



NATIONAL RESEARCH UNIVERSITY  
HIGHER SCHOOL OF ECONOMICS

*Sergey L. Barinov, Petr Kiryushin*

**A COMPARATIVE ANALYSIS OF  
EUROREGION DEVELOPMENT  
UNDER DIFFERENT  
INSTITUTIONAL  
CIRCUMSTANCES**

BASIC RESEARCH PROGRAM

WORKING PAPERS

SERIES: INTERNATIONAL RELATIONS  
WP BRP 06/IR/2014

*Sergey Barinov<sup>1</sup>, Petr Kiryushin<sup>2</sup>*

## **A COMPARATIVE ANALYSIS OF EUROREGION DEVELOPMENT UNDER DIFFERENT INSTITUTIONAL CIRCUMSTANCES**

Euroregions are an important and quite popular mechanism of cross-border cooperation. The character of institutional development differs principally between three groups of states that use this mechanism: old members of the European Union; new members of the European Union (entered the EU after 2003); and CIS members.

This comparative research is concerned with the main circumstances of Euroregions development in the three areas noted above. The analyses show the fundamental differences between three Euroregion cases: Oresund, Pskov-Livonia, and Dnieper. The noticeable differences are found in legislative, finance, and cooperation issues, but also in the creation of the four basic Euroregions principles. At the same time, after fifteen years of copying the Euroregions, post-soviet countries have seen positive shifts occur in CIS members' government perception and in the decision making process.

Keywords: Euroregion, cross-border cooperation, institutional research, Oresund, Dnieper, Pskov-Livonia

JEL Classification: Z

---

<sup>1</sup> National Research University Higher School of Economics. Institute of Education. Center for Regional Educational Policy. Research Fellow. [Sbarinov@hse.ru](mailto:Sbarinov@hse.ru)

<sup>2</sup> Moscow State University. Department for Economics. Research Fellow. [pkiryushin@gmail.com](mailto:pkiryushin@gmail.com)

## ***Introduction***

Euroregions represent a group of regions and municipal units of European Union member states and/or neighboring states that entered mutual cooperation agreements. The development of Euroregions began at the end of the 1950s [Perkman, 2003], however, at the trans-European legislative level their development was adopted by the European Union Madrid Treaty on cross-border cooperation in 1980. This treaty covers the two purposes of Euroregions build-up: first, stimulating cooperation between communities and local governments; second, assistance in steady social and economic development of border regions.

Analyses of Euroregions development in Western, Central and Eastern Europe and Russia has been presented in many works [Scott, 2000; Perkman, 2003; Lundquist and Winther, 2006; Yarovoy, 2007; Lepik, 2009; Lundquist and Trippel, 2009; Busygina and Philippov, 2009; Kuznetsov, 2009; Radvilavichus and Mezhevich, 2009; Zotova and Kolosov, 2011]. The specific character of Euroregions with a Russian presence has also been analyzed in detail [Shlosberg, 2004; Kolosov and Borodulina, 2007; Zotova and Kolosov, 2011].

Euroregions are also considered an instrument to improve trade and investment relations, small and medium enterprise development, employment incentives [Kuznetsov, 2008], interaction between countries and the resolution of regional cross-border problems [Degtyarev et al., 2011].

Euroregions function through flexible network structures, i.e. cooperation platforms, including regional and local administration, non-commercial and business areas, and scientific and education organizations. Participants in these structures specify that Euroregions provide effective mediation, contribute to interstate projects initiation, create mechanisms for measures introduction, and define problems of regional cross-border cooperation [Lepik, 2009].

Many works of the authors specified above, directly or by implication, provide characteristics of development of administrative, civil and other institutions, considered prerequisites or restrictions to Euroregion development.

The comparative study of Euroregions in different institutional environments seems to be a current issue both for science and practice.

### ***Methodology***

The character of institutional development (primarily, institutions of administration, self-administration and civil society) differs between the three groups of states: old members of the European Union, new members of the European Union (entered the EU after 2003) and members of CIS. This research considered a representative of each group as a case study [Leonard-Barton, 1990]. With capacities specific for the type of Euroregions, and with reference to other types of Euroregions, the following representatives were defined:

- within the borders of the EU – Euroregions Oresund;
- on the border of the EU and CIS members – Euroregion Pskov-Livonia;
- within the borders of the CIS members – Euroregion Dnieper.

To make this comparative analysis more concrete and structured we will focus on the following aspects of Euroregions:

- 1) Age and the history of their formation;
- 2) Compliance with the four basic principles of Euroregions development from the AERB, 1999;
- 3) The preconditions for cross-border cooperation;
- 4) The main areas of business determined before, and the preconditions for their development.

The main research technique is based on the method of comprehensive direct interviews with the main stakeholders of the three Euroregions chosen. In this case, priority of the qualitative sociology method is determined with lack of quantitative statistic data, and with complexity of the regionalization processes objective quantitative assessment [Shah and Corle, 2006; Yarovoy, 2007].

Our poll covered more than 50 representatives of organizations and stakeholders of cross-border regionalization from the three Euroregions analyzed: small and medium enterprises, schools, colleges, universities and research centers,

regional and municipal administrations and local governments, local mass media, nonprofit organizations and non-governmental organizations, libraries, local history museums and cultural centers. See Table 1 and Table 2 for a comprehensive list of respondents. We used content analysis of academic literature, international organization reports, Euroregions websites and their participants, and statistics.

*Table 1.* List of respondent organizations – Oresund

<b>DENMARK</b>	<b>SWEDEN</b>
<ul style="list-style-type: none"> <li>• Bornholm Regional Growth Forum</li> <li>• Copenhagen Business School</li> <li>• Copenhagen Cleantech Cluster</li> <li>• Danish Foundation for Entrepreneurship</li> <li>• Management Engineering Department, Danish Technical University</li> <li>• Geography Department, University of Copenhagen</li> <li>• Green Campus, University of Copenhagen</li> <li>• Øresund Committee</li> <li>• Østkraft Energy Systems</li> </ul>	<ul style="list-style-type: none"> <li>• Centre for Innovation, Research and Competence in the Learning Economy at Lund University</li> <li>• Hallbart Universitet at Lund University</li> <li>• IDEON</li> <li>• InnovationsbronInternational Institute for Industrial Environmental Economics at Lund University</li> <li>• Lund University Innovation System</li> <li>• SKJ Center for Entrepreneurship at Lund University</li> <li>• TeknopolSustainable Business Hub</li> </ul>

*Table 2. List of respondent organizations – Pskov-Livonia and Dnieper*

<b>DNIEPER</b>	<b>PSKOV-LIVONIA</b>
<ul style="list-style-type: none"> <li>• Bryansk regional government</li> <li>• Euroregion Dnieper Council</li> <li>• Trubchevsk municipal government</li> <li>• Klimovo municipal government</li> <li>• Suzemka municipal government</li> <li>• Nezhin municipal government</li> <li>• Kursk State University</li> <li>• Trubchevsk municipal library</li> <li>• Klimovo municipal library</li> <li>• Suzemka municipal library</li> <li>• Starodub municipal library</li> </ul>	<ul style="list-style-type: none"> <li>• Pskov regional government</li> <li>• Euroregion Pskov-Livonia Council</li> <li>• Sebej municipal government</li> <li>• Nevel municipal government</li> <li>• Pitalovo municipal government</li> <li>• Pechori municipal government</li> <li>• Pskov State University</li> <li>• Pskov Info, regional mass-media</li> <li>• Vozrojdenie, political science think-tank</li> <li>• Chudskoy project, NGO concerned with the ecological issues</li> <li>• Institute of Agriculture, Pitalovo laboratory</li> <li>• Kaskad, industrial</li> </ul>

***Short characteristics of the cases***

The principal parameters of key Euroregions are shown in Table 3.

Table 3. Main parameters of Euroregions – Oresund, Pskov-Livonia and Dnieper

<b>Name</b>	<b>Oresund</b>	<b>Pskov-Livonia</b>	<b>Dnieper</b>
<b>Type</b>	In the borders of EU	On the borders of the EU and CIS	In the borders of the CIS
<b>Countries</b>	Sweden, Denmark	Latvia, Russia, Estonia	Belarus, Russia, Ukraine
<b>Year of integration</b>	1993	1996 (2004)	2003
<b>Integrated administrative areas</b>	Denmark: Hovedstaden, Sjaelland Sweden: Skane	Russia: City of Pskov, Pskovskiy, Sebezhskiy, Pytalovskiy, Palkinskiy, Pechorskiy, Krasnogorodskiy and Gdovskiy districts Latvia: border territories of Latgale Estonia: Võrumaa, Valgamaa and Põlvamaa, Tartumaa counties	Russia: border districts of Bryansk region Belarus: border districts of Gomel region Ukraine: border regions of Chernigov region
<b>Square (as total square of subjects included)</b>	21,000 sq. km	80,000 sq. km	107,000 sq. km
<b>Population (as total population of subjects included)</b>	3.785 million people	1.28 million people	3.85 million people
<b>Communication areas</b>	Education Innovation Economic cooperation Social and cultural projects	Education (higher & secondary) Social and cultural projects Assistance to disabled people Local government Tourism	Education (secondary) Social and cultural projects

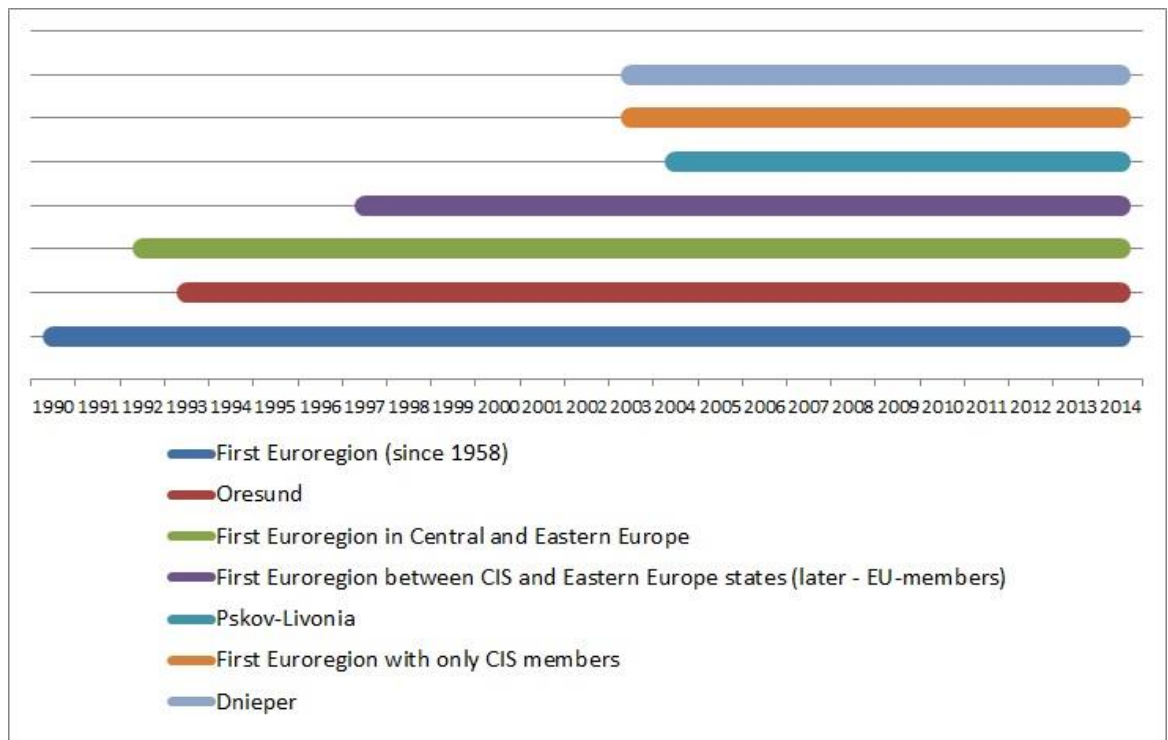
## ***1. Euroregions – age and the history of their formation***

*Old EU borders. Oresund.* The first region, Euregio, was formed on the borders between Germany and the Netherlands in 1958. Among the first Euroregions, the project Meuse-Rhin became widely known. This Euroregion was formed in 1976 on the borders of Belgium, Germany and the Netherlands [Romanov, 2000]. Whereas the integration initiatives of Sweden and Denmark had been already started in 1964 [Lundquist, Trippl, 2009], the active regional development was registered after the creation of an interaction platform, the Oresund Committee, by municipal and regional authorities in 1993.

*New EU and CIS borders. Pskov-Livonia.* The first Euroregions on the border between CIS members and Eastern Europe states appeared in the late-1990s: Neman in 1997, Ozerniy krai (“Lake Land”) and Baltika in 1998. In 2004, five districts of Pskov region, four regions of Latvia and three district units of self-government of Estonia formed the Euroregion of Pskov-Livonia. In fact, it was transformed from a council for cross-border cooperation, that was established in 1996.

*CIS borders. Dnieper.* The Euroregions commenced to form beyond the present borders of CIS members and the EU only in the 2000s. Nowadays, five Euroregions function on the inner borders of the CIS. In 2003, the Euroregion, Dnieper, is situated on the borders of Bryansk, Gomel and Chernigov regions, representing Russia, Belarus and Ukraine.





***Picture 1. A chronological scale of Euroregion appearance***

## ***2. Four basic compliance principles***

This research is based on the analysis of three Euroregions regarding their compliance with the criteria of the first Euroregions [AERB, 1999]. This includes the following:

- ✓ subsidiarity – characteristics of power delegation to possibly lower administrative levels;
- ✓ partnership – equal rights and authorities of the participants – regions and municipal units;
- ✓ solidarity – aiming to compromise, developing common ground between the participants;
- ✓ voluntary participation – opportunities of voluntarily entering into and withdrawal from partnership by each participant.

### *Voluntary participation principle*

*Oresund.* Analyzing the issue of voluntarily entrance and withdrawal, an important matter should be mentioned: even if a withdrawal from the Euroregion

takes place, the other parties are unlikely to revolt. This is in sharp opposition to the triumphant creation of a Euroregion and the entrance of an administrative institution. In the case of Oresund, participation or non-participation of certain regions can be evidenced by the increase or decrease of the Euroregions activity.

*Pskov-Livonia.* The Pskov-Livonia Euroregion's compliance with the four basic principles specified above demonstrates their full correspondence with the principle of voluntary participation.

*Dnieper.* The Dnieper Euroregion's compliance with the four basic principles specified above demonstrates their full correspondence with the principles of voluntary participation and partnership.

#### *Subsidiarity principle*

*Oresund.* Analyzing the principle of subsidiarity, i.e. power delegation to lower administrative levels, it should be mentioned that the integration of Oresund was structured both vertically and horizontally. The Oresund Committee includes both the municipal and regional representatives. And general resolutions are mostly taken at the local level during meetings of the committee. Moreover, according to OECD research, Sweden and Denmark are characterized by decentralized political and administrative structures [Garlick et al., 2006].

*Pskov-Livonia.* The implementation of the subsidiarity principle is limited by Russian and Belarusian vertical power structures and centralization principles.

*Dnieper.* The implementation of the subsidiarity principle is limited by Russian and Belarusian vertical power structures and centralization principles.

#### *Partnership principle*

*Oresund.* From the point of view of equality (principle of partnership), regarding certain direct or implied features, the Danish party is de-facto a stronger partner. This is by virtue of the fact that Copenhagen is the capital of Denmark and is informally considered the center of the Oresund Euroregion. At the same time, the Danish party is more densely populated and has the higher index of gross

regional product (GRP). Probably, such asymmetry has defined certain dissociation in the development of the Danish and Swedish parties.

*Pskov-Livonia.* The implementation of the partnership principle is limited by the subordinate position of Russian contractors within the scope of joint projects with the neighbors and at the expense of the European Union (Russian partners may act only as associated members, which presumes restrictions both to take and finance the projects.).

*Dnieper.* The Dnieper Euroregion's compliance with the four basic principles specified above demonstrates their full correspondence with the principles of voluntary participation and partnership.

### *Solidarity principle*

*Oresund.* Taking into consideration the principle of solidarity (the search for a common ground), it should be mentioned that one of the compromise factors includes the solidarity in interests – the social and economic development of Oresund as the single center. In this regard, the European Commission, being the financial sponsor, assisted and continues to assist in their search for a common platform for development.

*Pskov-Livonia.* The implementation of the solidarity principle is limited by the unfavorable environment for relations between Russia and the Baltic states.

*Dnieper.* The implementation of the solidarity principle was limited until 2010 by the unfavorable environment for the relations between Russia and Ukraine. It has recently become unstable.

## ***3. The preconditions for cross-border cooperation in Euroregions***

### *3.1. The budget opportunities and the financial schemes of Euroregions*

*Oresund.* The participation of the European Union has played, and continues to play, a particular role in development of the Oresund Euroregion. In particular, they finance projects through the European Regional Development Fund as a part

of financial initiatives of INTERREG. The Oresund Committee was appointed as the administrator of the INTERREG initiatives and is often considered one of successful examples of 'euroregionalisation'. For example, the European Commission considers Oresund one of the most integrated and functional cross-border regions [Cooke et al., 2004], and an example of cooperation for other Euroregions [Löfgren, 2008].

*Pskov-Livonia.* An estimation of Euroregion efficiency and range of activity, done through a content-analysis of websites and scientific and journalistic materials, demonstrated the substantial development lag in the Pskov-Livonia Euroregion project implementation compared with older Euroregions of the same group. For example, up to 2007, within two main directions of the Baltic Euroregion activity – integration of Kaliningrad region to the Russian Federation and the cross-border interaction with Baltic states – 236 projects were implemented with participation of 10 states for more than 6 million euro. In the Pskov-Livonia Euroregion, within the same period, two projects were implemented – both in 2006-2007 for less than 100 thousand euro and financed under the EU INTERREG III A the North Priority. Several project requests for participation in the first round of the cross-border cooperation program, “Oresund – Latvia – Russia”, were prepared in 2009-2010. Finally, since 2011 implementation of scale projects under the program specified has commenced: at the moment, 25 projects for a total amount of more than 24 million euro are being implemented. The project duration will be approximately 1.5 to 3 years.

*Dnieper.* The fundamental difference of the the third group Euroregions comparing with the first two groups relates to the absence of projects: no project was implemented within 10 years of their existence. Dnieper, like other Euroregions on the inner borders on the CIS, is mostly oriented to the development of so-called minor forms of interaction: social and cultural communications, exchanges, holidays, etc. The regional budget funds are seen as the main financial source. The insufficient funding and absence of the specialized financial and other

support institutes similar to those established in the European Union both block changing-over to a different level of the initiatives..

Additional obstacles for the Ukrainian and Belarusian stakeholders are connected with the budgetary problems of these countries. A wave of Euroregion creation on the Russian and Ukrainian borders happened in a period of deep problems for the Ukrainian economy. Therefore, these projects could not have counted on Ukrainian finance in the long term. The probability of this situation change is not high at the moment: Ukraine is currently solving more vital financial and economic problems. In the last few years, Belarus has also suffered deep economic difficulties and budgetary problems.

### *3.2. Density of population, urbanization rate and allocation of the urban areas*

*Oresund.* The region has a population of 3,785,000 inhabitants with an average population density of 179 persons per sq.km<sup>34</sup>. Two thirds of the Oresund population live in the Danish part, where its density reaches 258 inhabitants per sq.km. On the other hand, the Swedish part, Skane, has about 1.3 million people and a population density of around 110 persons per sq.km. On the one hand, Oresund has the largest and one of the most densely populated metropolitan areas in Scandinavia – Copenhagen-Malmo. On the other hand, there are also sparsely populated rural municipalities in the south-west of Zealand and East of Skane. The number of Oresund inhabitants is expected to growth by 10% before 2030.

*Pskov-Livonia.* The border regions in Latvia, Estonia and Russia is less populated than the inner regions of those countries, so the density issue form very weak preconditions for the communication process. The average population density is more than 10 times less than in Oresund: 16 people per sq.km. The urbanization rate in Pskov region is 70.2%. It is less than the average rate in Russia (73%), so Pskov region is a comparatively rural area. The average urbanization

---

<sup>3</sup> <http://www.orestat.se/sites/all/files/demographics.pdf>

<sup>4</sup> <http://www.orestat.se/sites/all/files/geography.pdf>

rate in Estonia (69%) and Latvia (68%) is even less than in Pskov region. The main urban center on the Russian side, Pskov, is very close (50 km) to the Estonian border. In opposition, there is not one big urban area in Estonia and Latvia that is closer than 100 km to the border. Rezekne in Latvia, only 50% more than United Nations criteria minimum (20 thousand) for the cities, is populated by 30 thousand of people.

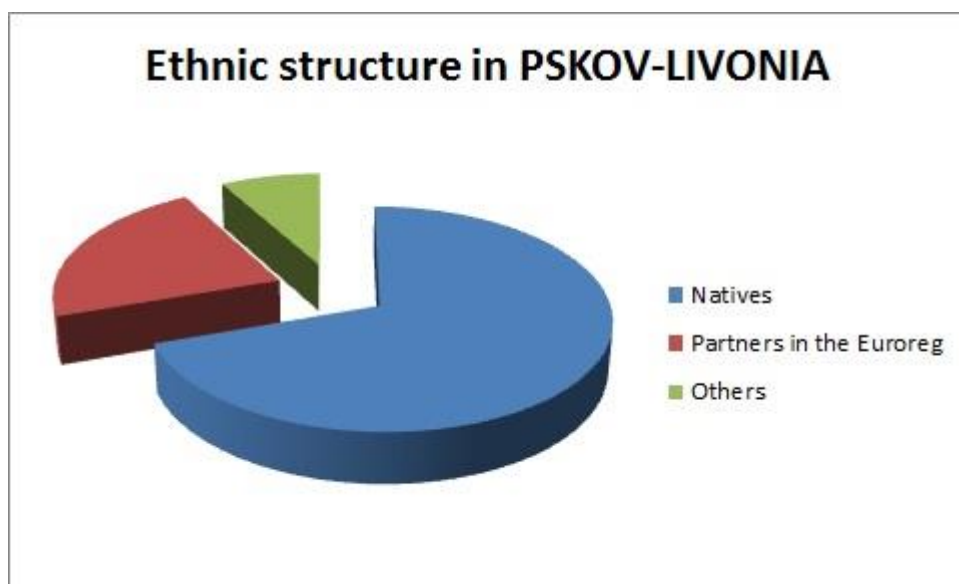
*Dnieper.* Bryansk region has a population density more than the average in Russia, and Gomel region has the same position in Belarus. Dnieper average population density is 5 times less than in Oresund, but 2 times more than in Pskov-Livonia: 36 person per sq.km. Unfortunately, the border zone itself does not have this privilege because of the great forest zone polluted by radiation from the Chernobyl accident. The urbanization rate in Bryansk region is 69.2%. It is less than the average rate in Russia (73%), so Bryansk region is a comparatively rural area. The urbanization rate in the neighborhood area is less than the regional average rate because of the urban population concentration in the central and eastern parts of Bryansk region. The Gomel region has the same urbanization rate (70.8%), but the opposite situation in territory structure: Gomel, the main urban area in the region, is very close (30 km) to both the Russian and Ukrainian border. The urbanization rate in Chernigov region (63.4%) is much less than in Bryansk and Gomel regions, but the territory structure is close to the Gomel case: Chernigov is rather close to both Belarusian and Russian borders (60-70 km). This is a rather complicated issue because the financially most powerful stakeholder (Russian region) has the weakest territory and urban preconditions for cooperation.

### *3.3. Ethnic structure of population*

*Oresund.* The Oresund region joins the population of different ethnic groups, both in large multicultural cities like Malmo and Copenhagen and on the islands

populated by specific ethnics. This leads to projects for people with different ethnic backgrounds, like “New Town in the Øresund Region”<sup>5</sup>.

*Pskov-Livonia.* An important precondition for communication in a EU-CIS neighborhood is the ethnic structure of the population. For example, in Pskov-Livonia more than one fifth of the population represents the neighboring nations (see Picture 2).



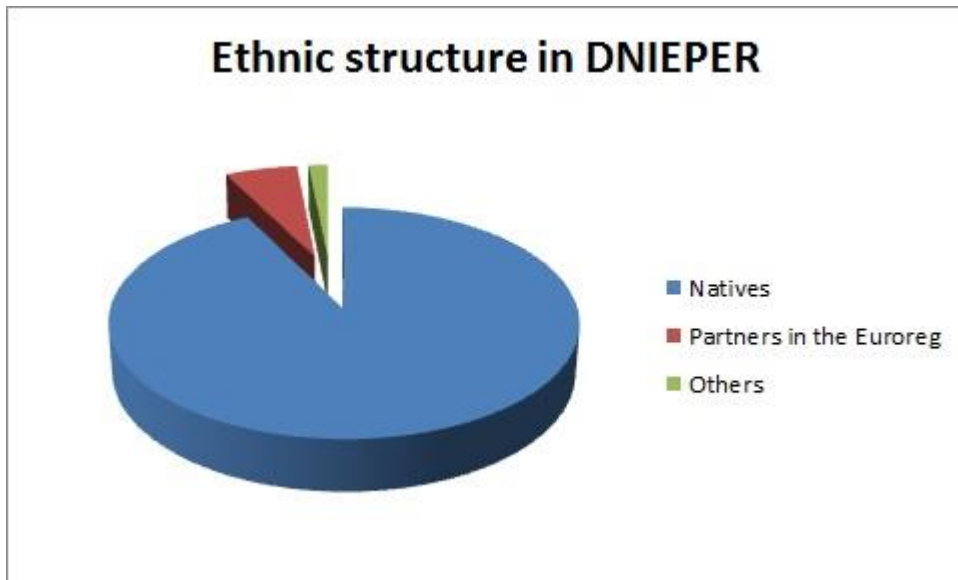
**Picture 2. Ethnic structure in PSKOV-LIVONIA Euroregion**

This level of ethnic penetration is not common for all CIS-EU borders, but the phenomena is observed here.

*Dnieper.* A big advantage for a post-Soviet neighborhood in cross-border communication is the common Russian language that is spoken by the majority of the population on both sides of the border. Although the status of the Russian language in Ukraine is complicated right now, of all the people listed above 35 have studied it at school, and Russian is still useful in communication as the researchers show [Barinov et al., 2009].

An additional precondition for communication in the CIS inner neighborhood is the ethnic structure of the population. For example, in Dnieper more than one twentieth of the population represents the neighboring nations (see Picture 3).

<sup>5</sup> [http://www.sbi.dk/byudvikling/bypolitik/ny-by-ved-store-rorbek/w20\\_hedvig-vestergaard-final-1.pdf](http://www.sbi.dk/byudvikling/bypolitik/ny-by-ved-store-rorbek/w20_hedvig-vestergaard-final-1.pdf)



*Picture 3. Ethnic structure in DNIEPER Euroregion*



## **4. The main areas of Euroregion business**

### **4.1. Cultural communication**

*Oresund.* Similar cultural patterns are an important precondition for cross-border communication in Oresund [OECD 2003; Kiryushin et al., 2013]. The economic potential of the region and the long history of communication both result in today's active communication. For example, in 2007 over 25 million of people passed the Oresund Bridge<sup>6</sup> – that is more than the total amount of foreign tourists in Russia in 2011<sup>7</sup> and only 5 million less than it was in 2013<sup>8</sup>. The cultural communication specific in this region causes by the population educational level: here is the “largest concentration of highly educated people in Northern Europe”<sup>9</sup>. This is why academic communication plays a more important role than folk festivals.

*Pskov-Livonia.* An large barrier for cultural communication on the borderland



between Russia and the three Baltic states (Estonia, Latvia, Lithuania) is the traditional image of the enemy that Russians have in Baltic eyes, and the same for the opposite side. The natives of the Pskov region mark their western border as the Iron Curtain, you can see an example in Picture 4.

***Picture 4. “Sebej – Russia’s outpost” – in Sebej, near the Russian-Latvian border***

Those relationships between the establishment are bad grounds for social and cultural communication. This is why there are very few examples of it in this borderland, and in Pskov-Livonia Euroregion project in particular.

<sup>6</sup> <http://uk.oresundsbron.com/page/34>

<sup>7</sup> [http://www.gks.ru/free\\_doc/doc\\_2012/rus12.pdf](http://www.gks.ru/free_doc/doc_2012/rus12.pdf)

<sup>8</sup> [http://www.gks.ru/free\\_doc/doc\\_2014/rus14.pdf](http://www.gks.ru/free_doc/doc_2014/rus14.pdf)

<sup>9</sup> <http://www.oresundsregionen.org/en/about-the-oeresund-region>

Interestingly, while being in common historical context, Oresund and Pskov-Livonia have an absolutely opposite current situation with communication between people.

*Dnieper.* The relationships between regional establishments in inner CIS borderland differ a lot from the situation on the Russian-Baltic border. People in Russia's border regions look forward to communication with Ukrainians (Picture 5), and the same on the opposite.



***Picture 5. “The square of Slavonic nations friendship”, Novozybkov, Bryansk region***

This is why social and cultural communication, both organized and spontaneous, is active. The list of projects of the Dnieper Euroregion includes social and cultural projects of all levels – from interregional to international. It includes folk holidays, youth festivals, and conferences. Some of them are famous in Russia, Ukraine and Belarus – for example, the festival, “On the Boyan's land”.

#### *4.2. Educational cooperation*

*Oresund.* The scientific and educational partnership of the “Oresund Science Region” has become an important factor of the Euroregion growth. It was defined, *inter alia*, by the research intensity and innovative capacity of the Euroregion: availability of a large number of developed universities, research establishments and innovative companies. Activity of the “Oresund Science Region” is based on the creation of the network structures according to the “triple helix” model. This includes governmental structures, business, scientific and educational institutions. This contributes researching and development of regional processes in Oresund; strategic cooperation with administrations, companies and universities; branding and marketing of the region, fund raising, and innovative growth and commercialization of technologies.

In the period of active development during the first half the 2000s, the priority areas covered the competitive recovery of the region, creation of network structures, cooperation between companies, and scientific and educational institutions [OECD, 2003]. Until recently, the main directions of the scientific and educational partnership included the following areas: ecological (Oresund Environment Academy), biotechnological and medical (Medicon Valley Academy), food and agricultural (Oresund Food Network), and informational and technological (Oresund IT Academy). However, to the end of the last decade, after the termination of active financing by the European Union, the most viable directions of cooperation included medical and biotechnological ones, as well as the cluster of Medicon Valley that gained worldwide fame.

Among the cooperation projects actively developed in the previous period, Oresund University should be mentioned; it is a consortium that presently includes eight universities, including the largest ones: University of Copenhagen, Copenhagen Business School, University of Lund, and University of Malmo. The cooperation under the Oresund University supposes the implementation of joint educational programs, research projects, and the collaboration of postgraduates students and scientific mobility [Kiryushin et al., 2013].

*Pskov-Livonia.* Communication in the educational sphere should be particularly mentioned. This sphere is developed in all Euroregions of this group, and for a long time it was considered as the most important sphere in the Pskov-Livonia Euroregion. This was due to the participation of universities from the northwestern part of Russia, along with their "colleagues" in the Baltic States, in the International Baltic University project. The Baltic University Program (BUP) was organized in Uppsala in 1991. Nowadays, 160 Universities of 14 countries of the Baltic region and 3,000-6,000 students participate annually in the BUP. The program focuses on sustainable development and environmental protection of the Baltic region. In 2007, 15 universities and 40 tutors from the Russian Federation worked under in the program, and 865 students attended their courses. Pskov Polytechnical University cooperated with the program.

Educational issues have played a leading role within Russian and European cross-border cooperation for a long time. In relation to the regional and local levels, its advantage also includes the lower financial capacity of this direction. This factor reduces the dependence of the regional and local authorities on the federal budget and mechanisms of the federal regional policy in comparison with the economic sphere. For the regions themselves, the cooperation in the educational sphere contributes to the establishment and maintenance of contacts with their neighbors on very different levels: from students and schoolchildren to the representatives of the authorities to expert communities.

The organizations of the educational sphere, higher education as well as specialized secondary education, and even general secondary education, on the local level, remain today one of the main stakeholders in the cross-border regionalization process on the borders of new members of the EU and Russia. As the financing of the Euroregions activity increases, the social communications, allied with education (for example, concern for socially disadvantaged population categories, volunteer services), and other communication spheres are being developed.

*Dnieper.* On the inner borders of the CIS, as well as on the borders of Russia and new members of the EU, the establishments of higher as well as secondary education play the role of stakeholders in cross-border regionalization. The first fundamental difference between the third group and the second group of Euroregions relates to non-inclusion of universities in the communication process. This is determined by the absence of programs similar to the International Baltic University, and access to European financing sources. The adverse trend in this context is apparently due to a breakdown between the Universities of Bryansk and Gomel, Bryansk and Chernigov, Kursk and Sumy. This has existed since the Soviet period and has been taken as a basis of the current cross-border regionalization within its educational component.

Therefore, cooperation within general and specialized secondary, but not higher, education has been developed on the inner borders of the CIS. This subject,

in particular, has become the reason to arrange regular annual meetings between representatives Gomel, Chernigov and Bryansk regional administrations. The primary initiative belonged to heads of the cross-border regions.

#### *4.3. Transport cooperation*

*Oresund.* One of the main projects in Oresund was the bridge project between Sweden and Denmark, finished in 2000. This issue has been already researched [Kiryushin et al., 2013].

*Pskov-Livonia.* No common transport program.

*Dnieper.* No common transport program. There are also a lot of transport troubles concerned with it. For example, the liquidation of railway between Kursk and Sumi led to some trouble with product supply for business.

#### *4.4. Cooperative measures for environmental protection*

*Oresund.* The research results allowed to propose the periodization of the Oresund regional innovation system development. On the first stage, in the 1990s to mid-2000s, a generation of the cross-border cooperation general policy in the innovative sector occurred, the biotechnological and medical industries developed, and the approach of the parties took place. From the mid-2000s to the present time, both parties performed sober estimates of the cross-border cooperation, scientific and economical results of collaboration. Currently, some are attempting to implement a new conception of the cross-border cooperation for the transition of the Oresund region to sustainable development. Apparently, green technologies will play one of the key roles in this process.

*Pskov-Livonia.* One of the oldest stakeholders of the Euroregions is a non-commercial organization in Pskov called “Chudskoy project”. This organization organizes common projects with partners in Latvia and Estonia concerned with environmental issues. According to the “Chudskoy” project director, the main barrier for those projects is the lack of opportunities to get EU funds for Russian

organizations. It was hard to get those funds before 2012 when the Russia-EU conclusion was refreshed.

*Dnieper.* A portion of the projects implemented relate to tourism, ecology and environmental sustainable development, typical for the Euroregions of all groups. These project are small and local.

#### *4.5. Cooperation of regional authorities and local governments*

*Oresund.* A set of problems appears while defining the aims of the EU Euroregions. In particular, the following issues are determined for Oresund: the organization of the joint transport infrastructure (primarily, a bridge), development of the green economy and green technologies, creation of a center for technological development. The ethnical striped pattern and co-residence of different peoples appear to be additional prerequisites facilitating the solution of these definite issues.

*Pskov-Livonia.* The unwillingness of the Russian local authorities to use the European incentive mechanisms is considered an important institutional constraint preventing extended regionalization on the borders of Russia and new members of the EU. Even the most active representatives enlightened in the matter mention more hindrances than possibilities on the way to European funds, mainly out of date treaties between Russia and the EU, and the bureaucratic acrimony.

Another constraint of partially political and partially institutional nature relates to the absence of a definite aim of the cross-border regionalization. This is vital for the stakeholders of both sides of the border. The policy documents of the Pskov-Livonia region do not include such vital aims and issues as Oresund. The motivation of the counterparties of the Baltic States for cross-border regionalization is limited by their wider interest to integration into the EU.

*Dnieper.* The official cooperation of regional authorities and local governments on the Russian-Ukrainian border zone was threatened with cancellation by both national governments from 2005 to 2010. It became complicated again in the beginning of 2014. The complicated relationship between

Russian and Ukrainian state governments is an important barrier for official local government cooperation, as the local governors noted in the interviews.

### *Conclusion*

Taking into consideration the results of the analysis performed, one can see a number of differences regarding the conditions and peculiarities of the cross-border regionalization development through the Euroregion mechanism in the cross-border regions of three types analyzed: on the inner borders of the European Union, on the borders between the EU and CIS members, and on the inner borders of the CIS. A number of researchers – I.M. Busygina, P.Ya. Degtyarev, G.B. Zhusupova, G.N. Pryakhin – believes that the creation of the province development by means of the cross-border regionalization projects needs the system of special mechanisms supported by the long-term significant financial. By comparing three case studies, we can draw the conclusion that there is a strong system of such mechanisms in the Euroregions inside the EU; the spot application of certain mechanisms (in particular, INTERREG programs) takes place on the external borders of the EU with the states of the CIS; and actual absence of such mechanisms takes place inside the CIS. Three groups of factors conditioning such allocation can be defined.

**1. Institutes of state and municipal management.** The Euroregions institute was developed within the political culture and management structures of Western Europe, in conditions of priority for the local authorities and local level decision making. The local authorities of the republics of the former Soviet Union, subjectively, were accustomed executing decisions of higher levels of authorities, and objectively, were vested with neither legislative powers, nor the ability to run significant independent activities. One could argue, they were not ready for the format of the Euroregions. As a result, the principle of subsidiarity is currently

implemented only within the European Union and has not been utilized in CIS Euroregion arrangements.

**2. The institutes on a supranational level on the territory of the former Soviet Union are less developed.** Adoption of the Euroregion mechanisms to the terms of the management institutes of the CIS goes slowly not only because the authorities are subjectively not interested in them. An important restriction in this context is the objective contradiction between the active near-border communication, on the one part, and tasks of nation building, on the other part. This contradiction is not specific for the territory of the former Soviet Union, but it is specific for Europe. For the purpose of its negotiation, specialized institutes within the EU were established which coordinate, finance and support the development of the so-called Europe of regions, discharging national governments and transferring this task to the higher level. Appearance of such supranational institutes in the CIS area is the most important institutional condition for the future development of the Euroregions on the territory of the former Soviet Union.

**3. The involvement of large stakeholders of regional and even interregional scale in the process of regionalization.** Considering this issue on a superficial level, the inclusion of prominent players in the regionalization process and the inclusion of big cities into the Euroregion contradict the idea of the Euroregion as an instrument of national province development. However, previous research on Euroregions [Busygina, 2002] shows that such province development does not happen automatically along with the border opening and the creation of a certain formal institute of the Euroregion. For proper development, the province should possess an inner potential: transport and communication, labor, science and research, social and cultural. The most efficient Euroregions of the European Union, including Oresund, have big cities, traffic centers, universities and research centers. The absence of such potential is an key issue for the Euroregions of the former Soviet Union. The following fact evidences indirectly the understanding of



this problem: stakeholders of not municipal, but regional level have taken direct participation in the creation of the most recent Euroregion of the area “Donbass”.

The specified differences of conditions and resources for the cross-border regionalization cause differences in communication processes. Different organizations become the leading stakeholders of the regionalization process in three different cases. On the inner borders of the European Union, they are represented by scientific establishments, universities, civil society and business institutes, which, with the support of the specialized funds and institutes of the EU, cooperate in the spheres of development of transport and communication channels, education and science. The potential of the area, free from depressive production and subject to land restoration (within the Greenfield concept), and the potential of high quality labor resources and scientific and research potential of universities are used for elaboration and implementation of innovations, primarily in the sphere of green technologies being one of the priority in the European Union development.

On the borders of the EU and the CIS, the role of the leading stakeholders remains reserved for the universities. However, innovative and technological subjects are not dominant, on the one part, due to their marginal position in the development priority list of Russia, and on the other part, due to the marginal position of these Euroregions in the list of cross-border regionalization projects of the European Union. The role of business and civil society institutes as the stakeholders in cross-border regionalization is also degraded in comparison with Oresund in connection with certain inertia of Russian counterparties and actions of institutional barriers, analyzed herein. At the same time, the organizations acting in this sphere, in particular, the Cross-border Cooperation Center “Lake Peipsi Project, Pskov”, focus their attention on directions of high-priority for the European Union, in particular, in the ecological sphere, which can be considered a positive example of the European experience adoption.

On the inner borders of the Commonwealth of Independent States, the importance of business, non-commercial organizations and non-governmental organizations for the Euroregions development is minimized. what is related to

budgetary problems as well as peculiarities of the institutional environment, where they are functioning. Cooperation in the sphere of innovation and technology development is not developed due to the absence of requests on all levels. As a result, the communication within the Euroregions of this area is done only in two areas: education (predominantly in the sphere of secondary, not higher education, crucially distinguishing this area from the two previous ones) and social and cultural (predominantly in format of eventful interactions: holidays, festivals, etc). The principal stakeholders of the regionalization process in this area are administrations of the near-border municipal institutions and the low-level organizations of education and culture: art centers, schools and colleges.

The performed comparative study of conditions and peculiarities of the functioning of the Euroregions of three different types allowed performance of SWOT-analysis of conditions, opportunities and risks of their further development. The results of this analysis are presented in Table 4 (for the convenience of comparison of the Euroregions between each other, the table structure differs from the traditional structure of SWOT-analysis results).

Table 4. SWOT analysis of Euroregions development

<b>Euroregion Characteristics</b>	<b>Oresund</b>	<b>Pskov-Livonia</b>	<b>Dnieper</b>
Strengths	<ol style="list-style-type: none"> <li>1. Strong scientific foundation forming potential for development of technologies and industrial processes.</li> <li>2. Proven experience of regional cooperation in the sphere of biotechnologies with participation of scientific, business institutes, non-commercial organizations and administrations.</li> <li>3. Organized infrastructure for cooperation, including communication transport channel.</li> <li>4. Availability of large economical and</li> </ol>	<ol style="list-style-type: none"> <li>1. Success story (implemented joint projects) in the sphere of education and social and cultural interaction.</li> <li>2. Cultural proximity of population on the territory of the Euroregion (primary due to the Russian-speaking population of Latvia and Estonia).</li> <li>3. Availability of ecologically-friendly territories free from production and pollution sources.</li> <li>4. Availability of large number of historical sites increasing attractiveness of the Euroregion for tourists.</li> </ol>	<ol style="list-style-type: none"> <li>1. Cultural proximity of population on the territory of the Euroregion.</li> <li>2. Mutual positive perception of the subject of regionalisation.</li> <li>3. Experience, accumulated since the Soviet period, regarding maintenance of contacts between administrations of municipal institutions of the Euroregion.</li> <li>4. High level of the territory development, total occupation of adjacent territories.</li> <li>5. Availability of large number of historical sites increasing attractiveness of the Euroregion for tourists.</li> </ol>

	<p>administrative centers, including the capitals on the territory of the Euroregion.</p> <p>5. Cultural proximity of population and similar working language – opportunity for cooperation.</p> <p>6. Strong interest of the European Union to development of the Euroregion as a model.</p>		
Weaknesses	<p>1. Certain disputes regarding the Euroregion development priorities are likely to arise between Denmark and Sweden, and different development interests.</p> <p>2. Incompliance of fiscal and economic policy of Sweden and Denmark</p> <p>3. The strait limiting opportunities of closer cooperation. Adjacency of scientific and</p>	<p>1. Weakness of economic base of subjects of regionalisation.</p> <p>2. Population problems, active depopulation and migration outflow from the Euroregion.</p> <p>3. Underpopulation, weak development of the territory on separate areas of adjacent territories.</p> <p>4. Physiographic limits preventing from regionalisation on separate areas of adjacent territories.</p>	<p>1. Weakness of economic base of subjects of regionalisation.</p> <p>2. Population problems, active depopulation and migration outflow from the Euroregion.</p> <p>3. Ecological problems decreasing attractiveness of adjacent area for population (in particular, due to forest damage after the Chernobyl disaster).</p> <p>4. Absence of large cities, transport and economic centers in adjacent areas of subject of regionalisation.</p>

	business organisations does not predetermine the necessity of interaction, as more prospective partners and markets can be available.		
Opportunities	<ol style="list-style-type: none"> <li>1. Access to the EU funds, project financing opportunities out of the EU funds.</li> <li>2. Political interest in communication of national governments of Sweden and Denmark, active support by supranational structures of the EU. Significant development potential for implementation of green growth, development of ecological innovations as the ground for cooperation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Access to the EU funds, project financing opportunities out of the EU funds.</li> <li>2. Political interest in communication of the government of Pskov region provides an idea of downward support to local authorities.</li> <li>3. Opportunity to use ecologically-friendly territories free from production and other pollution sources for development of green technologies and eco-tourism. Participation in interuniversity programs similar to International Baltic University forms the</li> </ol>	<ol style="list-style-type: none"> <li>1. Prospects of development of social and cultural relations and “core” forming of interregional and perspective international cultural contacts. The significance of educational subject in general discourse of development of Russia, Ukraine and Belorussia provide an opportunity to get additional resources for communication development within the Euroregion under the subject.</li> </ol>

		grounds for future development of technological solutions and organisation of technopolis and scientific parks on the ground of current university potential in the Euroregion.	
Threats (restrictions)	<ol style="list-style-type: none"> <li>1. High competition between the Euroregions regarding financial resources due to its growing population and limited resources of the EU.</li> <li>2. Exhaustion of the most evident and vital problems of the Euroregion development causes risk of development drive decrease.</li> <li>3. The EU economic problems cause risk of priorities refocusing in financing as well as in management.</li> </ol>	<ol style="list-style-type: none"> <li>1. Dependance on political environment of relations between the Baltic States and Russia.</li> <li>2. Dependance on political environment of relations between the European Union and Russia</li> <li>3. Absence of regulatory background in Russia contributing to the cross-border regionalisation problems. Insufficient amounts of external funding against weak activity of Russian non-commercial organisations under joint programs under the EU funding deprive the Euroregion of the opportunity to implement</li> </ol>	<ol style="list-style-type: none"> <li>1. Low interest in communication of governments of Russia and Ukraine.</li> <li>2. Ultra-low amounts of external financing against budgetary problems in Ukraine and Belorussia deprive the Euroregion of the opportunity to implement large-scale projects.</li> <li>3. Long-term stagnation in the Euroregion development provides the subjects of regionalisation with an idea of formal character of the established institute and unavailability of real prospects of integration.</li> <li>4. Absence of regulatory background in Russia</li> </ol>

		large-scale projects.	contributing to the cross-border regionalisation problems limits the opportunities of regional and local authorities in communication with neighbors.
--	--	-----------------------	---

## *Literature*

1. Association of European Border Regions: Institutional Aspects of Cross-Border Cooperation. Gronau: AEBR, 1999.
2. Barinov, S., Gritsenko, A. and Samsonova, A. (2009) Image Of The Ukraine And Some Special Features Of Spatial Identity By The Population Of The Russian-Ukrainian Border Area. / *Regional Studies*, 2009, No3(24)
3. Busygina, I.M. and Philippov, M.G. (2009) “Nothern Dimension”: The Strategies of the Participants. / *Baltic Region*, No 1.
4. Garlick, S., Davies, G., Polèse, M. and Kitagawa, F. (2006). Supporting The Contribution Of Higher Education Institutions To Regional Development: Peer Review Report. Paris: OECD.
5. Hospers, G-J. 2008. Governance In Innovative Cities And The Importance Of Branding, *Innovation: Management, Policy & Practice* Volume 10, Issue 2–3, October–December 2008 10: 224–234.
6. Kiryushin P., Mulloth B. and Iakovleva T. Developing Cross-Border Regional Innovation Systems with Clean Technology Entrepreneurship: The case of Øresund. / *International Journal of Innovation and Regional Development*, Vol.5, No 2, 2013.
7. Knowles, R.D. and Matthiessen, C.W. (2009) Barrier effects of international borders on fixed link traffic generation: the case of Øresundsbron. *Journal of Transport Geography*, No. 17(3), pp 155-165.
8. Kuznetsov, A.V. (2009) The Perspectives of Euroregions With Russia Concerned With the Innovation in EU Regional Policy. / *Baltic Region*, No 2.
9. Leonard-Barton, D. A. (1990) A Dual Methodology for Case Studies: Synergistic Use of a Longitudinal Single Site with Replicated Multiple Sites, *Organization Science*, Vol. 1, No. 3, pp 1-19.
10. Lepik, K-L (2009). Euroregions As Mechanisms For Strengthening Of Cross-Border Cooperation In The Baltic Sea Region. Tartu: Trames Vol 13, Issue 3, Pp. 265-284.



11. Löfgren, O. (2008), Regionauts: The Transformation Of Cross-Border Regions In Scandinavia. *European Urban And Regional Studies* 15, Pp. 195-209.
12. Lunden, T. and Zalamans, D. (2000) *Boundary Towns. Studies of Communication and Boundaries in Estonia and Its Neighbours*. Stockholm: Stockholm University.
13. Lundquist, K.J. and Tripl, M. (2009) *Towards Cross-Border Innovation Spaces: A Theoretical Analysis and Empirical Comparison of Øresund Region and the Centrope Area*. SRE-Discussion, 2009/5.
14. Lundquist, K.J. and Winther, L. (2006) *The Interspace Between Denmark and Sweden: the Industrial Dynamics of Øresund Cross-border Region*. *Danish Journal of Geography*, No. 106(1), pp 115-129.
15. OECD (2003) *Öresund. Denmark/Sweden*. OECD Territorial Reviews, OECD Publications, France, Paris.
16. Perkmann, M. (2003) *The rise of Euroregion. A bird's eye perspective on European cross-border cooperation*. Lancaster LA1 4YN, UK. <http://www.lancaster.ac.uk/sociology/research/publications/papers/perkmann-rise-of-euroregion.pdf>
17. Radzilavichus, Sh. and Mezhevich, N. (2010) *The Role of Cross-Border Cooperation Between European Union and Russian Federation in twosides And Regional Programs of Economic Development*. EU 119860/C/CV/multi Lot #7. European Consultants Organization.
18. *Regional innovation systems : the role of governance in a globalized world* / edited by Philip Cooke, Martin Heidenreich, and Hans-Joachim Braczyk. London ; New York : Routledge, 2004.
19. Scott, J. W. *Euroregions, Governance and Transborder Co-operation within the EU // European Research in Regional Science*, 2000, vol. 10 (Border, Regions and People), pp. 104-115
20. Shah, S.K., Corle, K.G. (2006) *Building Better Theory by Bridging the Quantitative–Qualitative Divide*. *Journal of Management Studies*, Volume 43, Issue 8, pp 1821–1835, December 2006.

21. Yarovoy, G.O. (2007) Regionalism and Cross-Border Cooperation in Europe. Spb: Norma.
22. Yin, R. K. (2003) Case study research: Design and methods (3rd ed.), Thousand Oaks, CA: Sage.