

# INTERNATIONAL COOPERATION IN THE REGION

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## TRANSBORDER REGIONALISATION IN THE CONDITIONS OF GLOBALISATION



*Globalisation creates favourable conditions for the formation of transborder regions through enhancing communication. This process involves industrial, transport, trade and other enterprises as well as education, culture and research institutions, which develop multiple links. The formation of cross-border regions is facilitated by the regional policy of the European Union, which encourages the development of connections between the transborder regions of different countries including non-EU members, for instance, Russia. A positive example is the Baltic macroregion, which serve as a ground for the formation of numerous cross-border meso- and microregions.*

**Key words:** globalisation, transborder regionalisation, Baltic region, transborder regions.

Today, the study of regionalisation in the conditions of globalisation is so topical that Paul Krugman was awarded the Nobel Prize for the attempt to solve the problem of globalisation in the framework of the so-called "new economic geography". Transborder regionalisation is a peculiar part of the general regionalisation process. Thus, before addressing transborder regionalisation, it is worth defining the regional paradigm, within which the problem will be considered.

It is generally acknowledged that globalisation facilitates regionalisation through enhancing communication. Both spontaneously and deliberately formed regions try to gain (and do gain) additional competitive advantages, which stimulate faster complex development of the economic and social sphere, the introduction of innovations, and the sustainable development of the territory. As a result, the world becomes more polarised: the regions that use the existent resources most efficiently develop more rapidly than the others. Regarding regionalisation in the conditions of globalisation, one can put forward three hypotheses, which have been supported both by theoretical analysis and analytical practice and thus can be considered axioms:

- 1) globalisation strengthens regionalisation,
- 2) regionalisation leads to polarisation,
- 3) (the corollary of the first two axioms): globalisation increases polarisation.

Increasing polarisation does not make the formation of new growth poles impossible (according to the Kondratiev-Wallerstein hypothesis on the cycles of civilization development and inevitability of changes in the world leadership). This hypothesis can be also applied to the assessment of regional competition development.

The principal question is how the above-mentioned axioms should (if should) be used by the authorities of countries, regions, and municipalities in the regional development planning (which is implemented in many countries, including the EU states and Russia).

The national authorities can:

- a) encourage polarisation through stimulating the development of 'poles and centres of growth';
- b) seek cohesion through supporting depressed regions, developing agricultural-urban partnership, encouraging the cooperation between regions with different levels of development;
- c) ignore regional differentiation.

We believe that the task of geographers is to create a scientific framework and produce practical recommendations for the implementation of effective regional policy including that in the sphere of transborder region formation.

From the political point of view, one can speak of transborder regionalisation in case of the recognition of the interdependence of interests astride the border and active cooperation between the authorities of neighbouring states. In this case, transborder regionalism can be interpreted as a spatially integrated form of political cooperation.

The development of transborder regionalism owes much to the processes of economic globalisation, which require the market enlargement and new approaches to the spatial organisation of economy. However, to a great extent, regionalism is a reaction to the incapability of states and international organisations to solve global problems. The organisation of joint activities aimed to support peaceful co-existence and promote economic development requires new forms and new actors, i. e. regions. At the same time, despite prospective substantial benefits for both parties, which result from the expansion of cooperation, a usual obstacle to more intensive integration processes is political factors operating at both sides, sometimes, in highly unpredictable directions.

The thesis about the development of regionalisation in the condition of globalisation can be supplemented with the following statements.

Firstly, it considers the facilitation of the formation of not homogeneous but coherent regions, which are connected by increasingly close internal links.

Secondly, the transborder regions, which almost did not develop at the primary stage, are entering the phase of intensive formation. Most of them were homogeneous regions distinguished by the similarity of certain indicators. Now, the connections between the national regions of the countries situated astride the border are actively developing, which leads to the formation of coherent rather than homogeneous transborder regions.

Thirdly, the process of formation of transborder regions involves authorities of neighbouring countries, their administrative-territorial entities and municipalities. Today, international agreements aimed at more active cooperation and the formation of transborder regions are being concluded; international organisations are being established to coordinate their development.

The place of transborder regions in the overall hierarchical system of coherent regions developing in the world can be defined as follows (table).

### Regional hierarchy

Hierarchy level	Examples
<i>International regions</i>	
Global level	World political system
Megaregions	EU, CIS, OAS, the African Union, the Arab League, etc.
International macroregions	The Union State of Russia and Belarus, the Baltic region, Benelux, the Baltics, etc.
Transborder mesoregions	Euroregions
Transborder microregions	The territories of two cooperating municipalities
<i>Intranational regions</i>	
Macroregions	Federal districts
Mesoregions	Administrative-territorial entities
Microregions	Municipalities
II (higher) level	Municipal districts and urban districts
I (lower) level	Cities, towns, and rural settlements
Local level	City/town/ rural settlement

Transborder cooperation development has the following stages:

- local cross-border contacts;
- the interaction of administrative-territorial entities and municipal formations of the countries (in the framework of town twinning, interregional cooperation agreements, etc);
- the implementation of various (economic, social, environmental, cultural, etc.) transborder projects by international partners, which results in the development of connections between project participants;
- Network transborder cooperation, which implies cooperation between actors of different levels astride the border; at this stage, transborder regions are formed.

The development of joint projects as a phase of transborder network formation is of importance for transborder regionalisation, which is not a result of natural factors (such as national or historical and cultural integrity, developed economic ties, etc.) but rather a product of pursuing ambitious aims formulated at different political levels. Such aims are safety, the socioeconomic development of peripheral border regions, environmental protection, and the increase in the competitiveness of the territory on a global scale.

This logic dominates the architecture of the regional programmes, the most important of which in the context of transborder regionalisation is the EU Interreg programme developed for the financing and development of transborder cooperation between the regions of two or more EU member states. An example of the programme aimed at the development of transborder cooperation at the external border of the European Union is the Tacis cross-border cooperation programme, which has transformed by now into the Partnership and Neighbourhood programme.

The most general feature of developed transborder regions, which regularly implies a number of other features, is the legal framework of the relations between administrative-territorial and municipal formations of the neighbouring countries. It is manifested in the conclusion of international or cooperation agreements. The most advanced cases involve the establishment of associations, which are sometimes granted the status of a legal person and have permanent governing bodies.

Transborder regionalisation is a priority of the current EU policy. Network structures are being established to facilitate the formation of transborder cooperation schemes. The European Union implements a number of ambitious programmes aimed to support cross-border cooperation and integration processes at internal and external borders of the European Union.

Firstly, cross-border cooperation is considered as a promising instrument of accelerating the development of peripheral territories situated at the borders of national states. At the same time, integration and development cohesion throughout the territory of the European Union is the principal aim. Secondly, local authorities and economic actors make active attempts at forming new regional associations (which can receive financing from EU programmes and, moreover, acquire additional political power through participating in strategic network partnerships). Thirdly, the diversity of natural, cultural, and economic features of different region is expected to enhance the development of various spheres of social life.

For the theory of transborder regions, which explains the causes, factors, and patterns of their development, several key concepts are of greatest importance. Most significant ones are the well-known concepts of growth triangles and tripolar systems, as well as the concept of transborder regions — development corridors, which was put forward by the authors of the article. All these concepts are being tested in the Baltic transnational region.

The formation of 'growth triangles' that bring together countries with traditional market economies, Russia, and other post socialist states in the South-East and East of the Baltic is justified by Finnish professor Urpo Kivikari.

Our idea of the establishment of the Tricity (Gdansk-Gdynia-Sopot) — Kaliningrad — Klaipeda transborder tripolar region—development corridor (fig.1) was the result of developing the proposals of the Polish geographer Tadeusz Palmowski who framed the concept of the Tricity-Kaliningrad bipolar system [7].

In the cases when transborder regions are located between two core regions of the neighbouring countries they can evolve into peculiar regions-development corridors extending the well-known region classification drawn up by Friedmann [6] (fig. 1).

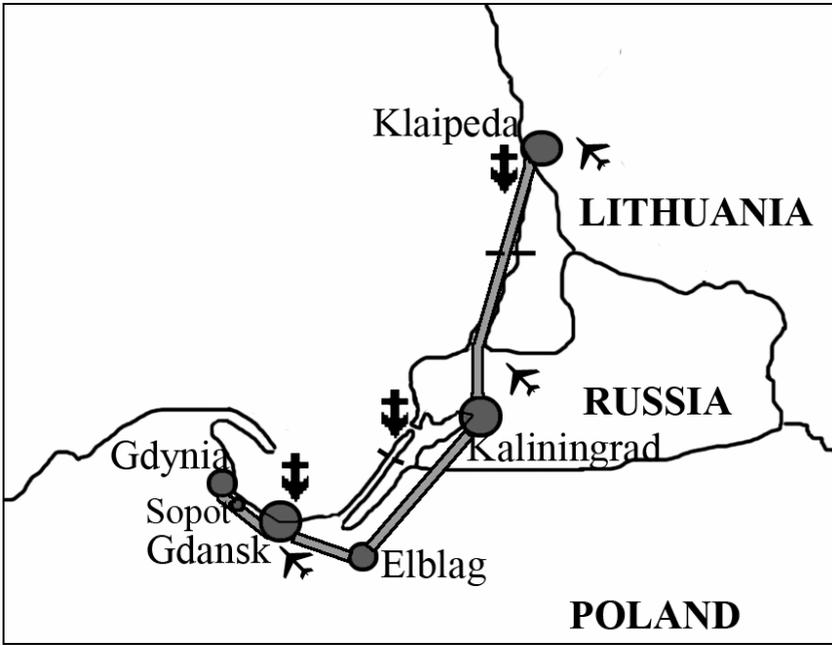


Fig. 1. The tripolar system: Tricity (Poland) — Kaliningrad (Russia) — Kalipeda (Lithuania)

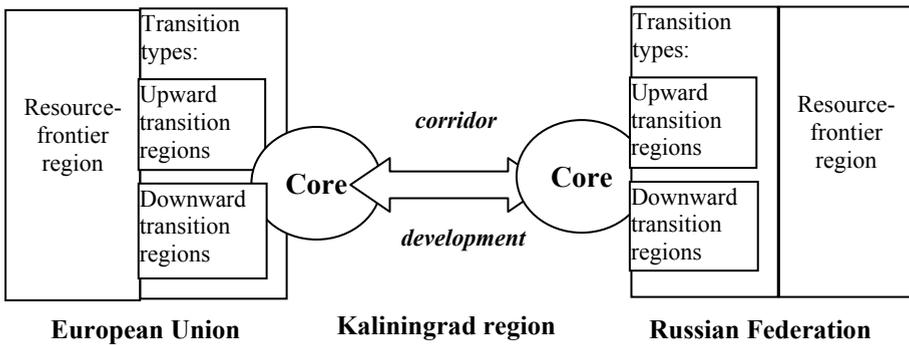


Fig. 2. The regions-development corridors

Source: [2].

Applying the concept of national regions-development corridors to the Kaliningrad region, in 2003, we developed a strategy for the development of Kaliningrad as a region of cooperation between Russia and the EU. This strategy was adopted for implementation by regional authorities. Some of its elements were used in the new strategy developed in 2006 by Moscow experts and will certainly be taken into account in the future.

The European Union has gained the widest experience in transborder cooperation, which employs the development of transborder connections in order to stimulate integration processes. The EU developed and tested various mechanisms of the formation of *new spatial forms of international economic integration* — Euroregions, 'large regions', 'growth triangles'. The creation of transborder regions is facilitated by the EU regional policy, which contributes to the development of links between border regions of different, including non-EU, countries, for example, Russia.

Economic cooperation and, in particular, integration increase the competitiveness of their participants. The mechanism of formation of economically well integrated transborder territories is described by François Perroux who considered the determined actions of "active units" or "growth poles" surrounded by corresponding "areas of influence" the basis of world economy. Such units are large companies, industrial complexes and whole industries. The interaction of "growth poles" and their environments is accompanied by the agglomeration effect and leads to the development of "growth poles", which are also far from being isolated elements of the economic mechanism.

The economic interaction between "growth pole" results in the formation of "development zones" and "development axes". According to F. Perroux, development axes are systems of growth poles, whose formation and implementation are facilitated by physical and non-physical communication axes. The mutual attraction of development zones and axes leads to the formation of a complex mutually beneficial economic system, which transcends national interests and embraces whole regions. F. Perroux refers to such systems as "integration zones"; at the same time, the "development poles" evolve into "integration poles" [8].

Contemporary experts on transborder cooperation in the EU distinguish new spatial forms of international integration — spatial formations of subnational level, which include regions of several states and are characterised by active cross-border and interregional cooperation as well as the constantly increasing level of socioeconomic integration. These are large regions, growth triangles, mega-corridors, coastal transborder areas, Scandinavian groups, Euroregions, transborder industrial regions, polycentric cross-border bridge regions [1].

All types of new spatial forms of international integration are largely represented in the EU states. Another form — transborder industrial districts and transborder clusters, whose main driving force is transnational corporations — is represented by territories at both northern — Canadian — and southern — Mexican — border of the USA. Attempts at establishing growth

triangles were made in South-East Asia (with the participation of Malaysia, Singapore, and Indonesia).

The development of integration process in Europe leads to the emergence of new forms of international integration. It concerns the establishment of joint enterprises on both sides of the border. An example is the port of Copenhagen-Malmö situated not at a land border but astride the Øresund strait, in the Sweden-Danish Øresund transborder region with a population of 4 million people, which is characterised by an active and intensive process of cooperation between the two countries.

However, concrete spatial forms of mutually beneficial cooperation between Russia and the EU have a weak theoretical and methodological framework both in western and eastern Europe, particularly, in terms of economy. Thus, there is a need for the development of a theory of the spatial forms of international economic integration aimed at the improvement of regional policy and introduction of promising forms of international economic integration.

A positive example of transborder regionalisation is the Baltic macroregion, which serves as a platform for the formation of numerous transborder meso- and microregions. On the basis of the analysis of connections between international regions, we distinguished the following transborder mesoregions (fig. 3).

Russian regions situated on the Baltic Sea are the most active participants of transborder cooperation among all regions of the Russian Federation. In this relation, a favourable factor is the EU policy towards the involvement of eastern neighbours. The European type of transborder cooperation is the most comprehensive, since it encompasses the political, economic, social, and environmental spheres. It is supported by EU organisations as well as many EU member-states and regions. Most propitious interaction forms and methods are being tested at the moment; substantial funds are allocated to encourage cooperation.

Russia expresses interest in the development of transborder cooperation with EU regions but still does not have a clear strategy for such cooperation. Moreover, the long discussed law on cross-border cooperation, which is expected to confer more extensive rights on Russian border regions as to the independent development of transborder connections, has not been adopted yet.

Russian participation in the neighbourhood programmes initiated by the European Union also plays a positive role. Particularly, Russian interest in cooperation is manifested in a more substantial funding of the neighbourhood programmes. So, the Lithuania-Poland-the Kaliningrad region of the Russia Federation neighbourhood programme (fig. 4), which is being developed at the moment, receives a 132 million Euro funding from the European Union, initially, it stipulated 10% co-financing from the Russian side. However, Russia has allocated 44 million Euro (more than 30%).

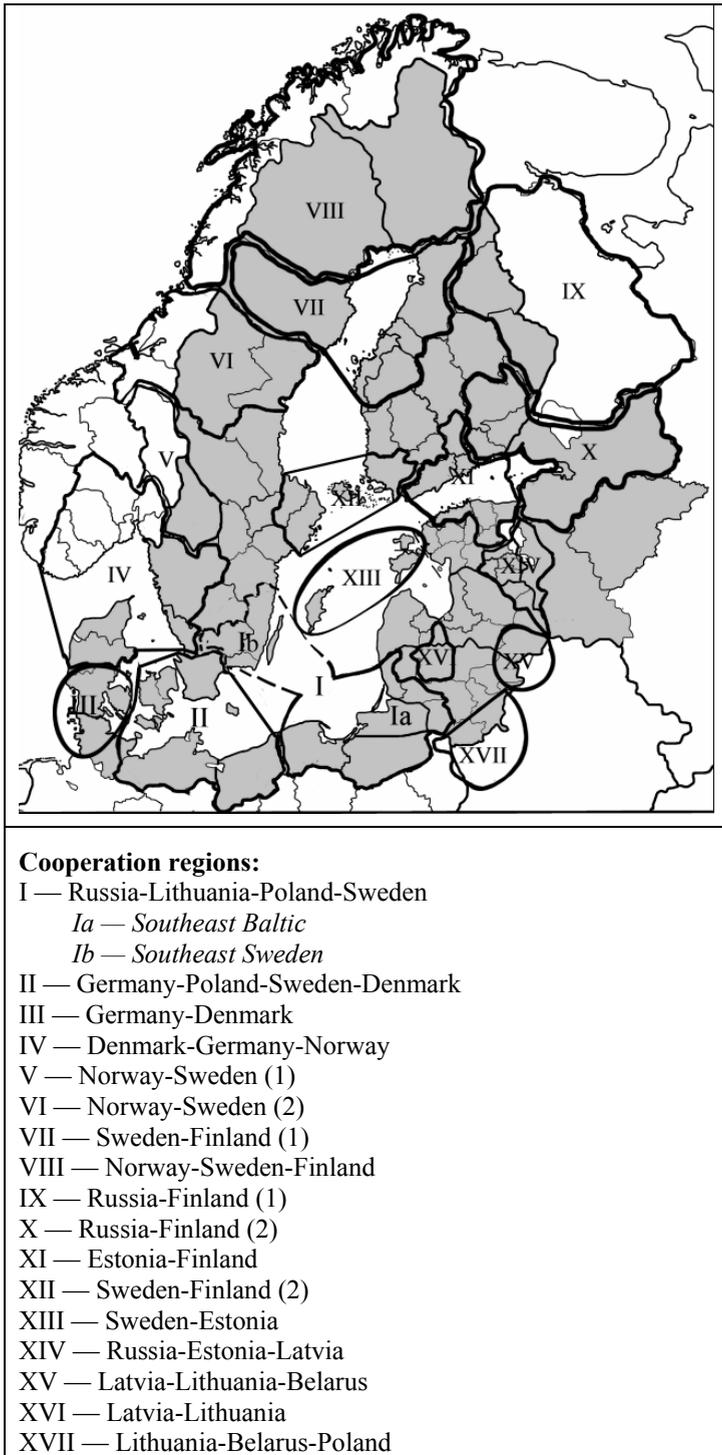


Fig. 3. Transborder mesoregions on the Baltic Sea

Source: [3].



Fig. 4. The region of the Lithuania-Poland-Russia neighbourhood programme

Source: [3].

A more active participation of Russian regions in the transborder cooperation on the Baltic Sea requires:

- the adoption of the law on cross-border cooperation;
- more active research on cooperation and the dissemination of experience;
- the reduction of customs barriers (a prerequisite is the accession of Russia to the WTO);
- the approximation of Russian and EU laws and standards;
- the simplification and subsequent removal of the visa regime with the EU states.

The visa regime is a major obstacle to the development of transborder connections. As is well-known, Regulation No 1931/2006 allows the EU members to ease border crossing at the borders with third countries within the "local border traffic" areas. Permanent residents of territories extending no more than 30 (50 — in exceptional cases) kilometres from the border can visit the corresponding territories of the neighbouring countries with a local border traffic permit issued for 2—5 years. In the East of the EU, such areas were established at the Ukrainian borders with Hungary (December 2007), Slovakia (September 2008), and Poland (July 2009). The agreements on the creation of such areas at the Belarusian-Polish and Lithuanian borders were signed in 2010.

Such measures are mostly aimed not at the development of industrial cooperation, tourism, and family and cultural connection, but rather at border

trade, which allows 'shuttle-traders' to take advantage of price differences in the contiguous countries. It is attractive, first of all, for the residents of non-EU countries. So, over the first six months after the conclusion of the Ukrainian-Polish agreement, Ukrainian citizens obtained 35 thousand permits, while only two permits were issued for the Polish [4].

However, any transborder contacts raise hope for the further development of cooperation in the spheres of culture, education, economy, and environment protection. A good example is the evolution of the transborder links of the Kaliningrad region. These links emerged as a result of 'shuttle trade' in the first half of the 1990s, when the residents of the region and citizens of Lithuania could cross the border having their internal national passports. To cross the Russian-Polish border, it was sufficient to purchase the so called 'voucher' for a moderate fee. Annually, tens of thousands of 'shuttle traders' crossed the border millions of times.

Later, the requirements became stricter and, in 2010, the visa regime is in effect at the Russia-Polish and Lithuanian borders. However, the transborder connections had dramatically changed by then. 'Shuttle' trade was replaced by the interaction between trade and manufacturing companies. Around a thousand of enterprises with the participation of Polish and Lithuanian capital have been established in the Kaliningrad region. The border territories of Poland accommodate numerous enterprises, which manufacture semi-finished products (particularly, furniture parts) to export to the Kaliningrad region under the customs free zone regime, where they are assembled and exported to other regions of Russia. Transborder connections have developed in the field of tourism. The cooperation between authorities, social establishments, and NGOs is becoming more active. The developed connections allow us to speak of the formation of a transborder region of the south-eastern Baltic. The Kaliningrad region, alongside manifold bilateral contacts with the neighbours, participates in cooperation within five Euroregions — together with the regions of Poland, Lithuania, Latvia, Belarus, and Sweden. The Kaliningrad region becomes an example of active transborder cooperation for other Russian regions.

Therefore, the evolution of connections within the developing transborder cooperation between the EU countries and their eastern neighbours follows this pattern: from 'shuttle trade' — through the development of links by manufacturing and trading companies and the emergence of educational and recreational tourism — to industrial cooperation and multifarious connections between social establishments, NGOs, and authorities. At the final stage, the local border traffic areas may become a palliative to the visa regime.

So, transborder regionalisation is an objective process, which actively develops in the conditions of globalisation. It successfully advances in Europe solving three crucial problems:

- 1) increasing the competitiveness of transborder cooperation participants;
- 2) contributing to the cohesion of the development conditions of different European countries;

3) creating preconditions for the formation of a well-integrated European (including Russia) economic, cultural, research, and education space.

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