

**THE ROLE  
OF SMALL COUNTRIES  
IN POST-SOVIET  
TERRITORIAL  
RESTRUCTURING:  
THE BALTIC CASE**

**V. Smirnov**\*



*This author analyses the 2013 Lithuanian presidency of the EU in the context of the Ukrainian crisis and evaluates the contribution of Latvia and Estonia (the former Soviet republics set to preside over the EU in 2015 and 2018) to the shift in the power balance in the post-Soviet space. Through assessing the actions of small countries in promoting the Eastern Partnership programme with an emphasis on the anti-Russian agenda, the author concludes that they will inflict harm on the EU in a long-term perspective. These former Soviet republics no longer rely on mere diplomacy, but resort to a whole new problematic narrative, where Russia is described as an “aggressive and unpredictable neighbour” that poses the “threat from the East.” Being more mobile, small countries are able to concentrate power and resources in one or several key areas. This makes it possible for these countries to take advantage of international politics (even if the consequences of such steps are miscalculated) and “feed” on it through — sometimes consciously — creating “conflict nodes” in the relations between major players. This is especially true in the case of states that do not bear responsibility for global stability.*

**Key words:** Baltics, Eastern Partnership, Lithuania, Latvia, Estonia, Ukraine, small states.

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The crisis in Ukraine has questioned the efficiency of the existing system of checks and balances in international relations. Unlike major geopolitical actors playing in the Ukrainian field, the actions of small nations in the

current situation in Ukraine usually remain unnoticed by researchers. This holds true for the three Baltic states, after the EU presidency of one of which — Lithuania — the Ukrainian situation entered its acute phase. Lithuania was the first former Soviet Republic to preside over the EU. Can the situation in Ukraine developing during the Lithuanian precedence be interpreted as a precedent? Answering this question requires analysing the prospects of the other “post-Soviet” presidencies: Latvia will head the EU at the beginning of 2015 and Estonia in 2018.

The Ukrainian “fire,” which followed the Lithuanian presidency, calls for meticulous attention to the role that the Baltics strive to play in the post-Soviet space — a territory that remains unsteady a quarter century after the collapse of the USSR.

The status of a “small power” (as interpreted by R. Rothstein)<sup>1</sup> determines the capabilities of Lithuania, Latvia, and Estonia. The Russian political scientist M. Ilyin — the author of a state typology based on J. Colomer’s ideas [5] — defined small powers as follows: they have a small territory and population, a pronounced dependency complex (however, in some cases they can strive for a relatively independent foreign and domestic policy), whereas their priority function is “adjusting” international relations [16]. However, the currently increasing interdependence makes it possible to speak not only of “adjustment” but also of a significant impact on the decisions and actions of larger states. However, Ilyin argues small powers are incapable of taking an independent position: situated along the axes of mega- and macro-state, small powers can move away from these axes and create more or less wide *belts*, *arcs*, and *nodes* [15].

The leading states have a wide range of tools to achieve their foreign policy objectives based on military, socio-political, economic, and ideological resources. M. Lebedeva stresses that great powers, nevertheless, cannot use the whole range of resources at a time (at least, due to their high cost).

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<sup>1</sup> R. Rothstein defined a small power as a state that “recognizes that it cannot obtain security primarily by use of its own capabilities, and that it must rely fundamentally on the aid of other states, institutions, processes, or developments to do so; the Small Power’s belief in its inability to do so must also be recognized by the other states involved in international politics” [12]. It can be juxtaposed with Lithuania’s position on the eve of accession to the EU: “Lithuania as a small country with limited economic and demographic resources is not able to implement its foreign and security policy globally alone.” For more detail, see [8]. L. Linkevičius was Minister of National Defence at the time and Minister of Foreign Affairs during Lithuania’s presidency in 2013.

Further, she identifies a drift towards socio-political and humanitarian resources, which are less costly and can be disseminated using modern technologies. Also, she emphasises the ongoing process of the fragmentation of resource potential. Therefore, if the whole range of resources is unavailable to a certain “player,” they focus on one of them [18].

The range of small states’ functional capabilities is limited to acting as a buffer zone, diplomatic mediator, barrier state, geopolitical gateway, or periphery [7]. Due to the peripheral and transit position of the country, the set of functions will be determined by the actions of leading states. This idea corresponds to the thesis advanced by A. Bogaturov that the Baltics did not become major players in global politics but rather strived to accumulate their political, ideological, and financial-economic capital through playing on the relations between Russian and the West, and Russia and the USA, actually, “feeding” on them [14] by taking advantage of “conflict nodes.”

In the conditions of absent or limited resources for promoting their interests in the international arena, small states concentrate on diplomacy. The most efficient tool is to form coalitions based both on the territorial principle (for instance, the Nordic and Baltic minister (NB6) working breakfast before each meeting of the EU’s Foreign Affairs Council) and the problem-based one [13] (it is small powers that insist on keeping the Eastern Partnership<sup>2</sup> at the top of the EU agenda, they also united against the appointment of the Italian Minister for Foreign Affairs F. Mogherini the High Representative of the Union for Foreign Affairs and Security Policy in July 2014).

Motieka and Statkus stress that Lithuania, Latvia, and Estonia adhere to a pro-US geopolitical agenda considering the US the major guarantor of the country’s sovereignty, since (1) the USA did not acknowledge the legitimacy of incorporation of Lithuania, Latvia, and Estonia into the USSR, and (2) the country considers the US a counterbalance to Russia’s geopolitical ambitions in the Baltic region. For the US, the Baltics are a “wedge” between Europe

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<sup>2</sup> The Eastern Partnership was initiated by Poland and Sweden in 2009. Moscow was given the role of an observer that can make comments but cannot affect the process. The need to create the EP was explained by the 2008 conflict in Georgia and the gas dispute between Russia and Ukraine. The programme is aimed at further restructuring of the post-Soviet space, and accelerated political rapprochement and economic integration between the EU and Azerbaijan, Armenia, Belarus, Georgia, Moldova, and Ukraine. The Russian leadership regards projects based on the “zero-sum game” logic as unproductive one interpreting them as interference with integration processes with Russian participation.

and Russia, as well as “agents of influence” in the EU (alongside other countries of Central and Eastern Europe). Despite the possible cost of playing this role, Lithuania's elite consider the pro-American agenda a better scenario than its absence or replacement thereof with an exceptionally pro-European one [9].

The problem of “double allegiance” [4] (the need to act in line with the common European policy developed by the major European powers and to display loyalty to the Atlantic foreign policy vector<sup>3</sup>) shapes a specific style of behaviour in the political elite of Lithuania, Latvia, and Estonia in the international arena, which can be described as regression from the status of a buffer area to the role of provocateurs in the post-Soviet space. This became especially evident in the course of the Ukrainian crisis, which followed the unsuccessful Eastern Partnership summit in November 2013. “The Vilnius summit became the trigger of a gun that fired a shot on the squares in Ukraine’s capital” [21].

The thesis of the EU's Eastern policy as “a geopolitical battle with Russia over the common neighbourhood” [11] had been adopted by Lithuania long before it assumed presidency over the EU. The Lithuanian political elite, that has undergone little change since the days of Sajūdis, shows an alarmist attitude towards Russia, which is based on equating the notion pro-European and anti-Russian. This is multiplied by that Lithuania sees itself as a “missionary” of transformations in the post-Soviet space. For example, one of the leaders of the major Lithuanian political party Lithuanian Christian Democrats, the long-standing Prime Minister A. Kubilius presented in 2007 the Russia Containment Strategy (in 2014, he published an upgraded version). In particular, it relies on the thesis that the increased presence of the US in Europe will drive Russia away and the belief that Lithuania in collaboration with its neighbours and the US should become an architect of a new neighbourhood policy. In 2004, when Lithuania acceded to the European Union, an agreement endorsed by the major parliamentary parties was reached. It formulated the goals of Lithuania's foreign policy until 2008, including the launch of democratic processes in Ukraine, Belarus, Moldova, the states of the South Caucasus, as well as the Kaliningrad region [2]. In a cross-party agreement for 2008—2012, Lithuania sets the target of becoming a hub for joint regional initiatives and a centre for promoting Euroatlantic values. The first priority on the list of key foreign policy objectives is facilitating the further enlargement of the EU and

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<sup>3</sup> A characteristic example of such policy is a meeting of Lithuanian, Latvian, and Estonian leaders with President Obama in August 2013 in Washington, which stressed the “geostrategic importance” of Ukraine's Eurointegration and the success of the Vilnius summit. For more detail see [10].

NATO focusing on Belarus, Moldova, Ukraine, and the countries of the South Caucasus. It also stresses the significance of the Eastern vector of the European neighbourhood policy and makes it clear what neighbour poses a threat to security [3]. The most recent document of this kind is dated March 29, 2014. It raises the issue of Stalin's rule, condemns Russia for aggression against Ukraine, and attempts to revise the history of the 20<sup>th</sup> century and destroy the system of international relations, etc. Such “minor details” as democracy in the Kaliningrad region are not mentioned — this is a document of a different scale: Lithuania aims to bring the Eastern Partnership target countries close to the Euroatlantic community as soon as possible. Official Vilnius aims to achieve this target until 2020 [1].

Latvia and Estonia pursue a similar policy. However, they do not strive for a leading position in developing scenarios for the post-Soviet space. Lithuania, Latvia, and Estonia constantly portray Russia as threat. The Baltics regret that they did not manage to open the eyes of Europe<sup>4</sup> to “Russian aggression” against Georgia despite their overall support for Saakashvili's regime (several years later, he was accused of a series of criminal offences, repressions, and fraud; however the Baltic leadership turned a blind eye to these facts). The Estonian political scientist A. Kasekamp believes that the Georgian conflict was a paradigm shift for Estonians. Nevertheless it did not have the same effect on the major European actors, which interpreted the attempts of Baltic politicians to strengthen support for Georgia as encouraging imprudence. However, he stresses that the work with the target Eastern Partnership states should be continued. To this end, the Estonian Centre of Eastern Partnership has been operating in Tallinn since 2011 under the umbrella of the Estonian diplomatic school and the Ministry of Foreign Affairs. The Centre focuses on training officials and diplomats from the EP countries [6].

According to experts, the annual losses of the Baltics, associated with the politicised relations with Russia, account for 9—10 % of the countries' GDP. Over the last four years, Estonia and Latvia have lost approximately 10,100 m USD. In the case of Lithuania, which strives to set the tone for the Baltic foreign policy, losses amount to 15,000 m USD. Using the fear of Russia, the Baltics generate distrust not only of the countries neighbouring the EU but also of fellow EU members (despite that the Union is based on the principles of trust, interconnection, and interdependence) [19].

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<sup>4</sup> The Baltics took a more aggressive position during the Ukraine crisis driving the EU to the maximum deterioration of relations with Russia and NATO to an “adequate response.”

It is worth noting Lithuania's initiative for reforming the Eastern Partnership programme which had been announced a year before the country assumed presidency over the EU. Riga does not seem to have realised that the Eastern Partnership is turning from a programme aimed at the stability and prosperity of target countries into a source of geopolitical turbulence and a direct threat to the stability of target countries' statehood. On the contrary, the country is following the example of the Lithuanian elite who contributed to the maximum deterioration of relations between their state and Russia in the course of their EU presidency. Riga suggested naming the US a key partner in the EU's Eastern politics and turning the Eastern Partnership into the Euroatlantic Eastern Partnership offering the target countries the prospect of full membership in the EU [20]. The USA entering the Eastern Partnership as a key partner will significantly increase the conflict potential of the programme driving the EU to the periphery of political activity in the post-Soviet space.

A lack of deliberation and haste<sup>5</sup> characteristic of the actions and statements of Baltic politicians in the international arena (some of them are intentionally arrogant, aimed to create “conflict nodes” rather than solve problems and use simplified ideological schemes) show that the perception of diplomacy as a resource can be rather distorted, which points to the mediocrity of the elites<sup>6</sup> of these peripheral states.

One can expect that the further “post-Soviet” EU presidencies will increase the level of toxicity of the Russia containment policy against the background of ongoing attempts to restructure the post-Soviet space using the Cold war techniques. In the end, it will contradict the strategic interests of Europe. Such actions of small powers can create new risks to the European security system. It

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<sup>5</sup> One can recall the hasty support of the US military strike against Syria in September 2013.

<sup>6</sup> In this respect, M. Kaveshnikov is right to mention that “the system problem that small powers pose for the world order relates to the gap between the increased capabilities of small powers and a lack of strategic vision and responsibility, consumer attitudes, and a low quality of political elites characteristic of small states.” Defining provincialism as a “state of mind” of the ruling elites of a number of small power, he stresses that Polish and Baltic politicians – while understanding the limits to their influence in the EU – use a simple way to increase their significance. Presenting the EU-Russian relations as constant escalation of a conflict, they claim the status of the first “defence line” in the fight with the “evil from the East [17]. This observation is rather accurate; it is sufficient to acquaint oneself with the statements of key Baltic politicians made over the recent decades. There is no need to give any remarkable examples – all of them are rather similar and boil down to the idea that “the enemy is at the gate.”

becomes increasingly possible as the international system loses its stability. Small powers are mobile. They are capable of rapid concentration of forces and resources in one or several key areas. Therefore, they can take advantage of the international political situation using the “seesaw” of “double allegiance”. Moreover, they strive not only to “feed on” it but also to be proactive (even if the consequences of such actions are not accurately calculated), thus sometimes creating “conflict nodes” in the relations of major players. It is especially true for states that do not bear responsibility for global stability. In their case, the line between a rapid response to changes in the global arena and an evident provocation becomes so thin that it can be easily disregarded.

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## ECONOMY AND TOURISM

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### THE COASTAL REGIONS OF EUROPE: ECONOMIC DEVELOPMENT AT THE TURN OF THE 20<sup>TH</sup> CENTURY

**D. Makhnovsky\***



*This article explores the current condition and spatial dynamics of the key socioeconomic processes in the coastal zone of the European subcontinent at the turn of the 20<sup>th</sup> century. Europe is a region where the “coastal component” of socioeconomic development plays a major role and is therefore one of the most interesting objects for research in this field.*

*Russian geographical proximity to the European countries, a significant number of shared problems, and a considerable potential for cooperation in solving them and developing the world ocean’s resources create grounds for an integrated study of European coastal regions. The author analyses Russian findings in the field of the socioeconomic development of coastal regions.*

*The differences in the natural and socioeconomic conditions and resources along a significant portion of the European coastline necessitate the zoning of subcontinent’s coastal territories and contiguous water areas. The findings of EU maritime research constitute the economic and statistical basis of the study, whose author, relying on necessary calculations, proposes a new concept of coastal regions.*

*The study identifies significant differences in the nature and trends in the development of European coastal regions in the first decade of the 21<sup>st</sup> century. Thus, Russian coastal regions show the most dynamic development rate. In general, coastal regions are not superior to inland European regions in terms of major development rates.*

**Key words:** coastal regions, Europe, EU, socioeconomic development, maritime industry, territorial structure of economy, gross regional product, population.

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The significance of the coastal factor for social development is difficult to overestimate. The first studies of the issues within the marine sector emerged in the second half of the 20<sup>th</sup> century as the use of sea and ocean resources was increasing in almost all coastal countries. The USA, France, the UK, Norway, the European Union, and international organisations (UN, OECD, etc.) have proved to be extremely active in this field [15].

A substantial research of this problem has been carried out by the Soviet and Russian authors. In 1979, Salnikov et al. authored a seminal tome called *The Economic Geography of the World Ocean*, which was published in a series of books on geography of the sea. It focused on a number of spatial aspects of ocean resource potential studied within the framework of contemporary theoretical assumptions of economic geography. “The economic geography of the ocean,” Pokshishevsky and Salnikov wrote in the preface to the book, “is part of geography of world economy addressing the patterns of geographical division of social labour in the process of development and functioning of spatial socioeconomic complexes of the World Ocean... Thus, economic geography of the ocean is an integral part and research area of geography *per se*, in particular, part of economic geography” [33].

The methodological framework of the new research area continued to develop. In the 1970s and 1980s, Soviet academic community began to summarise the first results of accelerated exploration of nearshore areas and shelves and development of the maritime industry. The most notable studies of this period include the works of Voitlovski, Dergachev, Zalogin, Lavrov, Nadtochy, Pokshishevsky, Slevich, and others [7; 10; 12; 16; 24; 25; 28]. In particular, V. Pokshishevsky uses the notion of a land-water production complex [25]. One of the key concepts — natural and economic system — was developed in the “maritime” context. Another important concept, that of land-ocean natural and economic contact zone was introduced by Dergachev [10; 17] and further developed by him in a general theoretical direction. The land-ocean natural and economic contact zone is defined as a historically developed system of interactions between population, economy, and nature.

A significant number of works on the geoecology of nearshore areas has been published over the last three decades. One of the key operating terms introduced in that time is the *geoecology of coastal sea zone* [1]. N. Aibulatov and Yu. Artyukhin pay special attention to identifying the subject and objectives of the new scientific area [2]. Some of these works focus on regional environmental/economic problems [3; 21].

An interesting interpretation of the international practices of managing coastal territories is presented in S. Fadeev’s work, where the coastal zone is defined as a special hierarchical economic and geographical object [32].

Fadeev believes that the functioning of different types of coastal zones in Western Europe defines them as an established integrated system. A systemic approach is developed in S. Sychev's work, which examines a coastal zone as a composite complex bringing together geographical, environmental, economic, and social systems [31].

Relevant economic and geographical problems of the development of coastal regions are explored by L. Bezrukov [4, 5]. He emphasises the need to analyse the impact of such basic factor of planetary heterogeneity as the land/ocean division on the features and efficiency of national economies. An analysis of the 20<sup>th</sup> century changes in the population distribution in Russia shows a pronounced shift in the demographic and economic potential towards the inland regions (continentalization). However, the global trend is quite different — population migrates towards the coasts of warm seas. Various strategic methods have been proposed to mitigate the negative consequences of the process observed in Russia.

The calculations (see Fig. 4) do not suggest that coastal regions are unconditionally attractive — in Europe, at least. In 2000—2011, the contribution of coastal regions to the GDP of corresponding territories did not show a significant increase. The specific weight of the regions' population demonstrated a slight growth of 0.9 per cent. The development of new high-speed transport links gave inland regions an additional advantage in competing with coastal ones.

Several little-studied aspects of managing the economy of coastal regions are addressed by I. Soloviova [29]. The competitiveness of a maritime sector in the conditions of globalisation requires efficient methods of organisation, for instance, maritime corporations. The latter should have the tools to ensure the economic and military-political presence in certain Russian offshore areas.

The pronounced Northern—Arctic vector of Russian maritime policy is discussed by L. Bocharova [6]. She identifies and provides some justification for the strategic priorities of maritime sector development and Russian Arctic policy.

Yu. Malinina estimates the total contribution of maritime activities to Russian economy at approximately 1 % of the GDP, which is much less than in the US and the EU [18]. The largest industries of Russian maritime sector are transportation (41 %) and fishery (27 %, as of 2006).

A significant contribution to maritime sector studies has been made by G. Gogoberidze. His major work, *Complex Zoning of the Coastal Territories of the World Ocean* [8], uses the concept of diversified complex multifactor

zoning based on the characteristics underlying the physical geographical, socioeconomic, political and administrative, and military geographical factors. Based on an analysis of numerous sources and statistics, he attempts the zoning of coastal areas. Gogoberidze identifies eight major georegions in Europe: Russian-Barents Sea, Norwegian-Icelandic, Anglo-European, German-Danish, Baltic, Iberian-island, European Mediterranean, and Black Sea-Caspian. Our work relies on a modification of the scheme developed by Gogoberidze (we, too, distinguish between eight georegions, however, of a different format, see Fig. 1). Our focus will be on the problems of development of European coastal regions and the spatial aspects of the maritime policies of European countries.

G. Gogoberidze defines the maritime complex as an aggregate of industries, enterprises, and organisations situated on the sea coast and immediately related to maritime activities, which contributes to the implementation of the national marine policy and sustainable economic development of coastal territories [9]. He also addresses the possibility of building a three-level structure of managing marine georegions (a state, a region, a municipality).

Of significant interest is the monograph of V. Ivchenko on the network programming of the development of Russian coastal regions [13]. This work analyses the theory, methodology, and practice of economic network programming. Ivchenko stresses that Russian coastal regions were rather successful in overcoming crises and that their development was largely sporadic.

State programmes for the development of coastal regions took into account the theoretical and practical groundwork. These programmes include the Maritime Doctrine of the Russian Federation until 2020 [23], the Decree of the Government of the Russian Federation of December 8, 2010 No. 2205 On the Strategy for the Development of Maritime Activities in the Russian Federation until 2030 [27], and the Decree of the Government of the Russian Federation of August 10, 1998 No. 919 On the Federal Target Programme “The World Ocean” [26]. They emphasise that Russia has historically been a leading maritime nation due to its spatial and geophysical features and its role in global and regional international relations. The priority areas of national marine policy are the Atlantic and Arctic regions.

Overall, the studies of coastal regions use the following conceptual approaches to *identifying* and *analysing* territories:

- 1) spatial (geospatial), geographical, chronological approaches [5; 8; 31];
- 2) genetic historical approach [2; 4];
- 3) geosystemic (including geoeconomic, geopolitical, geodemographic, military geodemographic, geoecological, resource-based, and physical geographical) approaches [3; 4; 8; 11; 22; 31; 35; 36, etc.];



4) problem-based (including target programme) approach [4; 16; 18].

Russian state programmes for the development of coastal regions are of pronounced systemic nature. One can easily identify the solid base of the integrated systemic approach to studying *coastal regions*. We will also adopt this approach.

Of special interest are studies into the regional features of maritime economic activities of the neighbouring maritime nations and integration groups, in particular, the EU. Modern trends in population distribution and economic development stress the significance of water area resources and similarities in the problems of their development. It thus seems relevant to study the dynamics of the “maritime vector” of Europe — a large well-developed region with long-standing tradition of benefiting from its coastal position.

The European coastline is 70,000 kilometres long within the EU and is washed by the Atlantic and the Arctic Oceans, as well as four large seas — the Baltic, North, Mediterranean, and Black Seas. Approximately 10,000 km of the European coastline are controlled by Russia and Ukraine. The EU coastal region (within a 100 km range) was home to 52 % of the Union’s population and accounted for 51 % of its GDP (PPP) in 2011. Overall, together with similar territories of non-EU European countries, the European coastal region is home to 4.5 % of the world’s population and a producer of 11.3 % of the world GDP.

To a great degree, Europe owes its prosperity to the sea. Shipbuilding and navigation, fishing and fish processing, port industry, energy resource extraction (oil, gas, and renewable resources), coastal and marine tourism, and aquaculture are all key maritime activities. The pronounced “maritime” development vector results in significant benefits associated with an increase in international trade, which makes Europe a leading economy. The potential of offshore areas and coasts requires constant development. The stability of the marine environment is a major prerequisite for the success and competitiveness of the above-mentioned industries. The implementation of industry-specific and national marine policies, for instance, in the fields of transport, fishery, energy, or tourism can lead to conflicts of interests and reduce their efficiency. There is a need for closer cooperation and integrated approach to solving problems.

The current concept developed by the European Commission (Integrated Maritime Policy for the European Union, 2007) focuses on the comprehensive maritime policy covering all aspects of relations between the society and marine ecosystems. This innovative approach is expected to be highly efficient [19]. The attention of the European community to the issues of marine environment is rapidly increasing. At the same time, the tension in the nature/society system is growing, too. On the one hand, modern technologies make it possible to generate excess profits from the coastal and ma-



rine areas, and attract investment and human resources to these territories. On the other hand, they contribute to a growing pressure on the environment. The need for a prompt response to this challenge is further intensified by rapid globalisation and climate change.

Being aware of these circumstances, the EU, represented by the European Commission, launched the process of extensive consultations and analysis of the current situation. The Integrated Maritime Policy rests on the clear understanding of close connection between the existing problems and the need for a joint coordinated solution. Working programmes and initiatives within different industries should be developed in the framework of the common policy. The following projects are considered crucial to the European Union:

- 1) creating a European maritime transport space without barriers;
- 2) developing a European strategy for marine and maritime research
- 3) developing national integrated maritime policies;
- 4) creating a European maritime surveillance network;
- 5) developing a roadmap for maritime spatial planning;
- 6) formulating a strategy for mitigating the impact of climate change in coastal areas;
- 7) reducing environmental pollution, including CO<sub>2</sub> emission, associated with navigation;
- 8) eliminating pirate fishing and destructive high seas bottom trawling
- 9) promoting a European network of maritime clusters;
- 10) reviewing the EU labour law exemptions for the shipping and fishing sectors [19].

This document sets a framework for cooperation and identifies key areas of EC activities in the field of managing and developing cross-industry tools for implementing the EU Integrated Maritime Policy. Practical steps are to be based on the principles of subsidiarity, increasing competitiveness, ecosystem approach, and active participation of stakeholders. These projects seem to be feasible. Certain complications are associated with the implementation of initiatives 6 (high cost of environment protection efforts) and 10 (a conflict between national and common European interests). Despite well-known tensions between Russia and the EU, the current agenda suggests further development of bilateral and multilateral (intergovernmental and interregional) cooperation in all priority areas for Russia: the Arctic, Baltic, and Baltic Sea regions.

An example of EU international cooperation is its innovation policy in the framework of the programme for developing marine technology (“blue growth”) for 2014—20. In particular, it includes the creation of a digital map of European waters by 2020. The map should have a high resolution, reflect

the topography and geology of habitats and ecosystem, grant access to information on the past and present physical, chemical, and biological condition of waters, contain data on human activities and their impact on marine ecosystems required for oceanographic forecasts. The first steps have already been made. One of them is the publication of the European Atlas of the Seas [37].

According to the geosystem approach, the zoning of the World Ocean and coastal territories is a crucial method of summarising and analysing spatial information that forms the basis for managing different social, natural, and socio-natural processes taking place in different conditions (environments) at different levels of the spatial hierarchy. The major problem is the principal difference between the marine and land geosystems. There is no unanimous opinion in the research community as to the principles of zoning marine and marine-land systems (see the works of S. Salnikov, S. Mikhailov, V. Dergachev, G. Gogoberidze, etc.). However, industry-specific zoning schemes are the most common. This approach is widely used in Europe. In particular, the EU Maritime Policy uses different schemes for zoning the adjacent seas. The most recent variation was developed after 2007 and includes eight large marine regions, six of which lap the shores of the “mainland” EU (the Baltic, North, and Celtic Seas, the Bay of Biscay, the Iberian Coast, and the Mediterranean and Black Seas). The seas that surround distant territories of Spain, Portugal, and France (overseas departments) and the Arctic Ocean are considered separately [37].

This zoning scheme corresponds to the key areas of the EU Maritime Policy. However, the developing international cooperation, including that with non-member states, requires certain additions. Firstly, there is a promising “test field” between the Euroregion of the North Sea and Arctic Ocean with increasing participation of Norway, Iceland, Greenland, and the Faroe Islands. This can be achieved through expanding the “responsibility areas” of the North Sea region northwards along the Norwegian coast and that of the Celtic Sea region towards Iceland and Greenland. Secondly, it is possible to divide the vast and diverse (in terms of natural and socioeconomic conditions) Mediterranean region. Within the EU, it is possible to distinguish between the Western and Central Mediterranean regions, as well as those of the Adriatic and Aegean Seas. It is also important to take into account the prospective development of cooperation with the coastal countries of Eastern Europe (Russia, Ukraine), Turkey, and Georgia.

This work aims to give an overview and study the dynamics of the economic development of European coastal regions in the beginning of the 21<sup>st</sup> century. Therefore, the applied zoning scheme is “coast-centric” and focused primarily on the economic and geographical economic features of the local

business activities. At the same time, special attention is paid to the economic use and features of the environment of contiguous offshore areas. The key zoning factors (groups of factors) are physical geographical, resource, and environmental ones, as well as those of transport position, economic specialisation, political and administrative organisation, and management. Based on a combination of natural and socioeconomic conditions, it is possible to distinguish between eight marine and coastal regions (see fig. 1).

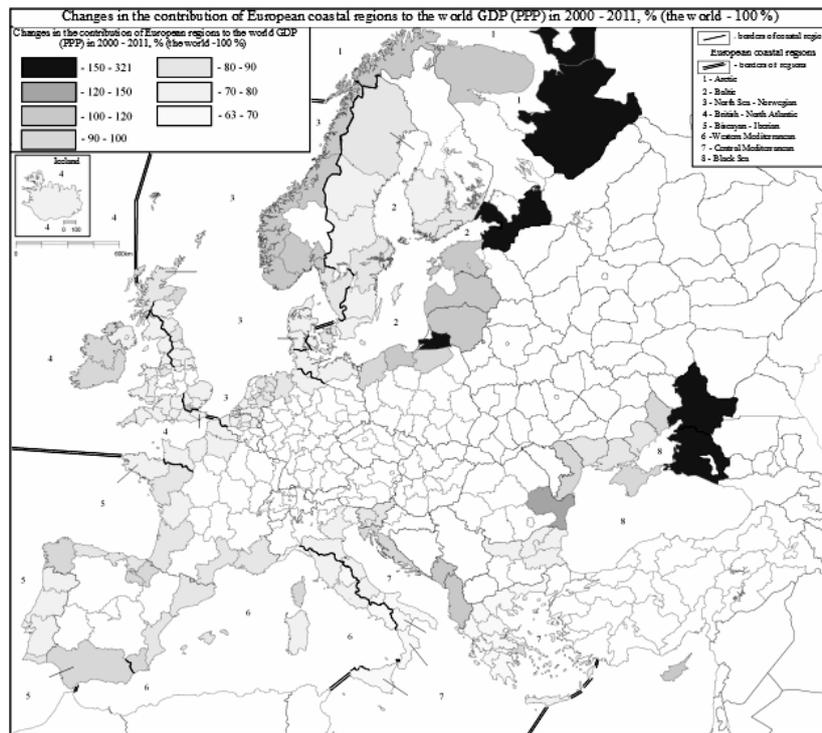


Fig. 1. European coastal regions.  
Economic development dynamics, 2000—2011

For the purposes of an economic and statistical analysis, coastal territories incorporate a 100 km onshore area. All political and administrative units, more than half of whose population live within this area, are considered coastal. The analysis and calculation units are Eurostat's NUTS 2 territories and Russia's and Ukraine's regions. The 100 km area suggests the convenient accessibility of the coast by car. Moreover, this approach makes it possible to cover almost all European regions with sea access except for Western Finland, West Midland (the UK), and Karelia (Russia), where most population lives at a distance of over 1000 km from the

coast (see fig. 1). The European Atlas of the Seas uses a 50 km criterion, which seems to be too strict for large regions of Eastern Europe [37].

Table 1 summarises data on the development of major marine sector industries of foreign European countries (excluding Ukraine; as per the methodology of the European Atlas of the Seas). These industries include coastal and marine tourism, aquaculture, mineral extraction, fishery, transport, shipbuilding, and ship repair. As of 2010, the number of those employed in these industries did not exceed 3.5 m people and its output 256 billion euros. The North Sea-Norwegian region boasted the best-developed marine sector with an output of 119 billion euros accounting for 47 % of the total output of all European coastal regions (the contribution of mineral resource extraction amounts to 75 billion euros); however, the Western Mediterranean one employs more people (659 and 965 thousand respectively).

Table 1

**Population and development of marine sector industries  
in foreign European countries (2010)**

Region	Population 100 km area), m people (2011)**	Number of those employed in the key marine sector industries, 1,000 people	Output of key marine sector industries, m euros
Arctic	3.1	...	...
Baltic	38.1	355.9	17870
North Sea- Norwegian	62.5	659.4	119391
British-North Atlantic	42.1	281.5	11065
Biscayan-Iberian	40.2	409.4	14034
Western Mediterranean	42.5	964.6	48152
Central- Mediterranean	44.6	609.6	43134
Black Sea	29.3	251.3*	2442*
Total	302.3	3531.7*	256088*

\* Excluding Ukraine.

\*\* Including Russia and Ukraine.

Calculated by [38].

Tables 2 and 3 present detailed information on the employment rate and output of the marine sector industries of foreign European countries. The most labour-intensive industry is coastal and marine tourism, which accounts for

1.6 m or 47 % of all those employed in the marine sector. Partially owing to this industry, Europe remains the world leader in international tourism. The other largest employing industries are fishery (22 %) and transport (15 %).

Table 2

**Employment in the industries of marine sector in foreign European countries**

Region	Number of employees, thousand people					
	Coastal and marine tourism	Aquaculture	Mineral extraction	Fishery	Transport	Shipbuilding and ship repair
Baltic	123.5	0.7	2.9	107.6	61.0	60.2
North Sea-Norwegian	251.0	12.7	60.2	117.5	151.0	67.0
British-North Atlantic	146.8	10.7	0.6	42.9	47.8	32.7
Biscayan-Iberian	144.0	29.7	0.9	168.5	21.8	44.5
Western Mediterranean	472.3	40.2	2.3	226.2	127.2	96.4
Central-Mediterranean	354.8	6.2	3.9	82.3	116.4	46.0
Black Sea*	160.5	0.2	3.8	21.1	20.8	44.9
Total	1652.9	100.4	74.6	766.1	546.0	391.7

\* Excluding Ukraine.

Calculated by [38].

In terms of monetary value, the leading industry is mineral extraction (see table 3). It accounts for 30 % of the marine sector output. Primarily, it is hydrocarbon extraction. Transport still accounts for another 30 %. Coastal and marine tourism is ranked third with 21 %. Overall, the marine sector of foreign European countries accounts for 2 % of their GDP, and this percentage remains stable. According to earlier data [33], the total output of key marine sector industries was estimated at 2 % of the world's national income in the beginning of the 1970s. At the time, the structure of the sector included oil and gas extraction and navigations, which accounted for 65—75 % of the total income [33].

Table 3

**Output of marine sector industries in foreign European countries**