

<http://dx.doi.org/10.18778/8088-615-5.06>

## 5. Conclusions

The most important research problem undertaken in this study was an attempt to decide what determines the scale of international activity of regional and local authorities in China, India, and the Asian part of Russia. We have analysed different types of correlation such as the political system and decentralisation level, internationalization of the region, its economic potential, authorization granted by the central political power and effective law regulations.

Additionally, one of the tasks accomplished within the framework of the research project was the verification of Alexander Kuznetsov's explanatory model (Kuznetsov 2016). We have tried to confirm the relevance of researching paradiplomacy, understood as "the international activity of the regions," based on the motivational factors introduced in the model. Kuznetsov's model proved to be useful for examining paradiplomacy, and its components turned out to be universal enough to be applied in every country we examined. At the same time, we have identified various elements that were overlooked in the model, which in turn were found to be essential for the study. Some of the identified issues are as follows: the influence of internal policy, bottom-up business initiatives that encourage local authorities to develop international contacts, and the importance of historical issues.

Another task of the research team was to analyse the correlation between internationalization of the regions and the scale of international engagement of the local authorities. In order to differentiate these regions, the Regional Internationalisation Index was created. The Index was based on statistical data which are relatively easy to acquire and, in our belief, it allows to classify the regions in accordance with their internationalization level.

### **The findings of the comparative analysis**

The comparative analysis of the three researched countries was based on seven variables, which enabled the team to create a comprehensive evaluation of the international activity of the regions:

1. Goals of the paradiplomatic activities
2. The attitude of the central government towards the international activities of the regions
3. Potential of the regions (geographical location, the level of development)
4. The legal framework (normative limits of paradiplomatic activity)
5. The importance of different types of territorial systems
6. Major geographical destinations of the paradiplomatic activities
7. The development of paradiplomacy in the three researched countries

In the tables below, please find the results of the examination of the countries in question and the similarity and dissimilarity patterns among them.

**Table 5.1.** Comparison of paradiplomatic activity goals carried out at the regional level

	<b>Paradiplomatic activity goals</b>
<b>Russian Far East</b>	a) Cross-border initiatives aimed at maintaining socio-cultural cooperation and satisfying the material needs of the Russian Far East population; b) Execution of the strategic goals of Russian foreign policies; c) Integration of the Russian Federation with the Asia-Pacific region; d) Protecting the interest of "state corporations."
<b>India</b>	a) Most of the goals are of economic nature and are aimed at attracting foreign companies to invest in the region; b) Occasionally, the paradiplomatic goals serve other political purposes of the state/federal government (mainly in border states or states with access to the sea). Local governments often participate in the process of achieving foreign policy goals set by the central government. One can also find cases where regional interests are in conflict with the central foreign policy goals, which negatively affects the country's foreign policy.
<b>China</b>	a) Socio-economic development of particular regions; b) Access to an additional international communication channel by the central government, which enables the state to maintain cordial relations with foreign partners even in situations of conflict.

Source: Own elaboration

In each of the three countries, the international activity of local authorities is mainly motivated by their economic interests. Hence, the activities aimed at attracting foreign investments and the development

of trade are dominant. Furthermore, paradiplomacy is treated as one of the foreign policy tools of the central government which uses regions instrumentally to implement its own policies. The situation in Russia is particularly interesting since the activity of the local authorities is closely related to the international operations of state corporations and private-public companies, mostly at the expense of resources of the Far East region<sup>1</sup>. In no other analysed country does this situation occur on such a scale.

**Table 5.2.** Comparison of regional potential

	<b>Region's potential (geographical location, level of development, resources)</b>
<b>Russian Far East</b>	<ul style="list-style-type: none"> <li>a) The Russian Far East geographically belongs to the rapidly developing region of Asia and the Pacific. The cooperation with the regional powers (China, Japan, ROK) may provide both an investment inflow and an access to attractive markets;</li> <li>b) The Russian Far East region is rich in energy resources, however, most of them are located outside the populated areas. Therefore, mining operations provide income for the entire Federation rather than contribute to the region's development;</li> <li>c) A small population and low population density have a negative effect on the internationalization processes.</li> </ul>
<b>India</b>	<ul style="list-style-type: none"> <li>a) The states with international land borders or sea access are far more engaged in international cooperation than central regions which do not have such a favourable geographical location from the perspective of foreign economic relations;</li> <li>b) Both scale and importance of international contacts depend to a large extent on the will of regional administration (human factor) to engage in such a policy.</li> </ul>
<b>China</b>	<ul style="list-style-type: none"> <li>a) The influence of the central government on the international initiatives of each province depends on its geographical location;</li> <li>b) More developed coastal regions serve as China's natural liaisons with foreign countries;</li> <li>c) In the less developed regions of China's interior, where the experience in international cooperation is not as extensive, the central government actively organizes various initiatives and tries to stimulate the region's international activity.</li> </ul>

Source: Own elaboration.

<sup>1</sup> This may be exemplified by the following projects: Sachalin -1 (Exxon Mobil, ONGC); Sachalin -2 (Shell, Mitsui, Mitsubishi); Sachalin -3 (CNPC).

In all the researched countries, geographical location and the region's economic potential influenced the development of paradiplomacy. In particular, the near-border location and sea access contribute to such development. Nevertheless, in each country, one can observe interesting differences. In the case of India, the human factor (the personality and preferences of regional political leaders) plays a significant role. Political elites have a decisive impact on the shape of international cooperation, since they are the ones who stimulate it. In China, the influence of the central government is much more visible, since it uses a range of incentives for peripheral or less developed regions and provinces with less experience in international cooperation. The Russian Far East, as a whole, can be described as a peripheral and less developed region. One of the most unfavourable factors is a low population number and density. The population of the entire region amounts to only six million. Nevertheless, close vicinity of large Asian economies, which concerns China in particular, creates a large potential for cooperation. Theoretically, natural resources should count as one of the region's main assets. However, in reality, the resources are concentrated predominantly outside inhabited areas and the system of mining operations is constructed so as to benefit the entire federation and mining companies, rather than regional development.

**Table 5.3.** Comparison of legal regulations limiting local international activities

	<b>Legal regulations (normative limits of paradiplomatic activities)</b>
<b>Russian Far East</b>	<ul style="list-style-type: none"> <li>a) In Russia, paradiplomacy is regulated on the constitutional and legislative level and by a range of ministerial regulations (Ministry of Foreign Affairs, FSB);</li> <li>b) There are no legal regulations on cross-border cooperation including the regions and local government units in Russia;</li> <li>c) Paradiplomatic initiatives are restricted to a greater extent by the informal limitations rather than the legal boundaries, which is characteristic of the Russian political system.</li> </ul>
<b>India</b>	<ul style="list-style-type: none"> <li>a) The Republic of India has not yet introduced a unified set of regulations binding throughout the country, regarding the international activities of states and union territories;</li> <li>b) The researchers who analyse the subject of paradiplomacy in the Indian context, who are still few in number, point to the constitution as the main source of regulations on the issue. Even though the document itself does not contain the term "paradiplomacy" or "regional diplomacy", it provides general framework regulating the scope of the state governments' activities outside the country;</li> </ul>

<b>India</b>	c) As a result of growing importance of paradiplomacy, in the near future, one can expect attempts to introduce specific legal framework on the subject of local governments' international activities.
<b>China</b>	<ul style="list-style-type: none"> <li>a) The actions of the local governments are often described by the term "limited participation" in terms of country's foreign activities;</li> <li>b) One can observe a lack of general regulations and cases of very specific rules such as limiting the number of foreign delegations of province-level bureaucrats;</li> <li>c) The regional development roadmaps for each city, province or a designated area are a significant element in shaping the direction of the regional international activities.</li> </ul>

Source: Own elaboration

The analysed countries are significantly different in terms of the legal framework regulating international engagement on a regional level. In compliance with the Russian law, those issues are regulated by the constitution as well as legal acts of the lower level, explicitly describing the approved forms and the range of international activities conducted by the Federation units. In the two remaining countries which are the subject of research the situation is visibly different. China's system lacks legal regulations on paradiplomacy. There are very few provisions of law which address specific issues for example: the Regulation of the Ministry of Foreign Affairs (2001) on the procedures for requesting central government's authorization of international events, or the Regulation of the Ministry of Foreign Affairs and the Ministry of Finance (2011) on financial limits on international activities as well as a special supervision of financing such events. Thus, due to the lack of the legal framework, the paradiplomatic activities are directly influenced by political decisions, especially those taken at the central level, which lay down desirable actions and the scope of cooperation. In practice, the regional administration maintains some degree of freedom in contributing a local input to the political framework.

A similar situation can be found in India, where specific regulations aimed at stimulating the international activities of states can hardly be found. Regional diplomacy is a result of interpretation of those articles of the Constitution of the Republic of India which regulate the division of executive and legislative powers between the central and state governments.

The factors analysed above illustrate that mere existence of a set of legal regulations is not a decisive factor in the process of shaping international

activities of each region. The lack of such a framework in the PRC is by no means a factor that may paralyze international cooperation. In Russia, the legal provisions have a minor influence on the dynamics of development of paradiplomacy.

**Table 5.4.** Comparing the significance of the form of territorial system for the development of paradiplomacy

	<b>Significance of the form of territorial system</b>
<b>Russian Far East</b>	<ul style="list-style-type: none"> <li>a) The federal structure is a façade for stark centralization (the federation without federalism, unitarian federalism);</li> <li>b) In practice, the process of central and regional governing is poorly institutionalized; there is considerable domination of direct governance (micromanagement) also in the case of paradiplomacy;</li> <li>c) In the Russian Far East, a significant role is played by the federal ministries (including the Ministry for the Development of the Russian Far East), state corporations and the Plenipotentiary Representative of the President of the Russian Federation in a Federal District.</li> </ul>
<b>India</b>	<ul style="list-style-type: none"> <li>a) The Indian Federation is more homogeneous than most of the unitary states;</li> <li>b) Especially after 2014 in a hitherto centralized political system, one can observe more extensive decentralization processes. The gravity of changes is still difficult to determine, but advancing “federalization” should considerably influence international activities of each state in the future.</li> </ul>
<b>China</b>	<ul style="list-style-type: none"> <li>a) China is a unitary state, however, if it wants to develop an effective international cooperation, the central government must guarantee the local administration some degree of freedom of action and at the same time take into consideration the specificity of each region;</li> <li>b) China’s economic development model is to a large extent based on competition among the local administrative units, which is authorized by the central government (e.g. competition among cities to attract airline companies);</li> <li>c) The central government supervises this local competition only in so far as it publishes economic and social development roadmaps which define the role of each territorial unit (e.g. Yangtze River Economic Belt program).</li> </ul>

Source: Own elaboration

The outcomes presented above show that the shape and form of the territorial system have little influence on the development of paradiplomacy. Therefore, in the case of Asian political systems, there is no correspondence

with the trends visible in Western economies, where regional diplomacy is expanding faster in federal states rather than in the unitary ones. The effects vary according to the model of federalism introduced in each country. The changes introduced in Russia by the Vladimir Putin’s administration led to stark centralization and resulted in using the federal system as a mere façade. The similar situation can be observed in India. The only difference is that federalization processes are moving into the opposite direction. Decentralization is pushing the system closer to the model of Western federalism. At the same time, China, which theoretically is a unitary state, is developing paradiplomacy much faster than its neighbouring countries, and the Chinese regions have more independence in their international activities.

**Table 5.5.** Comparison of main geographical directions of paradiplomatic activities

	<b>Main geographical directions of paradiplomatic activities</b>
<b>Russian Far East</b>	a) For the regions located in the Russian Far East, the most important partners are China, Japan, and South Korea; b) One can observe that a significant amount of Russian assets “laundered” in tax havens is used in investment projects co-funded by foreign partners.
<b>India</b>	a) In the case of Indian states, it is difficult to determine a dominant trend.
<b>China</b>	a) Emphasis on global initiatives; b) Priority treatment of developed economies and developing countries from South-East Asia and South America.

Source: Own elaboration

A comparison of the directions of foreign activities in each state show different characteristic features of paradiplomacy. In the case of China, one can observe global cooperation initiatives developed by the province administration. It is the result of relatively large assets of Chinese regions, but also of strong correspondence with central government’s foreign policy, which also has a global scope. Since the central government engages in “One Belt One Road” initiative aimed at the entire Eurasian region, local governments attempt to align their activities with it. If developing relations with the United States is the priority of the government’s foreign policy, similar priorities will be observed in cooperation initiatives developed by the cities and the provinces. African states are an interesting exception since they are completely omitted in official paradiplomatic activities, despite being important partners for the central government. It may be the result

of the institutional weakness of sub-national units on the continent, which makes the process of establishing international cooperation more difficult.

In the case of the Russian Far East, one can see a strong concentration on neighbouring countries and the lack of global ambitions. Weak federal units do not possess sufficient assets and potential to develop cooperation on a broader scale, so they constrict their activities to economic initiatives with neighbouring states. Cooperation is often conducted in the shape of trans-border initiatives.

India is also an interesting example where paradiplomatic relations are sporadic in many regions and often random. Due to large differences between Indian states, it is difficult to determine common features and draw a coherent picture of regional diplomatic directions, which would be characteristic of the entire country.

**Table 5.6.** Comparing the level of development of paradiplomacy in the researched countries

<b>The level of development of paradiplomacy in researched countries</b>	
<b>Russian Far East</b>	<ul style="list-style-type: none"> <li>a) Paradiplomacy is not a term commonly used, but in practice, the activities of regional governments fit the definition;</li> <li>b) The international activity of the regions cannot be of a political character and is “reduced” to economic and socio-cultural initiatives;</li> <li>c) Compared with other Russian macro-regions, the level of development of paradiplomacy in the Far East is relatively lower, despite the fact that political elites and local societies are aware of the potential benefits of increased international activity.</li> </ul>
<b>India</b>	<p>One can distinguish three periods:</p> <ul style="list-style-type: none"> <li>a) 1947 – 91: paradiplomatic activities were almost non-existent;</li> <li>b) 1991 – 2014: a steady growth of paradiplomacy;</li> <li>c) After 2014: the development of regional diplomacy is recognized as one of the priorities of the central government and it seems that in the near future it will become one of the main factors contributing to India’s regional growth.</li> </ul>
<b>China</b>	<ul style="list-style-type: none"> <li>a) Paradiplomacy is a rapidly developing phenomenon which progressively plays a more important role in China’s foreign policy;</li> <li>b) Despite the fact that the term is not used by members of the government and Chinese academics, the actions of local government fit the definition of paradiplomacy.</li> </ul>

Source: Own elaboration



The last part of the comparative analysis focuses on determining the level of development of paradiplomacy in the chosen regions. The research also tries to verify in which of the three countries regional diplomacy contributes the most to overall diplomatic strategy. China seems to be the most eligible candidate since almost all of the Chinese provinces are engaged in international cooperation, and some of them have been developing intensive paradiplomatic activities for many years. Interestingly, the term “paradiplomacy” is hardly ever used in China.

A similar situation can be observed in India where regional diplomacy has been only vaguely recognized or researched, and the term “paradiplomacy” is not used even by the people engaged in such activities. The situation in the country has been dynamically changing as a result of political reforms introduced by the Modi administration. His government aims at transforming sub-regional cooperation into one of the pillars of India’s foreign policy.

In the case of the Russian Far East, the process of implementing the mechanisms of centralization of federal affairs (“defederalisation”) results in constraining regions’ autonomy in the decision-making process. Regional elites, facing political pressure from the Kremlin and constrained by the top-down governing practices, have to follow strict institutional and legal regulations controlling their international cooperation initiatives and their participation in international trade. Those limitations combined with the peripheral location of the Russian Far East, low demographic potential, and low development level, are the most important factors explaining relatively weak international engagement of the regions in spite of the favourable legal regulations.

## **Last words**

In the early phase of our research, we presented three hypotheses on the international engagement of regions in the analyzed Asian countries:

H1. Paradiplomacy developed by the regions is also a tool of shaping foreign policy by the central government that utilizes it in the pursuit of strategic political goals;

H2. The international engagement of regional administration correlates with the level of decentralization in each country, but also with the suitable conditions created by the central government (incentives, consent) which stimulate such activity;

H3. Economic potential, as well as the level of regional economic internationalization, stimulates the international engagement of regional administration.

The first hypothesis was proved to be correct. In all the analysed countries there is a tendency to treat paradiplomatic activities conducted by regions instrumentally. Such an attitude was the most evident in China and the least apparent in the case of India. Moreover, while the regions of Spain and Canada are more than sufficiently covered in literature on the topic, one can hardly find evidence of utilizing international initiatives as means of supporting separatist processes in Asia. Instead, one can detect the particularly strong influence of the central governments, which try to coordinate paradiplomatic initiatives with national foreign policies.

The second hypothesis has been proved partially. While it is crucial to create suitable legal conditions for international activity of the regions by the central government, in the case of the analysed countries suitable political environment is of bigger importance. The central government's approval, as well as a clear policy framework for such activities seem to be key in this respect. The issue of correlation with the level of decentralization is much more complicated. In China, which in theory is a unitary state, paradiplomacy is developing very rapidly, whereas in the federal Russia the pace is much slower. Hence, it seems that the level of decentralization stemming from the political system has a relatively small influence on regional diplomacy. Such a correlation might be proved by examining the actual level of decentralization expressed for example in the sizes of the budgets of each region in relation to the central budget. However, such examination is yet to be conducted.

The third hypothesis has not been fully proved either. A strict correlation between paradiplomatic activities of local governments and the level of internationalization in each region could not be demonstrated. The results of the examination show that the globalization processes are decisive for internationalization, whereas the initiatives of local administration may contribute substantially to the process, but are not indispensable. In the analyzed countries, one can find regions that are particularly internationalized (eg. Goa in India), but their local governments are unwilling to engage in a broader paradiplomatic activity. The correlation between the level of economic development and participation in regional diplomacy is much more visible. The economically developed regions have more assets for international activities at their disposal than those that are less developed or peripheral.

The analysis confirmed a well-known regularity that urbanization processes stimulate the international activities of regions and cities. It is clearly visible in the case of Chinese metropolises, which are always at the vanguard of globalization as well as the international cooperation between sub-national actors. An adequate description of such correlations requires further examination and taking into account the cases of city-to-city diplomacy, which goes beyond the scope of our research.

The phenomenon of international engagement of regional and local governments in the Asian countries is still not sufficiently described and recognized in the scientific literature. So far, the research on paradiplomacy mostly concentrated on Europe and North America. However, as shown in this study, the regularities present in Western economies are not necessarily universal. The distinctive features of each Asian country create quite unique contexts, in which sub-regional actors have to develop their international strategies. Some of those contexts were presented in this study in order to provide a better understanding of the conditions of paradiplomacy in Asian. We hope to have inspired other researchers to further the field by including other Asian countries in their work.