

## Integration Processes in the Baltic Region : the New Form of Regional Transformations in the European Union

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*Regional integration oriented transformations in the Baltic region, as well as the unified social, economic and technological space formation processes are described and analysed. These processes are comprehended as an important factor of further social, economic and technological modernization in the Baltic countries, as a precondition for more intensive and active integration of Baltic economic systems into the European and global economic and technological structures, as well as a knowledge based society and knowledge economy creation factor.*

*The arguments determining the idea of the Baltic region community and unity, as well as opposing arguments are evaluated. The main principles of integration in the Baltic region, as well as the possible integration strategies are analyzed. The unified social, economic and technological space in the Baltic region as a research area is described. Formation of the unified social, economic and technological space in the Baltic region could be defined as an important precondition for further modernization and for more intensive and active integration of the national and regional societal and economic systems into the common European and global development processes.*

*Formation of this unified space in the Baltic region could be comprehend as a successful case of the regional integration oriented transformations in the European Union: regional integration oriented transformations could be defined as an important aspect of the social, economic and technological modernization in the European Union in general, and as an important factor of the knowledge based society and knowledge economy creation.*

*Regional integration oriented transformations and the unified spaces in the Baltic region formation processes could be defined as an important and a complicated scientific research area.*

*The main research priorities in the area of formation of the unified social, economic and technological space in the Baltic region are the following ones:*

- *the preparation of the conception of the Baltic region as a whole, including preparation and evaluation of various system indicators of Baltic region,*
- *the complex analysis of the expressions of centripetal and centrifugal force forming in the Baltic region as a system,*
- *the complex analysis of the arguments*
- *determining the idea of the Baltic region community and unity,*
- *the complex analysis of the opposing arguments to*

- the idea of the Baltic region being a community,*
- *the formation of regulating and self-regulating mechanisms for Baltic region's development,*
- *the social, economic and technological integration strategies for Baltic region.*

*The basis for the formation of a unified social, economic, technological space in the Baltic region is the comprehension of this region as a whole.*

*The comprehension of the Baltic region as a whole is based upon the formation and implementation of political, economic, and social development regulations, and the Baltic region as a unified geopolitical, social and economic system's development strategy preparation and realization should be understood as the principle problem of the Baltic countries' more intensive and active integration into European and world structures. The solution of these problems, requiring a deep and complete set of arguments, could be the essential basis to modernize the Baltic countries, their economic systems and societal structures.*

*The comprehension of the Baltic region as a whole includes these important problem areas:*

- *the commonality of the Baltic countries and unified activity system and the evaluation of the effects of these actions,*
- *the specific distinguishing features of the countries, due to their shared problems and integration difficulties,*
- *external and internal effects and environments, determining their integration prospects and limitations,*
- *the integration mechanisms and conditions for them to surface and spread,*
- *the mechanisms, and their dynamic possibilities, for more intensive and active integration into European and world structures by the Baltic region as a whole.*

*The development of the Baltic region as a whole and its effectiveness, is largely based upon how sensible and effective these development regulations are, and also the self-regulation mechanisms. Regulating and self-regulating mechanism targeting allows the programming and planning of development, and foreseeing the forms of rational separate country specializations and their cooperation and ties with other countries. The basis of these mechanisms could be spread even in the inter-regional integration processes of the Baltic countries.*

*The systematic studies of the Baltic region as a geopolitical, economic, technological, social and cultural whole are very prospective and actual in various ways toward the direction of practical and scientific activity.*

Keywords: *integration; transformation; unified social, economic, technological space; Baltic region.*

## Introduction

The modern knowledge based society and knowledge economy creation is the priority of the development processes in the European Union.

Knowledge based society and knowledge economy creation could be defined as an *complex transformation* with the qualitatively new societal life oriented priorities. It means, that *the transformation processes* representing the new quality oriented changes in the society and in the social economic life are an important part of the political, social, economic, technological development processes in the European Union in general.

Of course, transformation processes could be defined as an important *object* of the scientific research on the European integration, enlargement of the European Union, as well as on the European culture and social, economic and political development in Europe.

There are some different *traditional* and *new definitions* of transformation processes.

A *popular traditional definition* of the *transformation* or *transition processes* in society describes transformation as *complex changes from non-democratic system with planning economy into the democratic system with market economy*. This definition traditionally is used for the description of the development processes in the Central and Eastern Europe during the last 15-20 years: the political, social and economic systems in the Central and East European countries were transformed into modern democratic open societies and market oriented economies. The enlargement of the European Union, the integration of the Central and East European countries into the European Union and the spread of the NATO into the East could be defined as an especially important result of the transformation processes in the Central and Eastern Europe.

At this time, in the enlarged European Union, there is a complex process of new transformations representing a new phase of the political, social, economic modernization. The priorities of these transformations are the further activities of integration processes in the whole space of the European Union and the intensive creation of the knowledge based society and global market oriented knowledge economy. It means, that *a new definition* of transformation processes, especially- transformation processes in the European Union, could be used: in this case the transformation processes could be described as *the qualitatively new European society creation oriented to complex changes covering all spheres of political, social, economic life and technological development in the European Union*.

An important direction of transformations in the enlarged European Union is *an active interregional and internal regional political, social, economic and technological integration and formation of the unified social, economic and technological spaces*. This direction could be defined as *regional integration oriented transformations*: it represents some activities towards the creation of knowledge based society and knowledge

economy in various regions of the European Union, as well as in European Union in general.

*Regional integration oriented transformations* could be described as typical for various regions in the European Union. These transformations could be characterized as typical for the Baltic region too: it means, that the possibilities of the regional political, social, economic and technological integration and the formation of unified social, economic and technological space in the Baltic region could be analyzed as a typical example representing regional and interregional integration processes in various regions in the European Union and in Europe in general.

Regional integration oriented transformations in the European Union, including unified spaces formation oriented transformations in the Baltic region, could be defined as an important precondition for further development of qualitative new society in the Baltic countries.

Unified spaces formation oriented to transformations in the Baltic region could be defined as *a complicated scientific research area*. The main research priorities in this area are the following ones: the preparation of the conception of the Baltic region as a whole; the complex analysis of the arguments determining the idea of the Baltic region community and unity, and the complex analysis of the opposing arguments to this idea; the formation of regulating and self-regulating mechanisms, the social, economic, technological strategies for Baltic region.

The following material is devoted to these research priorities.

### **The Baltic region as the specific regional system in the European Union: unity and internal conflicts**

The Baltic region in general, all three Baltic countries - Lithuania, Latvia, Estonia, as well as political, social and economic development processes in this region could be defined as *an important object of the scientific research and practice oriented projects* on European integration, enlargement of the European Union, the changes in the society, economy and culture in the Central and Eastern Europe, as well as future oriented relations in the system "West- East" ( Melnikas, 1997,1998,1999,2002,2004 ).

Development processes in the Baltic region could be defined as *an important factor of complex societal modernization in the Baltic countries and in the Central and Eastern Europe in general*.

At this time, in the Baltic region , there is a complex process of political , economic and social transformation, representing the spread of democratic relations, orientation towards the priorities of the universal person's worth, and also the internationalization of political, economic, technological, social and cultural development, as well as the knowledge based society and knowledge economy creation ( .Kelertas, 2006; Smith, 2005 ).

Changes in the Baltic region represents *the typical trends* of the Baltic countries development processes in the context of the enlargement of the European Union, as well as in the context of the modernization processes in Europe in general.

This context could be defined as *new transformations oriented context* (Hofbauer, 2003; Lavingne, 1995; Lieven, 1995; Brunner, 1995, 2000; Pollert, 1999 ).

Globalization processes, as well as knowledge based society creation and the enlargement of the European Union are an important factor of the changes in the Baltic region (Brakman, Garretsen, Marrewijk, Witteloostuijn, 2006; Castells, 2005, 2006, 2007; .Badylis, Smith, 1997; Heywood, 1997; Hix, 2006; .Huntington, 1998; Johnson, Turner, 2006; .Lewis, 2002; .McQueen , 2001; Muenkler, 2005; .Parker, 2005; Polanyi, 2005; Tomlinson, 2002 ).

Transformation processes in the Baltic countries are various. One of the basic directions is connected with the Baltic region as a very complex *system* for political, economic, and social development.

Perspective views toward the Baltic countries should be connected with the condition, that the transformation processes in the Baltic region should occur in stages to create conditions for the formation of *a unified social, economic and technological space in the Baltic region*.

Apart from the fact that the Baltic region is *not yet* unified in technological, economic, and social spheres, there remain proper conditions for the formation of that type of space. These conditions allow the questions or the Baltic countries be viewed as those of *system* development, especially because these questions are remarkably actual in the context of European integration and further development of the enlarged European Union. At this point it is noted, that the more active and intensive further integration of the Baltic countries into the social, economic and technological systems of the European Union, the spread of NATO into the East, as well as the further international activities and co-operation problems of the Baltic countries with the partners in the global spaces can constructively be solved only when the Baltic region forms a new type of *inter-regional integration and co-operation mechanisms*.

The inter-Baltic countries integration cannot be separated from the formation of a unified social, economic and technological space. Comprehending the complexity and duality of the formation of such space, it is expedient to discuss the array of the issues which affect the Baltic region on the basis of its being a system, as well as on the Baltic countries unified development details.

*The multidimensional conception of the Baltic region as a whole* represents some possibilities for the formation of a unified social, economic and technological space. The main idea of this conception is *the multidimensional evaluation* of the development factors and processes in the Baltic countries.

The conception of the Baltic region as a whole is related to ethnic, social cultural political and economic development process *varieties*, as well as the formation of a *evaluation criteria* for this region as a whole. The basic condition, which must be followed in understanding the Baltic region as a system, is that the Baltic region must be understood as the *whole* together with characteristic differences and signs of internal conflict. Also, these signs in the Baltic region are very clear; the analysis of these signs is a crucial link to understanding the Baltic region as a system.

Understanding in the most general case that the Baltic region is the people residing and their group whole or

community expresses the Baltic region is a system, based on several viewpoints:

- as a whole expressing various internal and external regulation subjects;
- as people and the group whole expressing and implementing various goals and interests;
- as a political, social, economic, or other organizational whole;
- as a formally and informally structured whole;
- as a part of larger geopolitical, economic and other structures;
- as a system having real internal ties, an accumulating social culture, sharing ethnic, historical, political and economic similarities.

The aforementioned views represent the variety of the Baltic region as a whole, reflecting aspects which show the regions unity, as well as internal conflicts necessary for its development.

### **Expressions of centripetal and centrifugal force forming in the Baltic region as a system**

In the functioning course of every system, there are two types of forces which represent themselves in various forms - centripetal and centrifugal. This team of forces reflects the two system development tendencies, supplementing one another, in relation to the following aspects:

- the system expresses itself as a unified, constant and inseparable organism;
- the systems separate parts express themselves, to a great or lesser degree of freedom, in the respect to those rules and limits which condition the goals, tasks, and interests of the general system as a whole.

The logic behind reflected conceptions of centripetal and centrifugal forces can be used in the evaluation of political, social and economic development processes in the Baltic region. Assuming that political, social, and economic development as well as transformation processes, were conditioned by two rather opposing and supplementing tendencies in the past, are conditioned now and will be conditioned in the future:

- the formation of the Baltic region as a geopolitical, social, cultural and economic community, while political, social and economic developments rule as much in the Baltic region as in the separate Baltic countries is the Baltic region's *community* and the spread of the *internal integration whole* of the Baltic region;
- the formation of the whole of the Baltic region as separate Baltic countries, while ruled by political, social, and economic development is the *affirmation of every country's internal priorities* and the Baltic region as *averagely integrated* and only formally expressing the spread as separate whole communities.

Both these tendencies are based on a real Baltic region as a geopolitical, social, cultural and economic community formation.

In attempt to understand the system and organizational views of the Baltic region as real general development mechanisms and possibilities of further spread, it is necessary to more broadly discuss those actions, which determine the spread of the Baltic country's community as well as of the

Baltic region as a whole, and especially those factors which express the opposing regulations to the idea of the Baltic region community and unity.

### **Arguments determining the idea of the Baltic region community and unity**

The basic reasons of the idea of the Baltic region as a *geopolitical, social and economic community* are the following ones:

1. The shared *geography* of the Baltic countries, signifying the similarities and unity of the Baltic countries in the geographic respect.
2. The similarities of *historic culture* of the Baltic countries, expressing that
  - the historical development of the Baltic countries has accumulated many similar factors and facts, indicating analogous reasons as well as clear connections in time;
  - the societal development of the Baltic countries is based on mental, traditional and living style similarities;
  - the same historic cultural environment was based on very similar *historical* events, indicating a common cultural history of the Baltic countries; within the affects of the former there is especially those which were related to this region's development in the Russian Empire until 1918, as well as those related to this region's development in the USSR from 1940 until 1990 (the Baltic region's development within the USSR is related to a deep and multifaceted political, social cultural and economic sovietization of life, expressing unified indicators and standards, and in great part determining the similarities of the Baltic countries at this point of time).
3. The shared *political* development of the Baltic countries, expressing that the Baltic countries unified and continue to unify in spite of real and imaginary *external* dangers; these dangers were and remain to be related to potential political, economic and cultural environment invasions and aggressions in the view of the Baltic countries (the Baltic community has experienced many painful historical lessons in relation to negative views towards any aggression or invasion in respect to them: this experience expresses itself as a unifying factor of the whole Baltic region, and has special political meaning); external danger is one of the basic Baltic countries political, and military defence co-operation stimuli:
  - the Baltic countries at this time have similar political goals relating to relations with the larger and more influential world countries and international organizations; these political goals include, first of all, guarantees in the areas of security and stability, and they are the Baltic region's, motive for political unity;
  - the larger and more influential of international political subjects view towards the Baltic region is essentially understood as a unified international political, economic and military defence object (all, without exception, of the larger and more influential world countries and organizations see the Baltic region as being a similar part of Europe - internal politics, economics, and social culture - without paying heed to more clear and essential specific characteristics, which would be necessary for separate countries); the Baltic region could express itself as a unified political, economic, and military defence object, from the point of view of the larger and more influential international political subjects.
4. The shared *economic* development of the Baltic countries indicates that
  - the Baltic countries show a very similar natural, technological, legal, social, cultural, political, and other factors of their economic development: in view of the world economic structure, within the whole Baltic region exists a very similar economic structure, and all the Baltic countries need, essentially, the same level of economic development (especially similarities in work load and quality, as well as in work culture), and it is characteristic of all Baltic countries, essentially, the same economic reforms as well as economic development problems;
  - any large modern economic or technological program can be successfully realized taking only the *whole* Baltic region: any one of the Baltic countries is too small for the implementation of a large project, and their markets are too small, therefore, realistic economic or technological advancement in various economic spheres must take place in *all* Baltic countries simultaneously (at this point, it is noted that attempt to localise large economic or technological projects in the separate countries at the same time would also cause its ineffectiveness: only the implementation of a complete set project can be comprehended as a modern economic criteria viewpoint toward an effective result),
  - the Baltic region is valued as a united international economic situation.
5. The common *social* background of the Baltic countries indicates that
  - the Baltic countries communities' social structures, cultural levels and ethnicity show great similarities;
  - social problems are characteristic of the Baltic countries, relating to the spreading social differentiation and polarization in society, and also problems relating to the fact that the Baltic countries' social structure and cultural levels are inadequate for a forming economic structure and the extent of economic decreases (the Baltic countries, in their social structural respect, are not ready for drastic economic and technological changes).
6. The shared *problematic* tendencies of the Baltic countries and their development in the view of European integration and international co-operation indicate that the Baltic countries raise problems relating to the tendencies of the new European integration and international co-operation: these problems are *general* to the whole Baltic region, including those in the areas of economic and social development and require a view which takes the Baltic region as a *whole*: there are several aforementioned problems :

- the problem of political, economic and humanitarian *support* in the Baltic region is related to the fact that there must be that real and effective *initial* support for European integration and international co-operation conditions, upon which would create opportunities for further spread into international integration orientation processes;
- the international *security* problems, since the Baltic region is at this point considered, in the local respect, but as well as in the real international insecurity and unstable factors: the Baltic region, at this point, expresses itself as a direct source of ecological, criminological, and other hazards and risks to the Western countries (risk of environmental pollution, various types of illegal immigrants, transport of contraband, narcotics business, various other organized crime activities, prostitution, etc.). This is used as a pretext for escalating political tensions between the larger world countries and defence structures, and as a potential regional ethnic and other conflict source; there are other problems in the Baltic region which can present themselves as a threat to international security, as well;
- the spread of the *sphere of influence* of the larger world countries and political and economic organizations or other change problems directly affecting the Baltic region as a whole (Baltic integration into the European Union, NATO spread towards the East and other similar problems, which cannot be one way or another, solve without considering the Baltic region as a whole).

The aforementioned, as well as some other reasons reflect the most important arguments allowing that the Baltic region be regarded as a clear geopolitical, social, cultural, and economic community. It is also noted that opposing arguments cannot be ignored, indicating arguments that oppose the possibilities of the Baltic region being a community and a whole.

### **Opposing arguments to the idea of the Baltic region being a community**

The major arguments opposing the Baltic region community and whole are:

1. The *geographic* variety of the Baltic countries, indicating the formation of separate geographic conditions affecting geopolitical, economic, as well as strategic military situations; the geographic variety of the separate Baltic countries is not as clear as the similarities, however, the existing differences can objectively be used to oppose the community of the Baltic region and the idea of unity;
2. The *historic cultural* differences indicate that the separate Baltic countries have amassed various differing historic cultural traditions, existing in the past and currently within the societies mentalities development:
  - various nationalities rule different Baltic countries, having separate cultures, languages, and traditions;
  - within the Baltic countries, there is an inconsistent variety of Christian *culture* (Catholic, Protestant,

Pravoslav, and others development: this indicates variations in Christian mentality within the Baltic region;

- within separate countries and regions, there have been unequal affects of various *russifications, polonizations, germanizations, scandinavizations*, and of other similar influences, which are the basis of differences in ethnic cultural integration;
  - within separate Baltic countries and regions, there have historically been different economic structures, various business priorities, and there has existed many different viewpoints through various societal levels towards economic, social, and political conditions: this shows a rather clear difference within the Baltic region (these differences, in part, support differences between historic political, economic, and social life traditions);
  - the separate Baltic countries and regions have historically formed very different *ethnic* resident structures: various regional residents, past or present, expressed clear ethnic specifications, which due to various aspects, indicate different lifestyles and traditions, appearing in the political, social, and economic development of separate Baltic countries and regions;
  - very different national community territorial dispersion was and still is characteristic to separate Baltic countries and regions: the dispersion throughout the Baltic region territories was and remains unequal, as much in the quantitative respect as in the social leveling respect; the ethnic resident structure, as well as the differences in national community territorial dispersion support rather clear historic cultural distinctions among Baltic countries;
  - the separate Baltic countries and regions differ rather drastically in their community *social* structures, and this supports long-term residential formation of traditions.
3. *Political* differences in the Baltic countries indicate that
    - specific political features are characteristic to every country, proving that the difference in political goals and regulations is not consistent with the political orientation of the Baltic region community as a whole;
    - the orientation of the larger and more influential countries in the world toward the Baltic countries may differ a little: these differences could be due to many reasons relating to the variety of their interests in the Baltic countries: the existence of those differences also indicates the differences in politics between the Baltic countries in general;
    - the Baltic countries, as a part of their region and as international political and economic subjects, are in actually *competitors*: the political competition between the Baltic countries shows that the region does not display itself as being a unified system.
  4. The *economic* peculiarities of the Baltic countries indicate that in economic respect they view one another as clear *competitors*, the attitude being created by the following surroundings:

- the Baltic countries continue to express similar economics and economic structures: it is necessary for the separate national economies to have similar branch structures, production force development level, labour productivity and quality, specialization, as well as created product assortments. This similarity greatly limits the domestic economic addition and co-operation possibilities and at the same time creates conditions for the appearance of stiff competition as much within the Baltic region;
  - the Baltic countries do not have the tradition of economic co-operation: up to the soviet times (until 1940) and under the USSR conditions, the internal economic co-operation in the Baltic region was very slight (during USSR times, every Baltic republic had many economic ties with various USSR regions, including those beyond the Baltic region, however those economic ties were formed and kept working exceptionally under the USSR central planning and controlling mechanisms); the lack of experience and traditions for creating and keeping internal economic ties within the Baltic region expresses itself as one of the preconditions for the current economic competition among the Baltic countries;
  - very clear current competition among the Baltic countries shows that each nation strives to represent the economic requirements of the whole region and to attract potential investments for those projects and programs, which essentially would conceal the necessity to use the Baltic region as a whole: in this respect, it is noted that the Baltic countries compete amongst themselves as investment, as well as economic support attractors for the Baltic region;
  - the real working economic development stimulating mechanisms in each of the Baltic countries, are largely geared to the co-operation with Western countries, and not to the co-operation within the Baltic region: this greatly limits the partnership and co-operation of the Baltic countries, at the same time, strengthening interregional competition; under such conditions the interregional partnership and co-operation are not developed, but they work against the possibilities of the Baltic region as a whole to successfully compete in world markets.
5. The *social* peculiarities of the Baltic countries indicate that each country displays a rather clear *closedness*, because:
- the former social and cultural integration ties with the Central and Eastern Europe and especially within the USSR, which were supported and worked during the Soviet time-period, broke very suddenly; the break of these links negatively affected the ties between the separate Baltic communities; this situation greatly influenced the closedness of each Baltic country's social cultural community, especially since the former ties between Central and Eastern Europe and the USSR were not compensated with adequate links with the West;
  - the Baltic communities, until 1990, were practically completely separated from the Western social cultural life (only separate individuals and a handful of organizations and establishments had social cultural contacts with the West, making a wider integration into the Western social experience and cultural system virtually impossible). During the past years, the social and cultural rules of the West have been spreading over the Baltic region, however, real integration into the Western system is still slight: this condition very really influences the Baltic communities' closedness, apparent even at present;
  - Western policy in the view of the Baltic and other Central and Eastern European countries, was and is oriented towards the fact that these countries' cultural integration into Western systems would occur to some extent and would be strictly controlled by the West; the West's rules for social and cultural integration into European and world structures is more political, than practical in nature, and in fact, are only realized in the Central and Eastern European countries' elite level of society (and then only on a limited scale!): this sort of Western policy is due to the fact that in the Baltic countries (as in other Central and Eastern European countries) a rather marked community closedness will be maintained;
  - the community closedness in each of the Baltic countries is due to the current perspective of each country, since, first of all, the goal is to integrate not so much into an internal Baltic community (by the way, the Baltic region as a unified and inseparable social organism does not exist), as into the Western community in general; the do or die goal to integrate into a rather abstract and superficially understandable Western community (it is interesting that a Western unified and inseparable community also does not exist) not only slows the real Baltic integration in the social and cultural respect, but also stops the Baltic harmonized community development and unique potential to spread.
6. The *problematic* peculiarities in respect to European integration and international co-operation, indicate that in each Baltic country, there exists a priority of very clear directly relating problems, and general Baltic region or Baltic community problems are not always considered priority.
- One of the characteristics of the Baltic region, influencing the integration process problems and complexity of the region as a whole, is that none of the Baltic countries has abilities and basis to be the *leader* of the integration process, and more so of the Baltic region:
- in the *quantity* respect, (territory, number of residents, natural resources, amassed capital, national products, military and economic power, scientific technical potential, and other parameters evaluating quantity) all Baltic countries are more or less similar and are seen as weak countries, with small economic and productive power;
  - in the *quality* respect, (quality bases representing the

community, quality of life, economic level, policy regulations, transformation and reform effectiveness, world image, and other quality indicators) all Baltic countries are also seen as very similar and not having any basis to lead.

The lack of having a country leader in the Baltic region is due to the fact that the integration process creates a lack of *internal nucleic attraction*, which would be a basis for mobilising and directionally orienting integration process efforts.

The aforementioned, as well as other, reasons reflect the most important arguments, allowing the assertion that the Baltic region integration can really be implemented along limited average models, whose basis in geopolitical, social, cultural, and economic community formation will express many developmental tendencies which will oppose the logic of the region's unity. The implementation of these models, on the other hand, could be the basis to rationally balance the views toward the Baltic region as a system, unity, a whole made up of separate yet similar countries.

### **The formation and improvement principles of the regulating and self-regulating mechanisms of the Baltic region as a whole**

Every geopolitical, social cultural and economic system development's condition is the effective functioning of regulation and self-regulation mechanisms. This condition is also true in the case of the Baltic region: this means that it is necessary to comprehend the most important appropriate regulating and self-regulating mechanisms formation and improvement *principles*.

The following principles are considered to be the most important formation and improvement mechanism:

1. The *bio-, social- and cultural ecological changes* principle of the region's development, expresses:
  - that the Baltic region must be comprehended as a complete *biosocial ecosystem*, integrating various biological and social subsystems which exist in the region; this comprehension could guarantee the Baltic region to be viewed as a geopolitical, social, cultural and economic community, and this could be a basis for the implementing of effective regulating and self-regulating mechanisms;
  - that the regional biosocial ecosystem development direction and effectiveness is due to a specific unique *community culture*, whose basis is the implementation of the *adaptation* of people, community, and surrounding biological and social environment, expressing various changes in the environment and community: thanks to the community culture, the regulating and self-regulating means are regulations towards biological, social environment, and community protection and preservation, as well as change; the community culture could cause internal *harmony* and *biosocial balance* in the region;
  - that the accumulated *biosocial culture*, integrating *unique* biological and social cultures, must be protected and preserved, expressing the unity, continuity, irreplaceability, and internal harmony of the Baltic region's biosocial content,

- that the *Baltic* traditions must gain a foothold in the region's social culture, expressing the region's social cultural unity and the shared mentality of the Baltic residents; the Baltic traditions could be the impulse to spread the integration strengthening *priorities*, and this should be a very positive affect upon the region's political, social, and economic development;

2. *Humanitarian and democratic* principles of the region's development, expressing:

- that the development regulating and self-regulating mechanisms must be unconditionally geared to the general human-valuing priorities; the comprehension, the implementation of the latter being the basis to activate regulating functions and to perform self-regulating acts for all political, social and economic development directions;
- that it is necessary to base regulating and self-regulating mechanisms on actual, and not artistic or "demonstrative" democratic statutes: the implementation of democratic statutes, must be related to the *unity of legality, duty, and responsibility*, including that actions must guarantee *harmony* and *balance* of goals and interests, which represent various groups within the society;
- that regulating and self-regulating mechanisms must be spread by such means that forced means to be eliminated from the practice: in this sense, *non-forcible* democratic priority statutes can be mentioned;
- that the region development humanization and democratization must include all political, social , cultural and economic development directions.

3. The *innovative changes and intellectualization* principles of the region's development express:

- that the regulation and self-regulation mechanisms must be oriented towards all innovative modernization and improvement of science and technological advances, as well as the newest technological basis;
- that the regulating and self-regulating mechanisms must promote the intellectualization of the community, implementation of a high qualification level, and the formation of those types of social and economic structures which would be geared to a culture of high labour and life, work load and quality improvement and overall betterment of living standards: it is necessary to implement regulation and self-regulation means allowing the creation of modern production and service areas, via high innovation, technology, and qualification indicators.

The listed principles express essential statutes, affecting the formation of the region development regulating and self-regulating mechanisms and their further spread: it is important to base and effectively target various regulating and self-regulating *methods*, as well as to complete various regulating and self-regulating *functions* during the practical creation , improvement and realization. From the Baltic region's aspect, the target means of *strategic planning, projection, and programming* has special priority, attempting to solve actual *integration process promoting and spreading*

assignments: it is these means which could be the basis to directionally regulate and control the development of the geopolitical, social, cultural and economic systems.

### The integration strategies for the Baltic region

Among the development regulating and self-regulating problems within the Baltic region as a system, there are those which are exceptionally related to *strategic planning, programming, and complete projection method* targeting, and also with the planning and implementing of the region's modernization plans, programs and projects, on whose basis strategic transformation ideas could be realized ( Melnikas, 2002 ). By the by, among the latter, there are those which directly affect the *internal* regional integration, as much as the region's integration into European and world structures.

Formulating the essential region integration processes and their strategic planning, programming and projection affecting statutes, attention is directed towards the facts:

- that the Baltic region as a geopolitical, social cultural, and economic system internal integration and this system's integration into European and world structures' development content, within, there must be *compromising* decisions, balancing the region's *community* as much as each country's *uniqueness and complete autonomy origins* accumulation;
- that integration process development affecting the region must act in *natural* forms, limiting themselves only to *non-forcible* target methods and means;
- that strategic plans, programs, and complete projects must accumulate whole means, with which, after implementation, concrete modernization and advanced transformation results could be reached in respect to political, economic, social cultural or other views;
- that the internal regional integration could be comprehended as an *essential and necessary stage* for the Baltic countries and region for further more intensive and active integration into European and world structures;
- that that the internal regional integration could be an effective enough means, designed to reduce negative results, that at this time in the region's development, the primary expressing tendency is one of *cordon transit type development*, reflecting the ideas of the region as being within the "East -West" cordon transit zone system: this idea expresses the view of the region as a cordon for the West, protecting the West from the East, and vice versa, as well as a "bridge" (or corridor) between East and West; the internal regional integration could speed up the autonomous Baltic development and modernization, and real strengthened independence.

The presented statutes could be evaluated by preparing and implementing *various thematic* strategic plans, programs and projects; in this case it is necessary to understand that strategic decisions which affect the region's political, economic, and social cultural development are especially important.

Every country's priority is economic development. Especially the direction of the economic development, its content, and results, the ability to solve actual problems, and

the formation and implementation of economic strategies is conditioned not only by the economic situation in the Baltic region, but also largely by the political and social situations and their more intensive and active integration possibilities into European and world structures.

Evaluating the economic development prospects in the Baltic region, it is noted that the only alternative (without exception) for all Baltic countries must be *inter-regional economic integration and a regional integration into European and world economic structures and markets*. In this sense, the integration processes are valued as the region's economic development basis.

Many problems raised concerning the region's economic integration are related to the political development of the region: these questions touch upon the formation of political prerequisites necessary for the spread of economic integration. However, next to these types of questions, another very actual set is those which are related to the solution of the economic content and the evaluation of the nature of the economic atmosphere, especially those of priority conditions:

1. The Baltic region's economic integration should be related to the *specializations* of the separate Baltic countries, their *co-operation and partnership ideas*, indicating that
  - the region's and each country's economic spread should be based on *long-term economic strategies and programs*, accounting for the separate specializations and economic co-operation and partnership principle content and form; they should orient themselves as much to their own economic development priorities and to those of the whole region, taking into account different specialization, co-operation and partnership regulations;
  - every country's economic priorities should represent every country's economic branch and sphere in which that country must, is, or can be a *leader* for the whole region and in which there is an amassed potential for further development;
  - each country's specializations could make the *whole region* more powerful in respect to economic structures which would be oriented towards the large markets of many countries and would be powerful in the high quality of product and high level of production capacity, allowing them to be competitive in international markets, in turn, activating the economies of the Baltic region. Interregional economic internationalization would allow the dismissal or lessening of the primitive internal competition in smaller markets;
  - there should be the creation and implementation of (according to economic branch and sphere) development *promoting* mechanisms, oriented toward internal co-operation and partnership through the whole region. There should also be created mechanisms for a system which would *harmonize* the region, oriented toward the equal stimulus of the region.
2. The economic integration of the Baltic region should first of all be oriented toward the necessary economic and social problem solution, among which are noted the following:



- a complete *production sphere* and *production potential modernization* of 'high' and new technological implementation basis for the whole economic system, orienting production branches toward world market competition levels and large export potential product production displaying high specialization and co-operation within the region and high quality: this could guarantee good competition chances for Baltic-produced goods; this type of modernization must be implemented in those branches where they could actually be rated as priority on the Baltic scale (certain promotional mechanisms should be directed toward those branches - tax deductions, state subsidiaries, etc.);
- a complete *energy system modernization*, oriented toward the fact that the region had a stable energy maintenance and that energy sources will be used more prudently and effectively;
- a complete *modernization of the environmental protection system*, so that the less negative affects on the environment could be done in the Baltic region (in the pollution sense) and that less risk of danger could come about;
- a complete *job network modernization and spread*, so that unemployment could be gradually lessened and that there be more jobs requiring *high qualifications and intellectual* resources which would reflect prestige and social safety standards;
- *modernization of university and other higher education studies and professional qualification nurturing* systems, so that there would be a *reserve of humanity* in the region, reflecting high qualifications, and that the potential of specialists be exploited, being able to formulate, implement and propagate *innovations, modern technologies, and modern products* for all economic activity directions

3. The Baltic region's economic integration should be related to the real *economic policy* formation and implementation, foreseeing that;

- the region's economic integration should be oriented toward social, economic and technological development priorities: among which there are *branch* priorities (energy, transportation, etc.), *social* orientation priorities, *state and community security and welfare* priorities (crime prevention, and others), *universal goal* priorities, relating to all spheres of economic and social development; these priorities must be formulated considering the *strategic* nature regulations, relating to the region's development;
- *currency* policy should be implemented, promoting production good *export* and intensifying production, at the same time guaranteeing separate countries' national currency stability, in respect to hard currency the world over;
- an *investment* policy should be implemented in the Baltic region, so that the heart of future economy would be modern industry based on spreading high technologies creation and implementation; in the industry spread prospect, there should be a basic regional source of income, creating preconditions for the intense solution of social problems, the rise in

living standards and to guarantee further spread reproduction;

- a *tax* policy should be implemented so that those social and economic development regulations could coincide with the set of social and economic development priorities: tax mechanisms should be used to promote development in those areas related to the implementation of social and other priorities;
- *foreign economic ties* policy should be formed and implemented in view of those relevant priorities, among which there are: priorities relating to the region's and countries economic ties; foreign investment ties and those relating to economic ties with various foreign countries and their organizations not in the Baltic region;
- unified *free economic zones, science and technology parks, regional clusters spreading* policy should be formulated and implemented, integrating the current possibilities to spread free economic zones and various specialized science and technology, innovation and other similar parks and clusters: this policy would enable not only the integration of the region's scientific - technological and production potential, but also would greatly increase the attraction for foreign investments and activate the region with modern economic activities;
- an *economic activation required by the spread of the infrastructure* should be formulated and implemented, oriented toward a trustworthy and stable working bank, insurance, consulting and other institution network spread; such network should function accordingly with European and world working regulations;
- in each and every Baltic country, there could and should be the implementation of those means representing the country, related to economic policy whose whole would be oriented toward the spread of the region's economic integration.

The mentioned, as well as other conditions reflect the region's economic integration's very broad, complex, and opposing panorama of economic development problem. These problems solutions are feasible only if regulations to a real and broad scale integration activity are formed.

## Conclusions

Formation of the unified social, economic and technological space in the Baltic region could be defined as an important precondition for further modernization and more intensive and active integration of the national societal and economic systems in the Baltic countries into the common European and global development processes.

Formation of this unified space in the Baltic region could be comprehend as a successful case of the regional integration oriented transformations in the European Union: regional integration oriented transformations could be defined as an important aspect of the social, economic and technological modernization in the European Union in general, and as an important factor of the knowledge based society and knowledge economy creation.

Regional integration oriented transformations and the

unified spaces in the Baltic region formation processes could be defined as *an important and a complicated scientific research area*.

The main research priorities in the area of formation of the unified social, economic and technological space in the Baltic region are the following ones:

- the preparation of the conception of the Baltic region as a whole, including preparation and evaluation of various system indicators of Baltic region,
- the complex analysis of the expressions of centripetal and centrifugal force formation in the Baltic region as a system,
- the complex analysis of the arguments determining the idea of the Baltic region community and unity,
- the complex analysis of the opposing arguments to the idea of the Baltic region being a community,
- the formation of regulating and self-regulating mechanisms for Baltic region's development,
- social, economic and technological integration strategies for Baltic region.

The basis for the formation of a unified social, economic, technological space in the Baltic region is the comprehension of this region as a whole.

The comprehension of the Baltic region as a whole is based upon the formation and implementation of political, economic, and social development regulations, and considering Baltic region as a unified system, geopolitical, social and economic system's development strategy preparation and realization should be understood as the principle problem of the Baltic countries and their more intensive and active integration into European and world structures. Requiring a deep and complete set of arguments, the solution of these problems could be the essential basis to modernize the Baltic countries, their economic systems and societal structures.

The comprehension of the Baltic region as a whole includes these important problem areas:

- the commonality of the Baltic countries and unified activity system s well as the evaluation of the effects of these actions,
- the specific distinguishing features of the countries, due to their shared problems and integration difficulties,
- external and internal effects and environments, determining their integration prospects and limitations,
- the integration mechanisms and conditions for them to surface and spread,
- the mechanisms, and their dynamic possibilities for more intensive and active integration into European and world structures by the Baltic region as a whole.

The development of the Baltic region as a whole and its effectiveness, is largely based upon how sensible and effective these development regulations are, and also the self-regulation mechanisms. Regulating and self-regulating mechanism targeting allows to programming and planning the development, to foresee the forms of rational separate country specializations as well as their co-operation and ties with other countries. The basis of these

mechanisms could be spread even in the inter-regional integration processes of the Baltic countries.

The systematic studies of the Baltic region as a geopolitical, economic, technological, social and cultural whole are very prospective and actual in various aspects if directed to practical and scientific activity.

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### **Integraciniai procesai Baltijos regione: nauja regioninių transformacijų Europos Sąjungoje forma**

Santrauka

Europos Sąjungos ekonominėse erdvėse šiuo metu intensyviai vyksta įvairių *regioninių struktūrų formavimosi*, taip pat *jau susiklosčiusių regioninių struktūrų tolesnės raidos ir plėtros procesai*. Šie procesai iš esmės atspindi *bendrą vidinės integracijos tendenciją*, kuri reiškiasi įvairiuose Europos Sąjungos regionuose, ypač tuose, kuriems priklauso nedidelės šalys, arba tuose, kurie susiformuoja kelių šalių teritorijų sandūroje.

Šios tendencijos esmė yra ta, jog tokių regionų viduje vyksta *vidinės tarptautinės integracijos procesai*, išreiškiantys intensyvių skirtingiems ekonomikos ir socialinio gyvenimo sektoriams atstovaujančių tiek įvairios nacionalinės kilmės, tiek ir įvairių tarptautinių įmonių, jų grupių, kitų organizacijų bendradarbiavimą, tokių įmonių ir organizacijų jungimąsi į įvairius tinklus bei susiliejimą, taip pat kitais būdais pasireiškiantį *vidinį regioninių ekonomikos ir socialinio gyvenimo internacionalizavimą*.

Galima teigti, kad, vykstant *vidinės tarptautinės integracijos procesams*, įvairiuose Europos Sąjungos regionuose gali formuotis *nauji regioniniai branduoliai bei naujos į internacionalizavimą orientuotos regioninės struktūros*, pasižymintys *stipraus poveikio vieningai visos Europos Sąjungos ekonomikai galimybėmis ir perspektyvomis*.

Europos Sąjungai kaip visumai bei atskiriems Europos Sąjungos regionams būdinga *bendra vidinės regioninės integracijos, naujų regioninių struktūrų bei regioninių branduolių formavimosi tendencija*

gali būti suvokiama ir kaip *naujas transformacijų Europos Sąjungoje požiūris*: regioninės integracijos procesais yra išreiškiamą Europos Sąjungos ekonominių, kartu ir kitų struktūrų *pertvarka*, nulemianti *esminius kokybinius pokyčius* Europos Sąjungos erdvėse.

Tai leidžia teigti, jog *regioninės integracijos* procesai ne tik yra *transformacinio pobūdžio*, bet ir parodo, kad šiuolaikiniame Europos Sąjungos raidos ir plėtros etape vyksta *specifinės transformacijos*, išreiškiančios *naujos regionų kompozicijos* formavimąsi bei *naujos regionų raidos sampratos* atsiradimą.

Minėtosios aplinkybės rodo, kad dabartinis Europos Sąjungos raidos laikmetis gali būti vertinamas kaip *naujo tipo transformacijų laikotarpis*.

Ypač pažymėtina, jog *naujos regionų kompozicijos* formavimasis bei *naujos regionų raidos sampratos* atsiradimas parodo ir Europos Sąjungoje išryškėjantį polinkį į *inovacijų potencialo tolesnį plėtojimą* ir modernizavimą: įvairiuose Europos Sąjungos regionuose vykstantys vidinės integracijos procesai gali daryti teigiamą įtaką *inovacijų inicijavimui, kūrimui, sklaidai bei įgyvendinimui*. Tai reiškia, kad tokie procesai yra vertintini kaip svarbus inovacijų potencialo *visoje* Europos Sąjungos erdvėje plėtojimo, modernizavimo bei stiprinimo veiksnys.

Regioninių struktūrų formavimosi, taip pat jau susiklosčiusių regioninių struktūrų tolesnės raidos ir plėtros procesai pasižymi didžiuoju *įvairove*. Tarpe tokių procesų, kaip itin reikšmingų, gali būti išryškinti įvairūs politinės, socialinės, ekonominės bei kitaip įvardytinos integracijos procesai.

Ypač pažymėtina, jog nagrinėjant ir vertinant regioninių struktūrų formavimosi bei regioninių struktūrų tolesnės raidos ir plėtros procesus, yra labai svarbu išryškinti tiek *integracijai palankius veiksnius*, tiek ir *integracijai nepalankius veiksnius*: tokia veiksmų diferenciacija leidžia kryptingai rengti ir įgyvendinti įvairialypes vidinei regioninei integracijai skirtas *politines, ekonomines*, taip pat ir *vadybos, valdymo ir administravimo* priemones.

Transformacijos, išreiškiančios *vidinę integraciją*, šiuo metu įvairiu pavidalu vyksta daugelyje Europos Sąjungos regionų. Tokios transformacijos įvairiomis formomis reiškiasi ir Baltijos regione, ypač – Baltijos šalių ekonomikos sektoriuje: pastaruoju metu išryškėja vis labiau intensyvjantis bendradarbiavimas tarp įvairių Lietuvos, Latvijos ir Estijos įmonių, taip pat vis labiau yra aktyvinama įvairių ekonomikos subjektų, traktuojančių Baltijos regiono rinkas kaip vientisas, vieningas ir nedalomas, veikla. Akivaizdu, jog tokios transformacijos atspindi ir naujas galimybes bei perspektyvas aktyvinti *inovacijas* ir visokeriopai skatinti socialinę ekonominę raidą bei mokslo ir technologijų pažangą tiek atskiruose regionuose, tiek ir visoje Europos Sąjungoje.

Straipsnyje kompleksiskai nagrinėjamos regioninės integracijos Baltijos regione ypatybės, parodoma vieningos socialinės, ekonominės, kultūrinės, technologijų pažangos erdvės formavimo perspektyva. Atskleidžiami įvairūs vidinę integraciją Baltijos regione sąlygojantys veiksniai.

Baltijos regiono pavyzdžiu galima pažymėti tiek *vidinės regioninės integracijos skirtinguose regionuose svarbą*, tiek ir *tarpreigionių ryšių plėtojimo reikšmingumą dėl inovacijų aktyvinimo bei inovacijų potencialo tolesnio stiprinimo Europos Sąjungoje*.

Tolesni tyrimai, aptariant regioninės integracijos tematiką, yra labai perspektyvi naujų transformacijų Europos Sąjungoje tyrimo sritis.

Raktažodžiai: *integracija, transformacijos, vieninga socialinė, ekonominė, technologijų raidos erdvė, Baltijos regionas*.

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