The EU “Northern Dimension” initiative was put forward by Finland in 1997 and was first adopted by the European Commission as a strategy of the EU for 2000—2003 in 1999. The key element of the “Northern Dimension” is the development of cross-border cooperation between separate administrative units of member states. In accordance with the EU documents, it includes the territories of Finland, Sweden, Norway, Iceland, Baltic States and Poland, as well as Karelia, the Murmansk, Arkhangelsk, Leningrad, Pskov, Novgorod, Vologda, Kaliningrad regions of the Russian Federation and Saint-Petersburg.

The unique character of the “Northern Dimension” programme (ND) lies in cooperation between participants conducted both vertically and horizontally at several levels: the state, regional and local ones. For Russia, the ND means an additional possibility to attract the attention of partners to the use of resources located in underdeveloped areas, as well as to find joint solutions to the problems of the Russian North-West cross border areas [2, p. 180]. For instance: environment protection, transport and border infrastructure, unemployment and healthcare problems and other issues.

The development of the ND is, to a great extent, an activity in the framework of certain policies. But it has a distinct horizontal dimension, where coordination plays a significant role. Interaction and coordination of the EU instruments and international finance institutions can provide for higher efficiency and lead to practical results, especially in funding.

In 2003, the European Commission adopted the Second Northern Dimension Action Plan for 2004—2006. The second ND was aimed at contributing to the implementation of the Neighbourhood policy. Now, two partnerships are taking place in the ND framework: the Environmental Partnership and Partnership in Public Health and Social Well-being (established in accordance with the Declaration adopted at the Oslo International Conference on October 27—28, 2003). In four years, the Environmental Partnership has proved itself an efficient multilateral cooperation mechanism with an adequate financial base and project manager — The European Bank for Recon-
The total amount of funding is 1.8 billion euros. Fifteen projects are being implemented in the Partnership framework that are mainly financed by international development banks on a repayable basis, while a part of finance is provided by the Special Environmental Partnership Foundation as grants.

The first priority projects in the framework of the partnership are South-Eastern sewage disposal plants in Saint Petersburg (completed in 2005), the flood protection system in Saint Petersburg, the sludge combustion plant in Saint Petersburg (completed in 2007), the environmental investment programme for the Leningrad region; modernisation of housing and public utilities in Arkhangelsk, Syktyvkar and Novgorod, the modernisation of central heating systems in Kaliningrad and Murmansk, the organisation of waste management in Kaliningrad, cessation of waste disposal into the Neva, the Ladoga ecological programme, water supply in Kaliningrad and Vologda [3, p. 31].

Though the ND initiative was highly criticized from the beginning, it led to certain tangible results. Perhaps, its main advantage is the contribution to the efficient involvement of Russia into European structures beyond the so-called “high politics”. The interest in the ND, its implementation and theoretical experience are expanding beyond Northern Europe and immediate participant states [6].

However, the ND initiative is not merely interesting in itself, but also in the context of EU-Russia relations. From a theoretical perspective, the ND can be considered an element of strategically connected multilevel interactions between the EU member states and Russia. Researchers have repeatedly emphasised the principal importance of the multilevel character of relations between these actors. It concerns (1) relations between the EU and Russian institutions; (2) bilateral Russia-the EU member states relations; (3) cross-border relations and cooperation at regional (subnational) level [12]. Proceeding from this, we can take the next step and try to analyse the consequences and effects of strategic interdependence between all Russia-the EU relation levels in more details.

Our basic argument is that both actors interacting at numerous institutional levels and balancing between them are trying to achieve different goals at the same time. The key actors should take into account the consequences of interaction at different levels, but at the same time they differently estimate the results of these interactions. Thus the choice or rejection of cooperation strategy (or tactics) at one level can explain the character of decisions made at other levels.

The EU-Russia Relations: General Context

Recently, the EU-Russia relations have developed in a peculiar manner: there is a growing discrepancy between the actively developing trade and foreign policy relations, which are approaching the ‘freezing point’. In 2007, this discrepancy formed a steady tendency, since trade was developing to the benefit of both parties, while the sphere of external relations was increas-
ingly taking forms unfavourable for Russia, significantly weakening the international position of Russia not only at the present moment, but also for the future. The middle of 2007 conceivably saw the transition to a principally new paradigm of the EU standpoints in its relation to Russia — European leaders admitted the inadequacy of the attempts to influence the reforms in Russia and started establishing mechanisms aimed at the elaboration of joint solutions allowing neutralisation of possible negative actions of Russia towards the EU.

The favourable vector of international relations development reached its maximum in 1997 when, finally, the EU-Russia Partnership and Cooperation Agreement, signed in 1994, came into effect. At that moment, the Treaty of Amsterdam defined the constitutional (contractual) principles of the EU foreign policy.

Relations with Russia were considered a general foreign policy project that is characterised by the concordance of the member state objectives. At the same time it would be a “pilot project” to test new mechanisms of the interaction of the EU (as a body) with the outer world. It was crucial to find such a project, because the difficulty of the EU common policy development consists in contradictory foreign policy interests of different states, first of all, Germany, France and the UK. But, since all the EU member states are interested in the predictability of Russia, the provision of this predictability is the most evident first priority project of the new common foreign policy [1]. The Treaty of Amsterdam defined the EU “common strategies” in foreign policy as one of the most important instruments of the EU foreign policy. The first “common strategy” (adopted in June 1999) was the programme aimed at the development of democracy and market competition in Russia. In general, it was expected by means of joint efforts it would be possible to influence Russia in the same way Western victorious powers influenced the development of post-war Germany and Japan, aspiring to the establishment of democracy and competitive market as basic tools of a predictable good-neighbour policy. It is well-known that states with democratically elected governments cannot allow themselves to be at enmity with each other.

In summer 1999, it could seem that Russia got an opportunity to benefit from the interest of the EU states in the success of their first foreign policy project aimed at the transformation of Russia into a democratic European power, consistent with the common European rules. But soon after Vladimir Putin had come to power, Russia started resisting the EU attempts to conduct common foreign policy towards Russia. First of all, Russia tried to take advantage of the contradictions within the EU. But soon the attempts to take advantage of the contradictions and, especially, to oppose ‘old’ Europe to the new members of the EU proved to be counterproductive. It became evident in 2007, when, unexpectedly for the Russian diplomacy, Poland blocked the subscription of the new PCA planned at the EU-Russia summit in Samara, which Russia had been aiming at for five years. The leaders of the Union did not merely refrained from calling Poland to ‘order’, but at the summit itself (which was not successful due to the Polish veto) Manuel Barroso, the President of the European Commission, firmly declared his support to Poland.
It is important to mention, that one of the peculiarities of the EU is the fact that this intergovernmental structure is still undergoing the process of formation. It defines, to a great extent, the foreign policy strategies of the Union, which are motivated more by attempts to create conditions for the further accretion of the power to make the EU a real actor of foreign policy than by the EU foreign policy interests. Thus member states should reject the most significant part of their sovereignty which needs serious stimuli. Now, economic cooperation in the framework of the EU has almost reached the level of a federative union; and the Union represents the interests of all the member states. In other spheres, first of all, in foreign policy, solidarity is limited: the principles of decision-making have an intergovernmental character, i.e. a decision is made only if the member states reached an accord. It means that the mechanism of formulating “common interests” in this sphere has not been elaborated yet; there is only a “common denominator” of different interests.

The prerequisite — the EU has not formed a mechanism of formulating common interests — sometimes brings Russian diplomats to the false conclusion that it is possible (and one should try) to take advantage of the contradictions between the EU member states. At the same time they do not take into account that for many European politicians the basic interest consists in establishing common institutes (rules) of the EU foreign policy. Despite different positions on certain issues, there is a collective comprehension of the necessity to elaborate rules defining the future development of the EU foreign policy.

However, the increasing political tension between the EU and Russia can be ‘compensated’ by cooperation at other institutional levels. So, political frictions at the highest level can stimulate the participation of the Russian government in regional EU initiatives (such as the ND). At the same time, it is crucial that, in order to succeed in this balancing between levels, the ND context should be separated from the problem field of the ‘high politics’. In this case, cross-border and interregional programme(s) will be more efficient if they are concentrated around local and not political issues. One should admit that such programmes are hardly applicable to such ‘highly’ politicised issues as the development of democracy in Russia, the freedom of media, human rights, security and energy resource supply. In other words, experts working at both practical and ideological levels of the ND should consciously avoid being involved in certain (political) problems.

It is possible to assume that if some actors choose the level of EU-Russia relations in general as a priority; others will be interested in the development of bilateral relations. So, the priorities of different actors will differ. In general, it can be expected that the EU member states and subnational territories (regions) will follow different and, maybe, contradictory strategies towards Russia. Moreover, the same actor will conduct different strategies at different institutional levels. For instance, Finland will act differently in the European Council, in the ND, and in bilateral relations with Russia. This lack of consistency in EU foreign policy is a natural consequence of its multilevel governmental structure.
The development of the ND is a good example of how the tension in the ‘high politics’ do not restrict cooperation at lower levels. Different forms of interregional cooperation in the framework of the ND achieved more significant progress that it was expected by the critics of the initiative. Despite numerous difficulties, the initiative was not seriously affected and involved in the deteriorating relations between Russia and the EU and, what is most important, Russia did not withdraw from the initiative maintaining its liabilities.

The Formula of Success: Small Steps of Small Powers

As Aalto shows [4], the ND was, first of all, an attempt to overcome the increasing demarcation between the EU and Russia by means of finding joint solutions to functional problems and not meeting at another ‘high politics’ battle field. Security and political issues were either excluded from the agenda or discussed in brief. Maybe, the best decision was not to tackle the issue of oil and gas supply in mass media. Only nuclear safety and energy efficiency were included in the ND Environmental Partnership. The importance of the North for the EU energy strategy is understood by ‘European bureaucrats’ perfectly well: “The Northern Dimension represents one essential frontier for security of supply due to the importance of Russian and Norwegian energy supplies.” (The EU Commission 1999:11).

From the very beginning, the ND was oriented towards partnership and equality approach, was open to equal partnership of non-EU member states. As Lannon and Elsuwege point out: “The fact that these partner countries have become involved in the process from the very beginning and participated in the Foreign Ministers’ conferences on the Northern Dimension is rather unusual in the EU context. In other words, the partner countries were expected to be not only policy-takers but also policy-makers” [9, p. 25]. Browning and Joenniemi [5] agree that openness to external participants is indeed a peculiar feature of the ND. For all member-states this involvement into the initiative grants an opportunity and grounds for the discussion of urgent problems on the basis of equality. The equality and partnership approach almost guaranteed that the ND would deal with a certain number of issues, ‘acceptable’ for all participants. And indeed, the ND, as a rule, conducts functional cooperation in the field of ‘low’ politics.

Later, Finland started to make efforts to transform the image of the ND — from a foreign policy to a cooperation project that equally belonged to the participant states and the EU [14, p. 6]. From all the partner states only Finland is a member of the EMU, but is still sceptical about a common defence policy. For an outside observer, the ND may seem a project, in the framework of which Northern European States try to separately build their relations with the rest of the world and Russia in particular. The ND can be also considered as a ‘Northern alternative’ to the eastern and southern vectors of the EU development. As Trenin assumes [13] there is a possibility of forming a new common global identity — the ‘Northern’ one.

It was repeatedly emphasized that the ND proves the ability of small EU powers to achieve much conducting ‘smart small policies’. If in the case of
Russia, it concerns the regions that actively participated in the ND activity and success depended to a great extent on the interest and involvement of local and regional (subnational) actors.

It is not a coincidence that such initiatives and projects are implemented at subnational level — it demands, in addition, the technology of practically-oriented cooperation. The attempts to harmonise and realise such projects among national governments inevitably lead to significant transaction costs. On the contrary, interregional contacts allow keeping costs low; cooperation is developing as a ‘general practice’ beyond the ‘high’ policy context.

**EU Foreign Policy Subsidiarity Principle and Northern Dimension**

The development of “dimensions” is a form of exclusion: partnership in a certain dimension means that the state cannot count on full membership in the Union [8, p. 7]. The ND has both northern and eastern elements. And from the point of view of its eastern “geography” it is indeed a border between Europe and non-Europe [11]. If one understands the ND in this way, then it is based in Brussels in the offices where the EU foreign policy is being elaborated [11, p. 97]. In other words, if one conceptualises the ND as an element of the EU foreign policy, then it becomes a restricted regional part of the common EU strategy towards Russia.

Alternative future for the ND could consist in maintaining a certain degree of independence from the EU foreign policy; the ND already has important innovations and is different from the traditional instruments of foreign policy, which makes it easier to achieve autonomy. The ND is a combination of the partnership, equality and multilevel approaches, and such a unique combination creates a “special subsidiarity form” — the EU states formulate and realise foreign policy in collaboration with external actors able to generate necessary ‘power’ to solve certain problems [7, p. 390]. Such subsidiary allows the EU to conduct its multilevel foreign policy. On the other hand, the most concerned member states can avoid the contradictions of ‘high’ politics focusing on those fields of cooperation where the participation of regional and subregional actors will lead to the creation of additional value (the Northern Dimension Policy Framework Document, 2006).

The subsidiarity principle applied to the ND drastically differs from the ideas of “two-speed Europe” and “Europe of regions”. Perhaps, it can be easily explained by means of multilevel governance approach, which implies that the actors can influence the decision-making process in the EU by numerous means — from collaborating with European institutions to indirect actions through regional, national and subnational bodies. The policy thus formed is a result of overlapping jurisdictions, tensions and conflicts in the multilevel governance system [10].

Applying this subsidiarity logic to the ND one can expect the process of ‘localised’ decision making become decentralised, i.e. dispersed among different institutional levels — regional, national, subnational; while supranational institutions will maintain responsibility for formulating the common
policy towards Russia. Thus, different questions will be located in the jurisdiction of different actor in dependence on their importance and presence of common interest.

Let us mention, that the ND subsidiarity logic does not contradict (but supplements) our argument put forward in the beginning of the article: the key actors will define their strategies in accordance with, firstly, the general context of EU-Russia relations, and, secondly, prioritisation at different levels and concerning different issues. European (supranational) actors are more likely to benefit from the participation of the ND in “high” politics then the participant states, subnational units and the Region in general.

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