential for a stable democracy and a properly functioning market economy. An "indicative programme", covering four years at a time, provides a policy framework for the operation of TACIS in Russia, and identifies three crucial areas: support for institutional, legal, and administrative reform; support to the private sector and assistance for economic development; and support in addressing the social consequences of transition. Most of the training projects have been targeted at civil servants and local government officials, judicial and law-enforcement personnel, and discharged military officers in some of the regions. Twinning projects facilitated the exchange of experience and the encouragement of networking is increasingly seen as a vital part of many TACIS initiatives. The TACIS Tempus programme has encouraged universities in EU member states to form partnerships with their counterparts in Russia, in order to stimulate reform in higher education, and to facilitate the mobility of staff and students. There has also been a distinct TACIS Democracy Programme to promote democratic values and practices throughout Russian regions.

*The Northern Dimension (ND)* Although the "ND" is not exclusively directed at Russia, it provides opportunities for constructive engagement and integration of separate regions of the

[15] TEU Article 11.1. Cited in Haukkala, Hiski, 2001:66 "The Making of the European Union's Common Strategy on Russia" in Haukkala, Hiski and Medvedev, Sergei (eds.) *The European Common Strategy on Russia. Learning the Grammar of the CFSP*. The Finnish Institute of International Affairs, Helsinki, 2001:66

Federation into European political and cultural life. It is the result of an initiative in 1997, sponsored by Finland, to encourage closer cooperation among all states and regions in northern Europe, irrespective of whether they are EU members or not. The ND was approved at the European Council in Vienna in December 1998 and formally launched the following year at the Council in Helsinki. In the context of European integration, the overriding objective is to encourage people and institutions in northwestern regions of Russia to feel that their homeland forms an integral part of the region, rather than being isolated and potentially, therefore, alienated.

The ND is a concept rather than an organizational entity and it does not involve either new institutions or financial instruments. One of the most frequently iterated principles is "positive interdependency" between the EU, the Baltic Sea region and Russia, and the objective is to ensure "win-win" outcomes from concrete projects that bring clear benefits both to Russia and to its regional neighbors. An "Action Plan" identifies a large number of areas in which crossborder cooperation on concrete projects would be beneficial. These include transport, energy, nuclear safety, the environment, public health, trade, international crime, etc. All specific actions, especially those that involve finance, have to be undertaken through existing legal and financial instruments (PHARE, TACIS, and Interreg) or with the support of other international organizations, such as the European Bank for Reconstruction and Development of the Nordic Investment Bank.

The initiative focuses on relations between Finland and Northwestern Russia. It started with the restoration of cooperation, especially in economy and trade, but gradually this idea has grown into a proposal for large-scale cooperation, including not only the EU and Russia, but also the Baltic states.

*The Involvement of Russian Regions in Baltic Sea Cooperation*

Given the EU membership of all Baltic Sea countries except Russia, its apparent that the Baltic coast regions of Russia – St. Petersburg, Leningrad oblast, Kaliningrad - deserves special attention.

Another issue concerns sub-regional economic cooperation. Urpo Kivikari has suggested a "growth triangle" project. He suggests that this "triangle" should comprise the Leningrad oblast, Southern Finland and Estonia following the example of Singapore-Malaysia-Indonesia model.[16] However, the difference between the Baltic sub-regions seems to be somewhat bigger than between those Asian states. This mainly concerns the legal system.[17] Another important fact is that most of the Finnish companies prefer to conduct business with Estonia and with St. Petersburg separately.

The Council of Baltic Sea States (CBSS) and the Union of the Baltic Cities (UBC) could become bodies which will be helpful for cooperation and negotiations. All the countries of the Baltic Sea region are members of the Council. The Union of Baltic Cities includes almost 100 cities of the Baltic Sea region. The organization plays a positive role in developing ties on a sub-regional level. Although UBC is not an organization of high political significance, it could help solve practical problems and could increase of cooperation.

The common border between Russia and the EU (Finland, Estonia, Poland, Latvia, and Lithuania) is often viewed not as a "new dividing line" but rather the point of further integration (cultural and economic).

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[16] Kivikari, Urpo. 1998. The Application of growth triangle as a Means of Development for the Kaliningrad region. In U. Kivikari, M. Lindstrom and L. Liuhto (eds.). *The External Economic relations of the Kaliningrad region*. Turku, School of Economics and Business Administration, Institute for Easr-West Trade C2: 1-13

[17] Khudoley, Konstantin. 2002:342.Russian-Baltic Relations – a View from Saint Petersburg. In *EU Enlargement and Beyond: The Baltic States and Russia*. Hubel, Helmut (ed). Auflage. Berlin Verlag Arno Spitz. 2002

## 3. Contextual Factors of Regionalization: Geopolitics, Ethnicity, and Economic development

The regionalization in Europe is accompanied by regionalization within Russia itself which is based on a number of so-called "contextual" and "domestic-institutional" factors. The country is geographically divided into "European" and "Asian" parts, and regions also differ in a geopolitical sense, in ethnic composition, and in the level of economic development. To better demonstrate the diversity within the regions, we shall draw on some examples across the three contextual variables and analyse the differences in the status of the CUs.

What contextual factors might help to initiate cross-border communication and cooperation between the regions of Russia and the EU? These factors may be subdivided into "contextual" factors and "institutional" factors. This section focuses on the analysis of the contextual factors which make regions unique, or different in one or another way, from each other. These factors can be conditionally divided into geopolitical, ethnic, and economical. Among the geopolitical conditions are the existence (or absence) of common border with the EU, the length of the border as an interaction point, and the size of a region.

### *Geopolitical Conditions*

Regions (or constituent units, CUs) of the RF differ in their size, their population, and location. Eleven ethnically-defined CUs border another state. These are the Karelian, Altaian, Tyvinian, and Buriatian republics, the republics of the northern Caucasus (with the exception of Adygeya), and the Jewish autonomous *oblast*. The republic of Sakha and five autonomous *oblasts* (Nenets, Yamalo—Nenets, Taimyr, Chukchi, and Koryak) are situated along the shores of the Arctic Ocean and the Bering Sea. Although they are situated along the coastline, climatic conditions deny ship access for most of the year and reduce the significance of these locations.

The ethnically-defined units that border foreign states are, generally, quite small (both in terms of area and population). Even though these ten units account for only 10% of the area under ethnic-territorial administration, their share of the population is about 30%. The most populous of therepublics - Tatarstan and Bashkortostan –have no external borders and are cut off from other states by stretches of other regions, possessing overwhelming Russian populations.

### *Ethnicity*

The position of the titular nation (titular ethnic group) in many CUs is quite weak, compared with the other national groups in these areas. The ethnic groups are highly dispersed across the territory of the RF because of the immigration policies of the tsarist period (especially under the rule of Catherine II) and the Soviet era (most notably during Stalin's rule). It is surprising that only 2% of all the Jews in the RF live in a territorially defined CU called the "Jewish autonomous *oblast"*. The highest percentage of any ethnic group living within their own CU is that of the Tatars. But even here only 48.9% of the population of Tatarstan are Tatars, while the rest is composed of Russians, Ukrainians, Moldovanians, and a mosaic of Caucasian ethnic groups.

According to the 1989 census,[18] the titular nation made up less than half of the population in fourteen of the administrative units that are RF republics today. In Kabaradino-Balkaria and

[18] Census 1989 of the RF

Dagestan, a majority exists only if two or more titular groups are added together. It leaves only five republics in which a singular titular nation forms the majority of the population – Chuvashia, Tyva, North Ossetia and Chechnya, and Ingushetia.

In autonomous *oblasts* and autonomous *okrugs* (which have a lesser degree of autonomy than the republics) the presence of members of the titular nation is even less. Thus, for example, in the autonomous *okrug* of Khanti-Mansi, the two titular groups together account for no more than 1.4% of the total population of this CU. In general, the proportion of the titular nations in these units is quite low.[19]

As a result of Russian and Soviet migration policies, ethnic Russians form a majority in 9 of today's 21 republics, as well as in 9 of the 11 units with less autonomy. This predominance of Russians is the main constraint on potential ethnic separatism. The ethnically defined units clearly possess heterogeneous populations.

Most of the nationalities that have been granted autonomy are quite small in size. Within the borders of the republics, the size of the titular nation ranges from 1.8 million Tatars to less than 63,000 Khakassians. On average, the titular nation accounts for approximately 450,000 inhabitants in the republics, and 25,000 in the other ethnically defined units.[20]

Another factor that prevents most of the CUs from demanding self-determination, is the lack of consistency between the borders of the territory actually inhabited by the minority, and their autonomous units. In many cases, the ethnically-defined units include only a small part of the minority in question. Of the largest minority groups with their own territorial units, more than one- third of the group live outside of the autonomous area (*e.g.*, of all Tatars who live in the RF, 68% live outside Tatarstan, among Chuvashs - 49%, Bashkirs – 36%, and Moldovians – 71%). The most striking example is that of the Jews: 98% of whom live outside their autonomous *oblast*. It would be illogical to claim the independence of a federal unit in which the titular ethnic group constitutes only a small percentage and where it is actually predominantly inhabited by other ethnic groups. Thus, the numerically-weak position of the titular nations, combined with the large number of Russians living in the ethnically-defined areas, make separatist movements based on ethnic exclusivity an unviable option.

***Economic factors***

This factor can be viewed in terms of economic dependence, rather than interdependence. Many of the ethnically defined units had developed a dependence on the center during the Soviet period. The local economies functioned as integrated parts of the Soviet economy. Planning and investment were always carried out within the confines of a region, for a particular industry; without developing a balanced, self-sufficient economy within the republic or *okrug*.

The areas where there is the greatest potential, for the development of a more or less independent, economy are the Volga-Ural area and northern Siberia - with their rich deposits of oil, gas and other natural resources. But these territories are surrounded by other regions of the RF.

On the other hand, those republics situated along borders are dependent on subsidies from the federal budget. The republics of the northern Caucasus are among the poorest and the least developed CUs. The republics of southern Siberia are also highly dependent on transfers of

[19] The Komi-Permiak autonomous *okrug* and the two Buryat-inhabited *okrugs* where the share of the titular nation did not surpass 17% might be considered exceptions.

[20] Even these numbers can be considered, to certain degree to be an exaggeration because it accounts for the total share of a titular group in each unit, which sometimes include **two or more nationalities.** The smallest of the ethnic groups with its own administrative-territorial unit is the *Evenks* (it has 3,500 persons within the borders of this entity).

federal funds.[21] Most of the republics can be defined as "mono-economies", in the sense that they rely on imports from other parts of the Federation. For example, 80% of these goods sold in the republics were imported from former union republics.

To sum up, given great disparities in the level of economic development, ethnical composition, and geopolitical location, federalism seems to be the only feasible option to accommodate such differening regions. Above all, it is the asymmetrical federal arrangement which offers "individual" approach to managing center-peripheral relationship in a multi-ethnic state. Thus, given numerous ethnic groups, geopolitical and economic disparities, it seems that the establishment of certain institutional mechanisms in the form of federal asymmetry is almost unavoidable. Above all, the time of regime transition started in the 1990s, offering the regions the chance to "bargain" with the central government to attain more autonomy. To sum up, the democratization in Russia was accompanied by both regionalization, as an attempt of regions to act independently and decentralization, as concessions of enhanced autonomy to regions made by the central government.

## 4. Institutional Factors of Regionalization: The Phenomenon of Asymmetrical Federalism

After the collapse of the USSR, new decentralization tendencies appeared not only in the post-Soviet area, but also within ex-Soviet Russia, then known as the RSFSR (Russian Soviet Federal Socialist Republic). By the end of "Perestroika" (end of the 1980s), it was composed of 89 equal constituent units (CUs), regions, - all with the same powers, all equally subordinated and responsible to the central government in Moscow. Soviet Russia was a highly centralized state. However, the beginning of 1990s was the start of critical changes not only on the national level (in the framework of regime transition) but also on the regional level (through decentralization reforms which took the form of asymmetrical federalism). In 1991, the RSFSR's administrative-territorial structure was modified and this change was later codified in the Federation Treaty of March of 1992 and the Constitution of 1993. The 16 autonomous republics, and 4 of the 5 autonomous *oblasts*, were given the status of "republics". The other 68 CUs (including 49 oblasts, 7 krais, 2 federal cities, 1 autonomous oblast, and 10 autonomous *okrugs*) became known as "regions" of the RF.

In addition to the Federal Treaty, President Yeltsin signed three other treaties in March of 1992: one with the autonomous republics and the autonomous *oblasts* that elevated them to the status of a republic (these are Adygeia, Gorno-Altai, Karachay-Cherkessia, and Khakassia); one treaty with autonomous *okrugs*; and another treaty with non-ethnic *oblasts, krais*, and the two cities of Moscow and St. Petersburg (which received the status of federal cities which made them equal to an *oblast*). The Federation Treaty described "republics" as "sovereign states" implying extended rights for this group of CUs in the areas of natural resources, external trade, and internal budgets. Tatarstan and Chechnya refused to sign the Federal Treaty, seeking the more clearly defined status of independent states. All other CUs, apart from the republics, secured enhanced rights

The Federal Treaty completed the construction of "constitutional asymmetry" (as it became a part of the new RF Constitution). It described republics as "sovereign", which suggested that the republics not only had a right to refuse to join the federation, but also could secede of their own initiative. While the Treaty did not mention the option of secession *per se*, it did

[21] The best example of it is the fact that 90% (!) of expenditures in the Tyvanian budget have been covered by federal subsidies.

stipulate that the constitutions of the republics should at least be compatible with the federal constitution.

The 1993 Constitution took precedence over the Federal Treaty. In drafting Russia's constitution, Yeltsin insisted on three principles: human rights were to be guaranteed throughout Russia (including the republics); the unity of the RF must be maintained; the constitutions of the republics should not contradict the Russian constitution. The definition of the republics as "sovereign states" was dropped, while the federation structure still included different approaches to CUs. The Constitution established the notion of "hybrid federalism" based partly on the example of national areas (such as Belgium and India) and partly on areas lacking in any national significance (like in Brazil, Germany and the U.S.). This structure was accompanied by declarations (Art. 5) on the equality of all subjects of the Federation, when in reality they were entitled not only to a different status but also to different rights. One of the most striking differences was that the republics were granted all the attributes of a sovereign state (constitutions, presidents, legislature, etc.) while all other CUs were granted the right to have charters, governors, and more stringent tax payments.

The result of these new approaches to centre-peripheral disputes led to the establishment of an asymmetrical federal arrangement. As such, "asymmetry" is inseparable from all modern theories of federalism. To start with, there is not a single federation in the world that is considered absolutely symmetrical in terms of the rights and the status of its CUs. The factors that usually influence asymmetrical federalism are strong disparity in size of the regions, population density, the presence or absence of ethnic minorities, and socio-economic inequality.

The 89 CUs of the RF each have a different status and, consequently, enjoy different rights and powers. It is quite challenging to establish a firm demarcation between them, and to divide them into categories. The Constitution is ambiguous in terms of the differing status of CUs. On one hand, it states that all CUs are to be equal, while on the other, it includes articles that favour some CUs (republics) over others. 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 1993 Constitution provides for a confusing distribution of powers to CUs and overlapping jurisdictions. The RF is divided into 21 ethnic republics, 55 *oblasts* and *krais*, 1 autonomous *oblast*, and 10 autonomous *okrugs*.

**Republics:** Republics enjoy several advantages over all other CU in terms of their relationship with the federal centre. The 21 republics provide territorial homes to the most significant ethnic minorities. In most of the cases the "titular nation" does not make a majority of the population of the CU and is overwhelmed by Russians. Not all members of ethnic groups, with their own republics, live on their own territories. In fact the titular nation comprises an absolute majority in only in 6 of the republics: Chuvashiya, Kabardino-Balkaria, North Ossetia, Checheno-Ingushetia (which was one CU and is now two CUs), Tuva, and Dagestan (there are a few ethnic groups which comprise an absolute majority only if they are taken together: Avars, Dargins, Kumyks, Lezgins, and Laks). As the most privileged CUs of the Federation, republics have the power to elect their own presidents (only later on, *krais* and *oblasts* were allowed to follow their example). According to the Constitution of the RF, the republics may have their own constitution, while *oblasts* and *krais* have only charters. Republican authorities signed agreements with the federal government giving them extensive control over natural resources, their own special tax advantages, and the possibility of conducting their own foreign policy.

**Federal cities:** The capital city Moscow, and the former Tsarist capital St. Petersburg, are designated as federal cities.

***Oblasts* and *Krais*:** 46 oblasts and 6 krais are "territorially" divided CUs and there is no difference between them in terms of constitutional rights. The term *"krai"* was used to describe the territories that once stood on the furthest boundaries of the country.

**Autonomous *oblast* and autonomous *okrugs*:** There was only one autonomous oblast on the territory of the RF – called the Jewish AO. It gained independence from the Khabarovsk *Krai* on 25 March of 1991. Therefore, it is defined as being equal to any of the other *oblasts* and the *krais*. The region was established by Stalin in the Far East as a homeland for the Soviet Union's Jews, most of whom lived in the western part of country and few of whom chose to resettle in the new region. Today's population of the Jewish AO is just 4% Jewish.

Not all autonomous *okrugs* are similar with regard to their status and rights. As a result, the resource rich autonomous okrugs (Khanti-Mansii and Yamalo-Nenets) have long sought independence from the region that they are a part of and this was taken into account in developing the system of indexes.

There are also ten autonomous *okrugs* and one autonomous *oblast*. 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 the *oblasts* or *krais*, on whose territory they are located. The Russian Constitutional Court refused to clarify this ambiguity on 14 July of 1997. All okrugs are designated for specific ethnic groups. However, the titular nation constitutes a majority only in Komi-Permyak AOk and in Agin-Buryat AOk.

The "constitutional asymmetry" was followed by "contractual asymmetry". In February 1994, President Yeltsin signed the bilateral treaty with Tatarstan. In the signing of this treaty, Yeltsin encouraged other CUs to follow suit. By 1996, similar treaties were signed with Kabardino-Balkaria, Bashkortostan, North-Ossetia, Sakha, Buryatiya, Udmurtia. In 1996, similar treatment was accorded to Sverdlovsk, Orenburg, Kaliningrad, Khabarovsk, and Komi. These bilateral treaties (also called "power-sharing agreements") helped to resolve some of the tensions between the federal centre and the regions. In addition, they gave sufficient autonomy to the administrations of the regions to rule their domestic policy and often some gave certain concessions for the conduct their own foreign policy. By the end of the 1990s, about 50% of all regions had signed power-sharing agreements with the central government in Moscow. These treaties (or contract) normally outlined the "extra-autonomy" the regions have received in domestic and foreign policy areas. On the other hand, it has created an extremely asymmetrical federal arrangement by "privileging" some regions over the others through the signing of bilateral power-sharing agreements. This phenomenon is conditionally labelled as "contractual asymmetry".

The puzzle is why only some of the regions have 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 of the regions were active in establishing their own foreign relations. Why did some of the regions opt to act on the international level while some of the other regions were reluctant to undertake such an initiative? What factors, apart from geopolitical, have encouraged the participation of the regions in the international, particularly European, affairs?

Apparently, the regions located in the north-west of Russia, and especially those regions which share border with EU-countries, have more chances to get engaged in different programmes launched by the EU (under the auspices of Northern Dimension). They present a geopolitical interest for the EU states and regions. Location on periphery of the RF makes

them closer to the EU than to Moscow. Thus, the development of cross-border regional communication and cooperation are often viewed as initial steps towards broadly defined integration on the regional level which already has taken the form of Euroregions.

Another important factor is democratization which was accompanied by decentralization within the RF which had taken place in the 1990s. Many regions of the RF have asked for extended autonomy and were granted either constitutional or/and contractual autonomy. Thus, it would be natural to suggest that the regions which had received higher autonomy through bilateral power-sharing agreements with the central government had had more opportunity to develop cross-border cooperation with European partners.

Given these two conditions, geopolitics and institutions , we pick up two regions as case-studies to control for both geopolitical location and for degree of autonomy. We have chosen two regions with a similar degree of autonomy and a similar location, to see whether these two factors – geopolitics and autonomy - are sufficient for the development of cross-border cooperation and communication with Europe.

In this particular research, by "cooperation" we mean involvement in different projects (as, for example, environmental projects) and regular trade (which was developed on a regional level during the 1990s). "Communication" is a broader notion which in this research includes those exchange of opinions which take place during the process of cooperation, as it is described above, *and* "communication" which takes the form of regular inter-regional academic exchanges, experts exchanges, learning/teaching programmes, and regular inter-regional conferences.

Narrowing down analysis to regionalization and democratization in the regions of Russia and the role of Europe in this process, two essential questions are to be answered:

1. It is apparent that geopolitical location is one of the crucial factors in initiating the paradiplomatic activities of the regions towards the EU and its regions. Apart from geopolitics, what other factors may hinder the ability of the regions to develop cooperation with European partners? Is it only the geopolitical location of the regions? Does it mean that regions located on the Northwest border of the country are "better off" in terms of cooperation and communication with European actors?

2. It is also apparent that the CUs with enhanced autonomy have more institutional "space" to develop cross-border cooperation with Europe. The question is what other factors, apart from these "apparent" explanations, may hinder the ability and motivations of the regions to develop such a cooperation. By examining two regions with equally favorable geopolitical location and equal autonomy from the central government, it allows for the singling out of other potential explanatory variables.

3. The third question is what is the impact of Europe on the regime transition in the regions involved in regular cooperation and communication with Europe? What is the *regional* impact of Europeanization?

To answer these questions, the paper focuses on the regions with the same geopolitical location and, then, it analyzes the level of democratization within these regions as one of the trends of Europeanization. We focus on two regions located on the Northwest border of the RF.

Given that both regions share the border with the EU, we control for geopolitical variable, which allows for the singling out of other hidden factors that might have influenced the activities of the regions toward Europe.

For the analysis, we have chosen 2 regions of the RF –Sank-Petersburg and Leningrad oblast. Both of them located in the Northwest border of the RF, both of them are neighbors of the EU, and both of them are geopolitically "better-off" than other regions located far away from North-western European countries.

Have they used their preferable geopolitical position to develop ties with EU countries and regions? Are they equally involved in the numerous programmes launched by the EU under the auspices of Northern Dimension? These are the questions to be answered.

## 5. Sank-Petersburg and Leningrad: Comparative Analysis

*St. Petersburg and Leningrad oblast* are obvious and important "test cases" for regional cooperation. Both regions have a favorable geopolitical location – on a border with the EU. However, they developed in different directions regarding the process of TRC. Therefore, they present an interesting case to find out what factors accounted for faster integration of the city into European space and resistant attitude of the *oblast* towards closer cooperation with neighboring European cities and countries.

### Geopolitics

Geopolitically, both regions are situated in the North-Western part of Russia. St. Petersburg is seaport at the River Neva, which drains into the easternmost part of the Gulf of Finland (part of the Baltic Sea). St. Petersburg is included in the North-Western Economic Area and North-Western Federal Okrug. The city's territory, including a total of 42 islands in the Neva delta, occupies an area of 570 sq km (making it the smallest of the Russia's federal components), of which waterways comprise around 10%. The population of the city was estimated 4.70 m. at 1 January 1999. The Leningrad oblast is also situated in the north-west of the Eastern European Plain and also lies at the Gulf of Finland and forms part of North-Western Economic Area and the North-Western Federal Okrug. It borders Estonia and Finland. There is an international border with Estonia to the west and with Finland to the north-west and also forms a partial border with Karelia. The oblast occupies 84,500 sq km and is divided into 17 administrative districts and 29 cities. Its total population is 1,673,700, of whom 66.0 % inhabited urban area (1999).

### History and Politics

St. Petersburg has occupied a special place in Russian history for more than three centuries. St. Petersburg was founded by Tsar Peter I ("the Great") in 1703, as a "window on the West", and was the Russian capital from 1712 to 1918. Following the fall of the Tsar and the rise of the Bolshevik Revolution in 1917, the Russian capital was moved back to Moscow and in 1924 St. Petersburgh was renamed Leningrad. In June 1991 the citizens of Leningrad voted to restore the old name of St. Petersburg and their decision was effected in October 1991.

On 24 April 1996 the liberal mayor of the city, Anatolii Sobchak, approved a draft treaty on delimitation of powers between St. Petersburg and the federal Government. Sobchak was defeated in the mayoral election held in May by another liberal, Vladimir Yakovlev who was reelected in May 2000, obtaining around 73% of the votes cast.

Leningrad oblast was formed on 1 August 1927 out of the territories of five regions (Cherepovetskoi, Leningrad, Murmansk, Novgorod and Pskov). The region did not change its name when the city Leningrad reverted to the name St. Petersburg. While the city was a strong base for reformists and supporters of the federal Government in the 1990s, the Oblast provided support to Communists.

**Autonomy**

In the 1990s, the level of autonomy of each region was defined according to the RF Constitution and bilateral contracts which was signed by 50% of all regions. The Constitution delineates three groups of regions according to three levels of autonomy: republics with the highest autonomy; the regions which are territorially incorporated into other regions and, therefore, subordinated to both the central government and to the administration of the "parent" region – regions with the lowest autonomy; and regions with "intermediate" autonomy - all those which do not belong in either the first or second group. Both St. Petersburg and Leningrad oblast belong to the second group. They do not have the "privileged" status of republics and they are not subordinated to the administration of another region. Both regions have the same contractual autonomy, as both of them have signed power-sharing agreements with the central government.

The document defining the political structure of St. Petersburg is the Charter passed by the Legislative Assembly in 1998. The RF Constitution of 1993 extended the federalism principle to the sphere of international relations and created real opportunities for the regions to enhance their activities at the international level. A "Treaty on the limitation of powers between authorities of the RF and the city of federal status, St. Petersburg" was signed on 13 June 1996. Article 16 covers the delimitation of powers in international activities between St. Petersburg and the federal centre: "St. Petersburg has a right to establish international and external economic links on its own initiative or on the request of federal authorities of the RF…, has a right to conclude respective treaties (agreements) with regions of foreign federal states, administrative units of foreign states, and ministries and departments of foreign states." In 1996 the administration of the oblast also signed an agreement with the federal Government on power delimitation between the federal and regional governments. The gubernatorial election of 1996 was won by an independent candidate , Vladimir Gustov. In September 1999, Valerii Serdyukov was elected governor of oblast.

**Cooperation with Europe**

St. Petersburg has developed most of its trading links with the Baltic republics, Finland, and other states in northern Europe. By the end of the 1990s, numerous shuttle traders hustled between the city and Helsinki, importing a wide variety of foreign products. Also, St. Petersburg had $234 million in trade with Latvia in 1997, including $160 million in exports.

In 1991, the city signed horizontal agreements with other sub-national governments and treaties with the organs of central governmental power of foreign states, for example with the Estonian Ministry of Trade. Now St. Petersburg has more than 50 twin-cities and partner-regions abroad. It is a twin-city of Rotterdam, Gdansk and Le Havre, which have been of great help in integrating Russian partners into trans-regional networks and multilateral programmes. The city is a full-fledged participant in the "Baltic Troika" that involves two state capitals, Helsinki and Stockholm. Despite its municipal status, the local government organization is able to affect policy-decisions towards Russia, from within the country. The city's Legislative Assembly has brainstorming-like relations with Bavaria and Lombardy, and City Hall is interested in exchanging views with other federated units which tend to challenge their centre (e.g. Gothenburg, Baden-Wurttemberg, Schleswig-Holstein and Flanders).[22]

St. Petersburg administration experts managed to establish many international links with European states (both neighbors and non-neighbors). St. Petersburg became a place for high-rank international meetings, replacing Moscow. St. Petersburg's position in the Russian

[22] Marin, Anais.2002. The International Dimension of Regionalism – St. Petersburg's "Para-Diplomacy". In *Beyond the Garden Ring. Dimensions of Russian Regionalism.* Kivinen, Markku and Pynnoniemi (ed.s). Helsinki: Kikimora Publications. 2002: 147-174

Federation has been affected by the development of the EU's "Northern Dimension" programme and other projects.

The city's administration experts managed to establish many international links after the fall of the iron Curtain. St. Petersburg's elite did not influence the process of foreign policy-making on the federal level, although Mayor Sobchak delivered speeches on international questions, presenting his own vision and differing from the Ministry of Foreign Affairs's official position.

Moscow's monopoly on prestigious international meetings was ended and some of these meetings started taking place in St. Petersburg. For example, in April 2001, the Russian-German summit was held there. Vladimir Putin and Gerhard Schroeder opened the "Petersburg Dialogue", which is to become a forum for discussions among politicians, businessmen, scientists, journalists, and artists from both countries. Previously, such meetings had taken place only in Moscow.

The St. Petersburg's political elite have always been oriented to democratic reform and a market economy. The city's leader – both its first mayor Anatolij Sobchak and his successor, governor Vladimir Yakovlev – focused on radical market reform and did achieve some positive results. From the 1960s until the beginning of 1980s, the city was one of the major centers of the military industry. In the 1990s, priorities completely changed. Mayor Sobchak aimed at transforming St. Petersburg into a banking center and cultural capital and sought to provide all possible assistance to tourism, the transport sector and the sciences. The military share of industrial production was drastically reduced, with the exception of shipbuilding, which received large orders from the Indian and Chinese Navy.

Foreign investments have played an important role in the development of market relations. Politically St. Petersburg supported the most radical advocates of democratic and market reform during the period of the late 1980s to the first half of the 1990s. The relatively-higher cultural and educational level of the citizens played an important role.

Many concurrent changes were taking place. The rise in St. Petersburg's economic independence; sub-regional integration with the institutionalization of bilateral, intergovernmental, cross-border and trans-local co-cooperation; the development of transnational actors and trans-local co-operation. All these factors made the region a significant actor in the European arena and even raised "idealistic" projects of the region's membership in the EU.

Just like St. Petersburg, Leningrad *oblast* has a "favorable" geopolitical location – it shares a border with the EU in the Northwest of Russia. Geographically, it is a bigger region and has a much longer border with the EU than does St. Petersburg. However, bordering Estonia and Finland just like St. Petersburg, Leningrad oblast has developed almost no links with Western partners. There have been no incentives on the part of regional political administrations to establish, for example, cultural and academic exchanges, or trade links with neighboring regions. This is even more surprising if we recall that Leningrad has a much longer border with the EU and, thus, inevitably falls in the area of (the EU's Northern Dimension programme. However, the regional administration tends ,rather, to strengthen connections with the federal government than with European neighbors, and relies more on federal subsidies. Therefore, the main foreign question in the region is building ports and then redirecting Russian trade from the Baltic countries through its ports. However, this is a long-term project.

There are also some features that distinguish Leningrad *oblast* from other regions. The location on a EU-border probably makes the region more important in federal budget distribution and subsidization. The region successfully lobbied the project from the establishment of a pipeline system and ports in Leningrad *oblast*. In June 1997, the

President's Decree announced support for the building of three sea-ports in this region (Primorsk, Ust'Luga, Barareynaya Bay).[23] Thus, it is apparent that the local government tends to rely much more on the federal government than on cooperation with European neighbors.

In contrast to St. Petersburg, Leningrad *oblast* was slow in the implementation of market-oriented reforms. The reason for this is that Leningrad *oblast* is a more rural region wherethe absence of private land became an obstacle to economic transition. The attitude of the regional government was more resistant to reform (e.g. they have chosen to keep the old name of the region, "Leningrad *oblast"*, instead of renaming it "St. Petersburg *oblast"*).

Why are some of the CUs (regions) active in paradiplomacy and some are not? Three sets of motivation are often distinguished: economic, cultural and political.[24]

Economically, regions are interested in investment, markets for their products, technology for modernization, and in the development of tourism infrastructure. Regions with a predominant ethnic minority, with their own culture and language, seek support in the international arena. By acting more or less independently, they establish themselves as individual actors with their own identities. Finally, there might be political reasons for entering the international arena. "Those with nationalist aspirations seek recognition and legitimacy as something more than mere regions".[25]

Thus, among the potential factors which might have influenced the intentions of the regions to develop cross-border cooperation with their European neighbors, we have distinguished contextual and institutional factors. An "opportunity structure" can be constructed, based on three contextual factors: (1) the type and the level of economic development; (2) ethnicity (distinct language and culture); (3) geopolitical position; and on two domestic-institutional factors: (1) constitutional autonomy and (2) contractual autonomy. Table 1 shows the importance of relationship with Europe through the motivation and the level of relationship with Europe, for these two regions.

[23] Khudoley, Konstantin, 2002:337, Russian-Baltic Relations – a View from Saint Petersburg. In *EU Enlargement and Beyond: The Baltic States and Russia*. Hubel, Helmut (ed). Auflage. Berlin Verlag Arno Spitz. 2002

[24] Keating, M., Europeanism and Regionalism, in *The European Union and the Regions*, Edited by Barry Jones and Michael Keating, Clarendon Press, Oxford, 1995:1-22

[25] Keating, M. 1995:5. Europeanism and Regionalism, in *The European Union and the Regions*, Edited by Barry Jones and Michael Keating, Clarendon Press, Oxford, 1995:1-22

*Table 1*: Opportunity and Motivation Structure[26]

| | **Sank Petersburg** | **Leningrad oblast** |
|---|---|---|
| **Geopolitics** | North-West part of Russia<br>Direct Border with the EU | North-West part of Russia<br>Direct Border with the EU |
| **Ethnicity**<br>1. Ethnical composition<br>2. Languages | 1. Russians 89,1%, Ukrainians 3%, Jews 2.1%, Belorussians 1,9%<br>2. Only Russian | 1. Russians 90,9%, Ukrainians 3%, Belorussians 2%.<br>2. Only Russian |
| **Economics**<br>1.Urban/Rural[27]<br>2.Rank of economic development[28] | 1. Urban population: 100%<br>2. EBRD Rank N 2 | 1. Urban population: 65.9%<br>2. EBRD Rank N 32 |
| **Constitutional Autonomy** | Intermediate level of autonomy | Intermediate level of autonomy |
| **Contractual Autonomy** | Bilateral contract with central government has been signed | Bilateral contract with central government has been signed |

The geopolitical locations of both regions are the same. To a certain extent, it could be thought that Leningrad oblast has a more favourable location, as it has a longer border with the EU and, therefore, the interaction line is longer. It also puts it in the sphere of interests of the EU and in the domain of the Northern Dimension. As for ethnicity, then, the two regions look pretty much the same – Russians compose majority both in St. Petersburg and Leningrad (89,1% and 90,9% accordingly) – and the only spoken language is Russian. However, economic indicators shed more light in potential explanatory variables, as this is the only indicator which makes a significant difference. St. Petersburg is a more industrial city. However, the difference in 34% is a large one, but is not striking. As for institutional asymmetry, both regions have had the same level of autonomy outlined in the Constitution and both regions have signed bilateral power-sharing contract with the central government.

[26] These data was published in *The Territories of the Russian Federation*. (3rd ed). 2002. Europa Publications: Taylor & Francis Group, and in Orttung, Robert W. (ed.s). 2000. *The Republics and Regions of the Russian Federation. A guide to Politics, Policies, and Leaders.* East-West Institute

[27] This parameter was measured on 1 January 1998.

[28] Rank of economic development is measured by the EBRD in 2000, from "1" for the most developed to "89" as the least developed

*Table 2*: Paradiplomatic Activities[29]

| ***Opportunities of Paradiplomatic Activities by 1999*** | ***St. Petersburg*** | ***Leningrad oblast*** |
|---|---|---|
| Euroregions | Participating | - |
| Twin-cities | Participating | - |
| E-n Organizations | A member of a few organizations | - |
| Common projects | Numerous | - |
| Common programmes | Numerous | - |
| Trade with Europe | Developed | - |
| Foreign Investment (1997) | 2,5% of Russian total | 1,29% of Russian total |
| Joint ventures (1997) | 9.96% (1,467) of Russian total | 0.9% of Russian total |

This data demonstrate that St. Petersburg was actively participating in different organizations, and programmes. In the Euroregions (for example in Baltic Euroregion), it is a twin-city with a number of European cities, it is an active member of a few organizations (Baltic Troika, the Council of Baltic Sea States, and others), it has a developed trade with the Baltic republics, Finland, and other states in Northern Europe, it has launched numerous academic and expert exchange programmes, and it is involved in a number of common projects. The foreign investment in St. Petersburg is twice as high as it is in Leningrad. Finally, joint ventures in the city constitutes almost 10% out of all joint ventures in Russia, when the rate is only 0.9% in the *oblast*.

Given that analysis includes the regions of the same country, even with the same geopolitical location, controls for the same opportunity structure, as both regions are the subjects of the same legal and administrative system. Culturally, they present the same ethnic groups – Russians are the predominant group within both regions. There is not doubt that ethnic reconfirmation was never an issue on the political agenda of the regional administrations.

The economic, geopolitical, cultural, legal, and functional contexts are the same for both regions. Then, what other factors could determine the different strategies they have developed towards their European neighbors?

To sum up, we can make the following conclusions regarding the factors "encouraging" regional cooperation with Europe. The factors that seem to be favorable to the development of cross-regional cooperation and communication are political orientation of the regional government and the predominance of rural or urban types of production. Smaller size might also make it easier to adapt to the requirements of transition to the external, European, environment. However, such factors as location in the European part of the RF, and even on its northwest borders with the EU, are, apparently, not sufficient (pre-)conditions for the development of successful foreign policy towards European neighbors. Having additional institutional autonomy (through bilateral treaties signed with central government in Moscow) is a necessary but not a sufficient condition either.

The questions posed in the next part are: What is the impact of cooperation and communication with European partners on regime transition within the regions? What have

[29] These data was published in *The Territories of the Russian Federation*. (3rd ed). 2002. Europa Publications: Taylor & Francis Group, and in Orttung, Robert W. (ed.s). 2000. *The Republics and Regions of the Russian Federation. A guide to Politics, Policies, and Leaders.* East-West Institute. The situation start changing from 1999 onwards for Leningrad oblast.

the regions gained from cooperation with the EU in terms of policy learning, adaptation of democratic values, and democratic administration? What was the impact of close cooperation with European actors during the 1990s? To answer these questions, we analyze the success of democratization, by 2000. In other words, we attempt to measure the degree of democratization as an impact of Europeanization measured by compliance with the norms and values of European acts. We have chosen the freedom of the mass media as one of the most important parameters of democratization and the compliance with laws and practices adopted by the regional administrations with The *European Convention on Human Rights.*

## 6. Europeanization as an Impact: Press Freedom as a Necessary Prerequisite and an Element of Democracy Analysis of St-Petersburg and Leningrad *oblast*

Democracy includes many parameters – division of powers, fair elections, party competition, regular executive turnover, etc. However, first, in this study we do not deal with the established democratic context but with the so-called country in transition. Second, the number of CUs, makes it impossible to analyze the major criteria across all of them and there are no statistics available to make it a cross-regional N-large study. Therefore, we pick up such features of democracy and necessary prerequisites of consolidated democratic regime as press freedom. Local "rules of the game" often have nothing to do with the federal legislation. Thus, the role of the media does not correspond to the niche defined by federal law and reflects the situation within the region and allows for the determination of the "domestic" peculiarities of the regional regimes.

A true democratic regime in a federal state would imply democracy on the local, ie. regional, level which would be associated with press freedom. ***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 a mediator between the society and the authorities and is a catalyst for change in society. Therefore, the freedom of the mass media in the regions seems to be quite objective criteria for measuring the regime within those regions.

Table 1 demonstrates some of the parameters measuring the freedom of mass media across the two regions of Sank-Petersburg and the Leningrad oblast. Here, we also have the chance to analyze how compatible two regions are with the European Convention.

Table 3: Measuring Freedom of the Mass Media across two Regions

| | Freedom of access to the information | Freedom of production of the information | Freedom of the press (assessment based on regional laws) |
|---|---|---|---|
| Sank-Petersburg | 60% | 57% | 50% |
| Leningrad *oblast* | 58% | 34% | 42% |

The freedom of the mass media includes freedom of access to the information and freedom of production. The last column summarizes the final score of the freedom of mass media. The disparities between two regions are quite significant. It seems the regional administration of

St. Petersburg had adapted their regional legislation regulating mass media activities to the democratic standards by 2000, while Leningrad seems to score much lower than its neighbour. During transitions, regional authorities often try to adapt liberal federal legislation to their own needs, issing 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 the thorough analysis of the local laws[30].

**The right to seek and receive information** freely is dependent on unrestricted access to information, transparency of executive, representative and judicial authorities, the response of officials to requests for the information, and the fairness of accreditation requirements. The Survey created an index of the level of **free access** to the information in each region of the RF by analyzing local laws and the practices involved in facilitating access to information. And we can point out the difference in 2 areas, between Petersburg and Leningrad. The difference is not striking, but significant.

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, both print and electronic. There is a gap of 23 points between the two regions. That might be a more objective criteria as the measurement system of this parameter was based on the analysis of:

1. regional laws regulating media activities,
2. the 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). The environment established by local administrations for distributors of the press (includes analysis of tax system and other privileges for distribution and the number of permits needed to open press outlets).

Another criteria of pro-democratic tendencies in the regions is the percentage of the independent mass media as a proportion of total mass media (which are subdivided here into percentages of state-regulated and independent). The data on the percentage of the independent mass media in St. Petersburg and Leningrad is summarized in Table 2.

Table 4: Share of Independent Mass Media in St. Petersburg and Leningrad

| | Independent TV (in % from total in the region) | Independent radio (in % from total in the region) | Independent press (in % from total in the region) |
|---|---|---|---|
| St. Petersburg | 67% | 25% | 90 % |
| Leningrad oblast | 0,2% | 1 % | 54,2 % |

[30] 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 Socio-psychological Studies, The Mass Media Law and Policy Centre and ANO Internews. The project staff created an index of the press freedom for each region that incorporated three indexes measuring freedom: freedom of access to information, freedom of production of information, and freedom of distribution of information. Data can be found at http://www.freepress.ru/win/public/6htm

The independent mass media is another criteria for judging the success of a democratization process. The role of the independent mass media increases over a pre-election period, for example when it has the potential to shape public opinion and to determine the result of the election. If freedom of the mass media is suppressed, it leads to a situation in which the public is given unreliable information which might secure the victory of those in power. Thus, press, radio, and TV are turned into a tool for settling scores in political battles, without real care about everyday needs of the general public.

Independent mass media is subdivided into independent TV, radio, and press. There is a striking difference between the two regions. In Leningrad, it seems there are no independent TV channels and radio programmes at all: the proportion of independent TV is just 0,2%, and just 1% for independent radio, compared to 67% and 25% in St. Petersburg, accordingly. The gap in the percentage of the independent press is also very significant: 90% of the press in Petersburg is independent while in Leningrad it is only 54%.

## 7. Conclusion

Both regions are located in the northwest of Russia, both share a border with the EU. Both have signed bilateral power-sharing agreements with the central Government in Moscow and , therefore, both were granted some additional autonomy in managing their domestic and foreign policies.

Then, while having the same favorable geopolitical location and the same status and autonomy within the federation, why have they developed such disparate policies towards Europe?

It is important to note that during the 1990s there were some discussions of a merger of St. Petersburg and Leningrad *oblast*, but all negotiations reached a deadlock. The reason lies with the divergent ambitions of municipal and regional officials since both CUs have chosen different models of social-economic reforms and have reached different results.[31]

The territorially bigger Leningrad *oblast*, have a longer border with the EU, failed to achieve the same attention and "popularity" in cooperation with Europe as St. Petersburg. There can be a few explanatory factors. Firstly, St. Petersburg has greater economic development and more industry while the *oblast* is mainly a rural region. Secondly, these two cases demonstrated the important and probably decisive role of the political orientation of the local elites – the governments of these two regions.

Amazingly within the same country, even within the same geographic area, there is the coexistence, side by side, of two different types of development, two different types of attitude towards the European neighbourhood, with different vectors of political regime development.

Two regions sharing a number of common features may exhibit different trends of what have been once defined as "old" regionalism and "new" regionalism.[32] Leningrad oblast presents a classical example of old regionalism, as the one rooted in tradition, conservative values, and ruralism. During the 1990s, the region was predominantly rural and kept such communist traditions and values of the Soviet system as common agricultural lands and production in the forms of "sovkhozy" (soviet administration of agriculture) and "kolkhozy" (collective

[31] Khudoley, Konstantin. 2002:334.Russian-Baltic Relations – a View from Saint Petersburg. In *EU Enlargement and Beyond: The Baltic States and Russia*. Hubel, Helmut (ed). Auflage. Berlin Verlag Arno Spitz. 2002

[32] Keating, M., 2002:209, Territorial Politics and the New Regionalism, in *Development in West European Politics 2*, Edit. By Paul Heywood, Erik Jones and Martin Rhodes, Palgrave, UK, 2002:201-220

administration of agriculture). In contrast, the region of St. Petersburg is an example of the new regionalism and is characterized by modernization, change, and urbanism. Privatization, a transition to a market economy, democracy, and openness to establishing contact with European neighbors are dominant characteristics of the region. Thus, the phenomenon of "new regionalism" seems to go far beyond the EUàs borders.

The two units have chosen different models of social-economic reforms and have had different results – St. Petersburg with a developed economy and Leningrad *oblast* with a crisis (agricultural products cannot compete against imported products, a low living standards, the people's minimal purchasing capacity restraints the development of trade and social services).[33] The military industry and heavy industry failed in their conversion to civilian production).

Three important conclusions can be made from this overview of two case-studies. The first conclusion we make from the analysis is regarding the importance of geopolitical location. The geopolitical location is not a sufficient factor for successful development of RCE. Location on the border with the EU, just as location in north-west part of the RF, is not enough to promote effective development of RCE. Geopolitics does not seem to matter much. In contrast, the political orientation of the regional governments and political elites seem to play a crucial role in the its openness to the democratic European neighbors.

The second conclusion is regarding the role of institutional mechanisms of subnational regionalization – establishment of constitutional and contractual asymmetrical federalism. Both regions have had the same degree of constitutional and contractual autonomy. Both regions have signed bilateral power-sharing agreements (contracts) with the central government, which outlined their spheres of autonomy. Thus, it seems that granting additional institutional autonomy to a region is not a sufficient condition to initiate the cooperation with neighboring regions and countries. On the other hand, if this additional institutional autonomy in the form of a contract had not been granted to St. Petersburg, it would not have been able to develop such a successful cooperation with European partners at all. Thus, although additional autonomy is not a sufficient it is, no doubt, an important factor in the development of cross-border regional cooperation.

Third, there are a few different forms of regionalization that had taken place in the transition period of the 1990s. The first one is the regionalization *within* the Russian Federation and initiated by the central government, through the establishment of constitutional and contractual asymmetry (subnational regionalization). Then, there is the regionalization within the RF, but initiated by the EU and European countries (Finland) through the introduction of the Northern Dimension (through cooperation of the regions of the RF with regions of neighbor-states – cross-national regionalization). The national and subnational regionalization have encouraged the development of cross-national regionalization.

The first form of regionalization was characterized by decentralizating reforms and the establishment of asymmetrical federalism. The second form of regionalization can rather be defined as the integration through cooperation and communication (along with Karl Deutsch theory of integration). Thus, we have analyzed two forms of regionalization: decentralization within the state and formation of cross-border regions, integration (through cooperation and communication). The first has impacted upon the second form of regionalization.

The decentralization, as a form of democratization of center-peripheral relations within the federation, was accompanied by cross-border regional cooperation and integration of the

[33] Khudoley, Konstantin. 2002:334.Russian-Baltic Relations – a View from Saint Petersburg, in *EU Enlargement and Beyond: The Baltic States and Russia*. Hubel, Helmut (ed). Auflage. Berlin Verlag Arno Spitz. 2002

regions in Euroregions (as it was the case with St. Petersburg, Karelia, Pskov, and other regions of the RF).

The theoretical conclusion is that the "Europeanization" and "democratization" seem to present "the-chicken-and-egg-dilemma": the precondition to the start of cross-border cooperation with Europe is pro-democratic orientation of regional administration and the outcome of such communication is further adaptation to democratic values. An actor in such cooperation, a region, should already be pro-democratically oriented. But it is through the process of interaction with Europe that a region can strengthen democratic tendencies.

Thus, the evolution towards democracy or autocracy adopted by regional elites in the earlier 1990s had a defining effect on the development of cooperation with European actors. The case study of two regions in this analysis confirmed this assumption.

This paper was focused on the experiences of two northwestern regions in Europeanization (understood as the adaptation of democratic norms and values through regular cooperation with European actors, and its impact) and in democratization (as the impact of such a cooperation on regime transition in the regions). However, this research has also presented some relevant findings, such as the conditions, limitations, and impact of involvement in European politics through the development of cooperation. The study suggests that with regard to the democratization process in the regions, European programmes seem to have some positive impact upon the strengthening of pro-democratic tendencies. It also facilitates local regional dialogues through the implementation of horizontal partnerships and by the creation of sub-national organizations. Cooperation of the regions with Europe, through the EU's programmes, Euroregions, and projects, prepares the ground for further implementation of pro-democratic politics and initiates a spillover process, at the regional level.

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