Perspectives of euroregions with Russian participation in terms of changes in the EU regional policy

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CROSS-BORDER COOPERATION

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PERSPECTIVES OF EUROREGIONS WITH RUSSIAN PARTICIPATION IN TERMS OF CHANGES IN THE EU REGIONAL POLICY

The article describes changes in the cross-border cooperation support in the framework of the EU Regional Policy. The author emphasises the role of the European Neighbourhood Policy in the development of cross-border cooperation with non-EU countries. The article outlines the main obstacles for the development of euroregions at the EU-Russia border and arrives at the conclusion that their future depends on the success of the Russia-EU integration process in general.

Key words: European integration, Euroregion, EU Regional Policy, European Territorial Cooperation, European Neighbourhood Policy, visa regime.

To my mind, the emphatic success of the European regions integration was mainly preconditioned by the fact that from the very beginning the economic cooperation of the EU countries has been reinforced by the integration of European nations into a common social and cultural space. It is particularly notable when we compare the EU to other similar entities. The EU is definitely far from being a consolidated multi-ethnic society despite the freedom of movement and travel, the introduction of the EU citizenship and common European science and research area. Nevertheless, the level of national communities' unity and intensity of cross-border humanitarian contacts is really impressive.

Since the European community started to develop, one of the ways to let ordinary people feel the benefits of the EU regional integration has been cross-border cooperation between Euroregions and similar structures as an example of 'small-scale' integration. The first of such projects was launched in 1958 – it was the Gronau Euroregion located on the border of the Federal Republic of Germany and the Netherlands. Nowadays, there are more than 100 of such projects with different types of voluntary medium- and long-term cross-border cooperation involving municipal units or whole regions of neighbouring countries. Their legal basis includes the principles of the "European Framework Convention on Cross-Border Cooperation among territorial communities or authorities" from 1980 [1]. Though, some Euroregions turned out to be "dummies", other projects facilitated cross-border economic and social contacts by means of infrastructure development, enabled large-scale projects aimed at environment protection and tourism, intensified small and medium-sized businesses connections, etc.

It should be pointed out that the opportunity of Euroregions to develop does not directly depend on the EU activities. However, in the 1990s, when these projects were introduced in the countries of Central and Eastern Europe that were seeking to accede to the EU, it certainly contributed to the EU expansion to the East. In, 1963 a regional association emerged on the territory of the Basel urban agglomeration; later, it became the basis for the "Upper Reich" Euroregion, which involves not only German communities and French municipalities, but also five Swiss cantons, though, Switzerland, apparently, is not going to accede to the EU in the foreseeable future.

There are some similar projects implemented at the EU border with Switzerland and Norway. In the late 1990s Euroregions started to emerge on the territories of other European countries which are unlikely to become the EU members.

The leader in the formation of Euroregions with the participation of Russia is the Kaliningrad Region; the reason for this is its enclave location within the EU. The Kaliningrad Region's municipalities joined other five Euroregions: Baltica (in February 1998), Saule (in July 1999), "Neman" (in April 2002), Łyna - Lava (in March 2003) and Šešupė (in February 2004).

Repeated attempts to create Euroregions (some of them being quite successful) have been taken in the Republic of Karelia, the Leningrad and Pskov Regions with the participation of Finnish, Estonian and Latvian border areas. In 2003, Russian-Ukrainian-Belorussian "Dnepr" Euroregion emerged, followed by several Russian-Ukrainian Euroregions [2].

Cross-border cooperation got strong support from the EU in the early 1990s, a few years after a large-scale reform of the whole regional policy. The less-developed Spain and Portugal joining the EU in 1986

and the Single European Act led to the reformation of structural funds; furthermore, 1989 saw a transition to indicative financing of supranational regional policy with a simultaneous increase in financing.

In the first long-term financing period (up to the end of 1993), the EU regional policy embraced five goals. The most important of them was 'goal 1' – the assistance to the development and readjustment of lagging regions. These regions were selected from the second level European regions (NUTS-2) according to their GDP per capita. At the same time more than fifteen small interstate sectoral programmes were launched within few years; these programs were later referred to as 'single-purpose initiatives'. One of these programmes was "Interreg" adopted in 1991 and aimed at the conversion of the industrial structures of cross-border territories as the single EU external market was forming [3, p. 258—261].

During the second long-term period of the EU supranational regional policy financing (1994 -1999), another major goal appeared as a result of the accession of the Northern countries to the EU, whereas the number of single-purpose initiatives dropped to 13. Of the previous initiatives, only five were left, including "Interreg II" that was divided into three parts: A – cross-border cooperation, B – energy network, C – cooperation in regional planning.

Given the fact that less-developed countries were accessing to the EU, in the third long-term period (2000-2006), the number of key goals of the supranational regional policy was reduced to three and the number of single-purpose initiatives - to four. A newly prolonged initiative in regional cooperation ("Interreg III") got a new form but still had three areas: A – cross-border cooperation, B – transnational cooperation, C – interregional cooperation [4, p. 21—22]. Out of 235.1 billion Euros (measured in 1999 Euros) assigned to the EU supranational regional policy (within 25 states), 5.3 billion Euros or 2.3 % was allocated to "Interreg III" [5, p. 1]. Despite the modest funding (about 80 mln Euros per every program), the adopted measures turned out to be highly efficient. A notable contribution was made to the development of the transport system, providing public access to information and setting up humanitarian and business cooperation in the third-level European regions (NUTS-3).

The largest over the past 20 years review of the EU supranational regional policy was carried out with the launch of the subsequent long-term financing period (2007 - 2013). All single-purpose initiatives were eliminated and three new goals were set up: "convergence" (former "goal 1"), "regional competitiveness and employment" and "European territorial cooperation" (the latter is mainly based on the "Interreg" initiative). It is planned to allot 2.5% of the 347.7 billion Euro funding to the European territorial cooperation, 1.8% of which is to be assigned for cross-border cooperation, 0.5% – for transnational cooperation, interregional/network cooperative and the single-purpose initiative "Peace in the Northern Ireland" will get 0,1% each [6, p. 24]. Given such modest financing of the supranational regional policy, the "European territorial cooperation" goal alone covers all the EU countries regardless of the development level of the region this country is located in and involves the territories of the countries bordering the EU.

Transnational cooperation, aimed, first of all, to enhance cooperation in such fields as innovations, ecology, access to present-day infrastructure and sustainable urban development, covers 13 large-scale areas of cooperation (the Northern Periphery, the Northern Sea region, the Atlantic coast, etc.). Cross-border cooperation embraces 52 programs fostering cooperation within 150-km border area (including coastal areas). These programs, unlike the "Convergence" and "Regional competitiveness and employment" goals, involve the third-level European regions scale (NUTS-3) that are more subdivided than the second-level regions one (NUTS-2). The main goals of the cross-border cooperation are: the development of cross-border enterprises (small- and medium-scale, in particular), tourism, cultural contacts and external trade; joint use of natural resources according to environmental standards; the support of the connection between urban and rural areas; the development of transport and communication networks; the development of common infrastructure; the increase in governance efficiency; the solution of employment problems including the provision of equal job opportunities. The most typical projects are dedicated to bridge construction, interuniversity contacts, language and cultural barrier elimination [7].

The Euroregions with the participation of East-European non-EU countries are only partially covered by the EU regional policy. Its main fund – the European Fund of Regional Development – provides financing for the EU countries, while a special instrument is used across the EU border. It was created in the framework of the European Neighbourhood Policy and substituted for TASIS (in case of Russia and CIS countries), MEDA and other programmes. However, Russia refused to enter the system which was set up in the framework of the European Neighbourhood Policy, because, according to this system, the countries bordering the EU were divided into the "first rank" (Switzerland, Norway, the Balkan states) and the "second rank", while Russia and Russia was to be grouped with Syria, Lebanon, Egypt and other

non-European countries, which may slow down the EU-Russia dialogue. Moreover, the EU admits that the Mediterranean countries definitely fall behind Russia in the development of cross-border cooperation with the EU and lack positive experience in project co-financing (in comparison to Karelia in particular). The absence of land borders between the Mediterranean countries and the EU predetermines the failure of the unified approach to Russia and the Middle East [8, p. 6, 12].

Despite these facts, in practice, the EU shows disregard for the geographical position of Russia, for instance, by renaming the corresponding Fund the European Neighbourhood and Partnership Instrument. In this case, the word 'partnership' refers to the "Partnership and Cooperation Agreement" between the EU and Russia. As a result, Russia participates in one program of transnational maritime cooperation (unlike the Black Sea and the Mediterranean Sea regions that run analogues programmes, the Baltic Sea region has a special EFRD programme) and five other cross-border cooperation programmes (although, nine of them are implemented at the outer borders of the EU).

The transnational Baltic Sea Region Programme 2007-2013 covers the second-level regions (NUTS-2) including the territories of three Baltic States, Poland, Finland, Sweden, Denmark, 7 Lands of Germany (Mecklenburg-Vorprommern, Berlin, Branderburg, Schleswig-Holstein, Bremen, Hamburg and parts of Lower Saxony), Belorussia, Norway and the North-west regions of Russia (the Republic of Karelia, the Murmansk Region, the Leningrad Region, the Pskov Region, the Novgorod Region, the Kaliningrad Region and St-Petersburg; the Arkhangelsk Region, Nenets Autonomous Okrug and the Komi Republic were chosen for the cooperation projects in the Barents region) [9, p.13].

From the total budget of 293.2 mln Euros, 230.6 mln were allocated by the EU (208 mln – by the EFRD, 22, 6 mln – by the ENPI), 48, 3 mln Euros – by the EU member states, 12 mln Euros – by Norway, 2.3 mln Euros – by Belarus and Russia [9, p.131]. The Baltic Sea Region Programme enables the rapid development of the Baltica Euroregion – the largest Euroregion with Russian participation.

In 2007-2013 the ENPI plans to allocate 118.5 mln Euros to five programmes on cross-border cooperation with Russian participation that emerged with TASIS financial support [8, p. 30, 33]:

— Kolarctic – Russia (Finnish Lappland, Swedish Län Norrbotten, Norwegian Counties Finnland, Troms and Nurlann, Russian Murmansk and Arkhangelsk Regions, Nenets Autonomous Okrug) – 10.13 mln Euros (18, 11 more mln Euros from the EFRD);

— Karelia – Russia (Finnish Regions Kainuu, North Karelia, North Pohjanmaa and the Russian Republic of Karelia that constitute the "Karelia" Euroregion created 10 years ago) – 10.7 mln Euros (EFRD – 12, 45 mln);

— South-East Finland – Russia (Finnish South Karelia, Kymmenlaasko and Southern Savo, Russian St.-Petersburg and the Leningrad Region) – 18.07 mln Euros (EFRD – 18, 11 mln);

— Estonia – Latvia – Russia (North-Eastern Estonian regions, Central Estonia and South Estonia, Latvian Latgalia and Vidzeme, Russian St.-Petersburg, the Leningrad and Pskov Regions) – 23.89 mln Euros (EFRD – equal sum);

— Lithuania – Poland – Russia (Klaipeda, Mariampol and Taurage Regions of Lithuania, Gdansk, Elblag, Olsztyn, Elks and Bialostock-Suvalks Regions (NUTS-3) of Poland, the Kaliningrad Region of Russia) – 55.63 mln Euros (EFRD – 76.50 mln Euros).

The allocation of EU funds to Russian participants is still under question as long as Russia does not sign a financial agreement on the ENPI. Apparently some cross-border cooperation activities will be carried out at the expense of Russian national funding. However, it slows down the integration of Russia and the EU even more and both Western Russian Regions and the neighbouring EU countries are captives of the political game between Brussels and Moscow.

Estimating the perspectives of Euroregions and other projects aimed to develop cross-border cooperation between Russia and the countries bordering the EU, it is necessary to determine what challenges the participants face. If the main goal of the EU is to create a more or less safe socio-economic development area at its borders and the main goal of Russia is to rise to certain local challenges with the help of the EU financing (Russian funds cannot frequently reach small cross-border towns due to the imperfection of the national regional policy) then the prospects look quite bright. Furthermore, given a progressive advance at any pace, the "small-scale" integration contributes to the gradual elimination of cultural barriers between neighbouring countries.

But if we expect Russian society to get close to the societies of the neighbouring EU countries in a few years, if we expect the common economic space to be formed on a different basis than that of large corporations, we will only face new problems.

Another boom in the Russian-EU cooperation in the beginning of the decade was followed by the present period of stagnation. In Russia, it is usually related to the intrigues of some Eastern European leaders, whereas the EU is waiting for the end of the 'attack on democracy' period. But I am convinced

that time is working against the close integration of Russia and the EU if there is no active cooperation. In terms of economy, any delay hinders the development of full-fledged competitive environment and adds to the discrimination of partners. The EU is gradually becoming an autarkic economic group, which leaves Russia (as an apparently weaker economic partner) no other position than that of a supplier of raw materials and finished goods with low added value.

This situation forces Russian enterprises to make attempts at the reorientation of their external economic relations. In terms of political relations, there is an obvious weakening of pro-European political forces in Russia, which are not able to achieve any certain positive results in the EU-Russian dialogue. Provided the abolishment of the direct elections of regional governments and the increase in the threshold required for election to the Duma, there are very few chances of the emergence of new opposition parties.

As a result of this situation, the EU has already missed some opportunities. Some years ago, the creation of free trade zones between Russia and the EU was a subject of wide discussion. It was considered a serious step on the way to the WTO entry. Previously, it was complicated by the fact that Russia was trying to respond to the demands of the partners, but, nowadays, Russia is not willing to accept obligations imposed by the WTO.

The most acute issue is that of the visa regime. In my opinion, the solution of the problem is to lift the visa regime, which should happen within the next few years, rather than to relax visa requirements for certain groups of citizens. Otherwise, business and humanitarian contacts between Russia and the EU are bound to be complicated. The existence of clear borders between Russia and the EU is reflected in the minds of the people and their activities are thus perceived through the prism of the "own territory" – "alien territory" opposition. The EU argues that the flow of unreliable citizens from Russia to the EU is inevitable, though the reverse situation, taking into account the recent flow of hoarders to the Baltic countries, is quite possible too.

Provided the visa regime has been lifted for a significant number of countries both by the EU and Russia, the preservation of the EU-Russia visa regime will gradually cause estrangement between the partners astride the border. Language schools and cultural festivals, for example, will not promote the rapprochement of neighbouring nations if trips abroad take much time and efforts. It should be emphasised that the categorizing of "border" citizens into a privileged group is unreasonable, since the contemporary society opts for mobility. Nevertheless, since the potential of cross-border transport infrastructure development will hardly be unlocked, many 'small' achievements of Euroregions and similar projects will lose their significance.

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