

Border as a Resource for Development

Reflections on the Finnish-Russian Case

Budapest, 25 April 2019

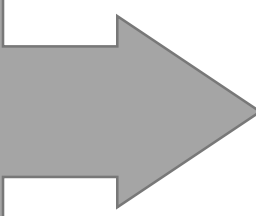
Heikki Eskelinen, University of Eastern Finland

1. Introduction

- Functions of borders are contextual and changing over time
- Until the 1990s, the FIN-RUS border was primarily a barrier and a very important marker/symbol of identity
- 1300 km long border, the current borderline since 1940/44
- After the collapse of the Soviet Union it was also increasingly conceptualised as a bridge and *resource to be utilised*
- Passport and visa regulations have not changed much since 1991
- Neighbouring Area Co-operation Programme, FINLAND>RUSSIA, 1992(-2012)

2. Sohn (2014): border as a resource

Five potential advantages or benefits available to regional and local actors:

- (1) *positional benefits*
 - (2) *transaction benefits*
 - (3) *differential benefits*
 - (4) *loci of hybridisation*
 - (5) *symbolic resource*
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But a resource such as a border is useless without actors who capitalize on it.

In the FIN-RUS case, such actors have emerged as a result of scale-bending processes

3. Two Ideal Types

1. Territorial project model

- Utilising border resources that involve convergence, through a process of hybridisation/innovation or through a shared vision and territorial identity developed by local/regional elites
- Process of cross-border place-making based on mutual learning, common understanding and trust.

2. Geo-economic model

- Generating value out of an asymmetric border setting, through the exploitation of differential benefits (e.g. cost, price, accessibility)
- Cooperation for instrumental purposes
- Might reinforce differentials and unequal development

In the Finnish-Russian case, these models were "tested" by regional and local governmental organisations and by market forces.

4.(a) A territorial approach: Euregio Karelia

- Set up originally (by Finnish and Russian/Karelian regional actors) as a framework for advancing a cross-border, regional integration process → “Our Common Border” Programme (three Finnish regions and the Karelian Republic)
- “..Euregio Karelia is historical space which is institutionalised in a post-modern style”
- This ambitious vision for regional integration has faded over time
- Euregio Karelia has become an umbrella title for low profile EU-funded CBC activities



4(b) A geoeconomic approach: Imatra/Svetogorsk Twin Town Initiative

- Based on an asymmetric border setting in the (only) twin town
- Aiming to reap positional and differential benefits (à la US/Mexico)
 - Business park initiatives/industrial village in Svetogorsk (lower production costs in Svetogorsk, logistical advantages)
 - Even a car assembly plant was envisaged
- Did not come to fruition as planned

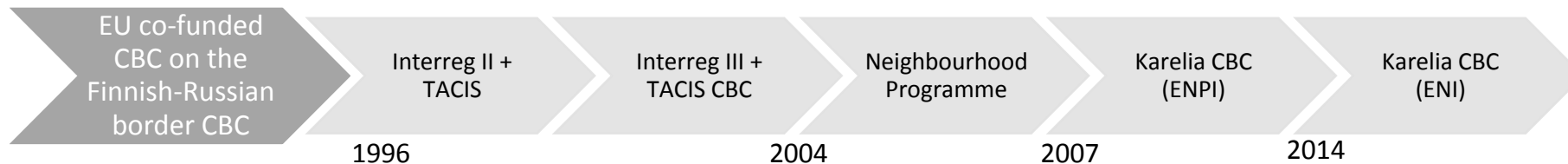
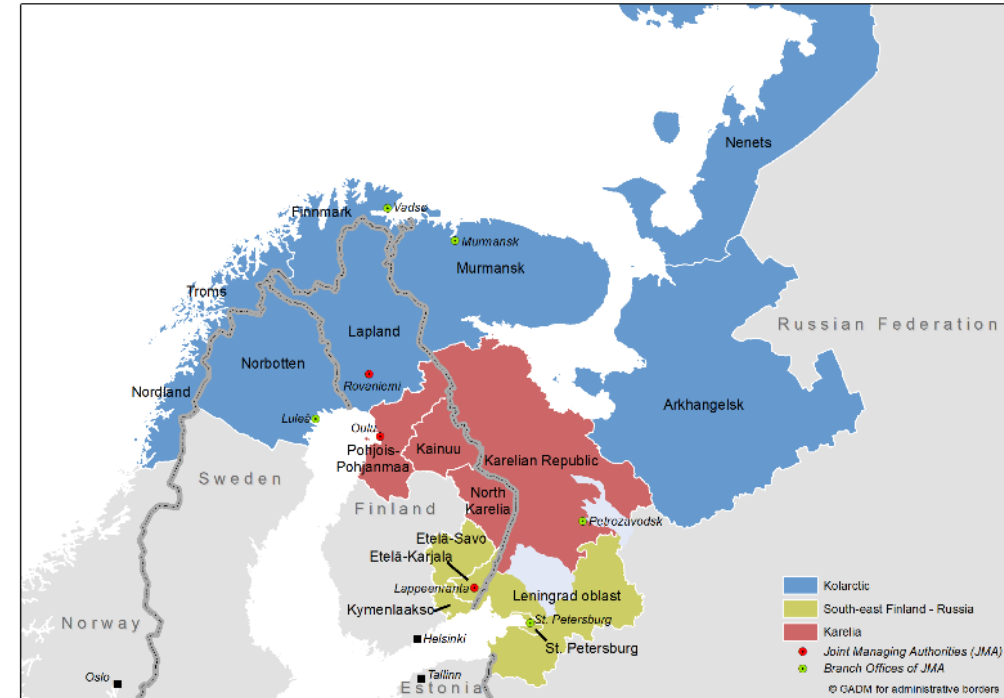


4(c).A trade-related conflict

- Before recent sanctions by the EU and counter sanctions by Russia, the most important trade-related conflict concerned timber (roundwood)
- Forestry and forest-based industries very important on both sides of the border: large-scale imports of roundwood from Russia to Finland > deindustrialisation in Russia, additional investments in Finland > export duties by Russia > WTO

5. Creating resources for interaction 1: low profile EU co-funded CBC continues

- EU funding for cross-border co-operation available since 1995
 - three programming regions
 - 5 programming periods
- Large investment projects (e.g. cross-border infrastructure) and smaller co-operation projects between organizations in the fields of business co-operation, culture, environment, social aspects and welfare
- Projects are supported on the basis of the objectives of the Joint Operational Programme and the decisions of the Joint Selection Committee and Joint Monitoring Committee
- EU co-funded CBC has not been included in the mutual sanctions between the EU and Russia



Creating resources for cross-border interaction 2: border crossings/(shopping) tourism, migration

- 1 million crossings in the early 1990s, almost 13 million in 2013
- On an average day, 15 000 Russians crossed the Finnish border in South-East Finland in 2018, mainly for shopping
- "Emotional differences" seem to play an important role in Russian tourism to Finland, "rational" motives from Russia to Finland
- South Karelia: 3.7 per cent of the population have moved from Russia



6. Conclusions

Early straightforward initiatives in using the border as a resource for regional development can be seen as reality checks

* Cross-border interaction ja co-operation has continued in the shadow of geopolitical conflicts, contributing to regional development on both sides by

- upgrading the role of the border as a resource: an increasing number of persons, firms, civil society organisations know their neighbours, and are familiar with how to utilise neighbourhood in the ways which are possible/acceptable in both countries
- No de-bordering, but *de-problematisation* of the border

References

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