

## **ECONOMIC AND TRADE BORDERS: THE CASE OF THE RENI DISTRICT, UKRANIAN BESSARABIA**

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The Reni district (*rayon*) is situated in the southeast of the Odessa region (*oblast*), at the juncture of three states (Moldova, Ukraine and Romania) and just a few kilometers from the confluence of the Prut and Danube rivers. The district is part of the greater region of Bessarabia that used to be an arena and object of conflict between the various powers that had been fighting for domination on the Northern Black Sea coast over the period of many centuries. Therefore, the whole course of the history of the Reni district represents an odyssey for the border town of Reni (the provincial district's capital) in this disputed area. The aim of the present paper is to analyse how the history of Bessarabia influenced the fortunes of the town, situated on a border of this region. The paper focuses on the main historical processes which have shaped Bessarabia (changes in border configuration and inclusion and exclusion of Bessarabia from different state projects), and in particular, Reni; how these changes have influenced the character of the Reni district, its production patterns and the trade activities of local entrepreneurs, as well as the ethnic and civic self-identification of the district population.

### **Historical Background**

The border nature of the area can be understood by providing a short historical overview of the region that in recent times has been known as 'Bessarabia'. The first references to this area are in Herodotus, who visited the Ancient Greek colony of Olvia and described this region (*Istoria Moldavii*, 1951). Yet, the first written references concerning the region demonstrate that the wider Northern Black Sea region, including the Danube, was a border zone between the Hellenic 'civilization' and the 'barbarian' Scythian tribes in the 6th-2nd centuries B.C. The interaction between the two worlds frequently revolved around two traditional forms, i.e. initially trade, and later on, war. The Scythians attempted to interfere in internal affairs and later on to conquer Hellenic colonies located on the south Black Sea coast. They also clashed with the ancient

Thracian tribes and the Macedonian kingdom in the South-West.

In the first half of the first century B.C. a big area stretching from today's Czech Republic to the Black Sea coast was dominated by a major union of tribes of Gets and Daci who were forced to join forces in order to resist the expansion interests of the Roman Empire (*Istoria Moldavii* 1951:29). The confrontation between the Romans and Daci continued until the second century A.D., when Dacia became a Roman province after two Trojan campaigns (Nakko 1875:478-479). The border character of the province was demonstrated by the construction of Roman defense installations—widely known as Trojan Walls—in the lower Danube region. Later on, in the time of the Goths' domination of the area, a settlement, Daciporta, was founded and after the Romans destroyed the aforementioned settlement, they founded the Armium settlement.

In the Middle Ages the area of present day Ukrainian Bessarabia was a frontier of Slavic space; it was part of the main old Slavic state Kievan Rus and afterwards of the south-western Slavic Galytsko-Volynske principality (10-11th centuries). The Southwestern area of the Slavic space was actually a border zone between the Slavs and the Byzantine Empire. Later on, in the 14th century, Bessarabia was incorporated into the Moldavian Principality that was in the 16th century conquered by the Ottoman Empire. The first written references concerning the Reni settlement are dated to this period (1548). The etymology of the town's name comes, most likely, from the old Slavic word '*ren*' – meaning wharf or pier. In the 16th century, Reni belonged to the Moldavian Principality. In 1621, the Ottoman Sultan Osman renamed the town 'Tomarovo' (Nakko 1875:478-479). The area of Reni was actually a distant province of the Ottoman Empire bordering the expanding Russian Empire. The colonization of the region started in the period of the Russian-Turkish wars—under the reign of Catherine the Great—in the late 18<sup>th</sup> century. According to the articles of the Kuchuk-Kainardji Peace Treaty (signed in 1774), the protectorate of the Russian Empire was set over the

principality of Moldavia and Valakhia. Some of the Orthodox and Slavic subjects from the Ottoman Empire started to seek asylum in these areas. The inflow of Bulgarian refugees came from the right bank of the Danube River and in 1791, the village of Anadol (since 1947-renamed Dolinskoe) was founded by Moldovan peasants.

Later on, in the times of the Greek Revolution, a large number of Greek colonists made Reni their final destination. However, during the 18<sup>th</sup>-19<sup>th</sup> century Reni passed from Russian to Ottoman sovereignty and back again several times. On the 27<sup>th</sup> May 1812, according to the Bucharest Peace Treaty, Bessarabia, and in particular Reni, became part of the Russian Empire, thus becoming a border region of the Russian Empire. The colonization of the newly conquered and underpopulated region was set as a high priority in the agenda of the Russian Monarchy, which did not hesitate to invite a number of foreign peasants from the Balkan areas of the Ottoman Empire and Europe to settle the area. They were encouraged to do so through the incentive of being granted significant plots of land<sup>16</sup>. During this period several villages were founded in the adjoining areas. In 1812 immigrants from Moldova founded Fricatsey village (since 1947, Limanskoye) while Bulgarian colonists founded the village Karagach (since 1947, Nagornoye)<sup>17</sup>. In 1813 the village Satul Nou (since 1947, Novosel'skoye) was founded by Bulgarians, who were later jointed by Moldovan settlers. In 1814 the village Kartal (since 1946 – Orlovka) was founded by Bulgarian settlers and later on also settled by Moldovans. In the same year another village, Barta (since 1947, Plavni), was established by Bulgarian migrants<sup>18</sup>.

The Russian Tsars paid special attention to the development of the town and port of Reni to further develop the area and to ensure, via Danube shipping, Russian access to the Balkan and European markets, as well as to trade routes on the Black and Mediterranean seas. The foundation of the port in Reni in 1816 also boosted the economic development of the town. In 1821 the settlement received town (*gorod*) status. In 1827, it had 2,290 inhabitants, of which 12.6% (285) were Russians, 22.4% (524) Ukrainians (referred to as Malorosy), 30.3% (688) Moldovans, 13.8% (314) Greeks, and 5.8% (133) Jews. The inflow of Jewish migrants took place after the Russian-Turkish war of 1806-1812. They controlled the major part of trading activities in the city<sup>19</sup>. Ten years after the port was founded, 22 ships used Port facilities. They flew the following flags: Russian – eight, Turkish – two, British – eight and Ionian – four. In 1830 a customs service was established in the town. Despite the fact that in the

first decade the trade turnover was not considerable and consisted mainly of exports of tobacco, wine, cereals and spices<sup>20</sup>, Reni started to acquire features of an urban centre. Reni was not only a relatively large settlement surrounded by several villages, but also a significant trade, transport and production centre. The number of craftspeople in the town had increased from 40 to 150 (bakers, butchers, tailors, shoemakers, stove-setters, harness-makers, carpenters, dyers, soap-boilers) in the period 1828 to 1844. In 1856, three brickyards, four soap and wax factories, mills and distilleries operated in the city.

According to the articles of the Paris Peace Treaty, southern Bessarabia was returned to the Moldovan Principality in 1856, which later united with Valakhia into a political union and proclaimed the Romanian state in 1861. However, in 1878, the border of the Russian Empire was partially restored in the aftermath of a Russian-Turkish war, and in this part of Bessarabia the new *Izmail* district (*uezd*)—a separate administrative and territorial unit—was established<sup>21</sup>. The return of the town under the aegis of the Russian Tsar had a certain impact on the economic development of the district. New efforts from Saint-Petersburg were aimed not only at encouraging the development of the district, but at further incorporating Reni into the imperial economic complex. In 1877, a special railway line 'Reni-Bendery' connected the district with not only other districts in Bessarabia, but also with other provinces in Russia. That had a positive effect on the development of the port of Reni. Active trade with the Black Sea and Balkan ports developed. The relatively small firm of Duke Gagarin which initiated river transportation was transformed into the major 'Black Sea-Danube Shipping Company' in 1866. In the latter part of the XIX – early XX century, southern Bessarabia experienced an explosion in economic growth. According to the census of 1897, the town of Reni numbered 6,941 residents. Two thousand, five hundred and eighty six of them considered Russian, Ukrainian (referred to as Malorussky) or Byelorussian as their mother tongues, 2,612 – Moldovan, 730- Yiddish, 650 – Bulgarian, 103 – Turkish, 75 – Polish, 29 – German, 35 specified other languages<sup>22</sup>. In 1913, 100 trade enterprises were based in Reni with an annual trade turnover of more than 200 thousand rubles. In 1913, the port of Reni processed 105 thousand tones of cargo, of which 92 thousand were for export. In 1913, Reni numbered 10,500 residents. However, the ethnic composition of the city had changed: Moldovans constituted 38% of the total population, Russians 37%, Jews 10.5%, Bulgarians 9.3%, Greeks 9.3% , Turks-Tatars 2%, Poles 1.1% and others 0.4%<sup>23</sup>.

The vast majority of the population was employed in the port and accompanying enterprises (packing houses, shipping yards, coal and wood stores), the railway station, saw-mill and brickyards. A much smaller number were self-employed in gardening and track-farming. However, more than 400 of the latter had a supplementary salary (self-employed), providing transportation services from the town to the port<sup>24</sup>.

We can conclude that Russian colonisation shaped the region of Bessarabia, including Reni. On the other hand the process of colonization of the Russian South was closely connected with the Balkan policies of Saint Petersburg. Targeting an expansion into the Balkans, the Russian government officially encouraged trade with Balkan nation states. In this way it not only shaped the region of Bessarabia, but also its close economic and societal links with the motherland of the respective local populations in Bulgaria, Romania, Greece. Therefore, one could suggest that the ethnic mix of the local population in new areas of the Empire served to weaken existing borders, with the silent approval of Saint Petersburg.

After WWI, on the 12<sup>th</sup> of January 1918, Reni became part of Romania. This had a negative impact on the development of the port; for while the area remained predominantly a producer of agricultural products for the market of Romania, Reni could not compete with the larger and more closely situated Romanian port of Galati, which enjoyed preferential treatment by the Romanian government.<sup>25</sup>

Despite the fact that during Romanian rule the region transformed itself from a privileged borderland into a disadvantaged periphery, the local population supported close relations with their relatives in Romania. Thus while the port of Reni declined, the incorporation of Ukrainian Bessarabia into Romania siphoned off an increasing amount of local agricultural produce into the Romanian market. As one of the witnesses states: "We always traded with Galati, under the Russian Tsars and later when the Romanians came"<sup>26</sup>. Therefore, one could conclude that regardless of the official policies towards the port of Reni, the local rural population maintained a unity in the region through strong economic bonds; this was possible partly as a result of a weak state and administrative border, partly through deliberate refusals to honour the borders.

### **Soviet Rule and Qualitative Changes in the Status of Reni**

The arrival of the Soviets in the town on the 26<sup>th</sup> of August 1944 flagged an epoch of qualitative changes in the status and nature of the town and

district of Reni. Due to its location on the Danube, the Port was a crucial strategic transport link between the USSR and other socialist states. Special attention was paid to increasing transport capacities of the railway station and the Port, the latter upgraded to an "exceptional category"<sup>27</sup>. While in 1945 the port was processing 225 thousand tonnes of cargo, in 1963 the volume increased to 3985.5 thousands tonnes, 18 times as much as in 1945 and 2.5 times as much as in 1953. The level of mechanization of the embarking-debarking process increased from 25% (1945) to 42% (1946), and reached 96% in 1977.

The Reni railway station acquired strategic importance as the town became the final transit point of Soviet cargo into COMECON states. In the height of its activity, the Reni railway complex processed up to 40 thousand tonnes of cargo on a daily basis<sup>28</sup>. The railway complex included several railway terminals which extended to a distance of 20 kilometers: 'Reni-Passenger' terminal, 'Reni-Port' (where the loading of goods onto barges took place), 'Reni-Pouring' (where tank-wagons were being filled with exported oil), 'Reni-locomotive depot', 'Reni-wagon depot', and three more auxiliary terminals as well as a number of special infrastructural supports. At the beginning of the 1960s steam-engines were substituted by diesel traction and Reni was ranked as an exceptional complex for its capacities<sup>29</sup>. The incorporation of Reni into the economic complex of the Russian Empire continued. Reni changed from a provincial town into a cosmopolitan city: foreign seamen in the streets were a common picture, builders from Bulgaria and Yugoslavia, constructing pipelines or high voltage electric pipelines or building blocks of flats, became temporary residents of Reni and the surrounding villages. Together with the high frequency of foreign vessels, the number of marriages also increased between local women and Bulgarian, Yugoslav and Hungarian seamen. In the period of 1961-1989, this number was 25 marriages annually<sup>30</sup>.

Another factor that contributed to the eroding of ethnic and purely local (Bessarabian) identities amongst Reni district residents was the integration of the local population into the Soviet societal complex. Most of the graduates of local primary schools left the city for studies in higher and technical education institutions in Odessa, Izmail and Chisinau, where they were trained mainly in the spirit of the Soviet intelligentsia—the language of instruction was Russian. Many of them found jobs in Odessa and Izmail establishing new patterns for career development that will be examined below.

Despite the fact that Russians continued to constitute a significant part of the population of the

district, this did not have a negative impact on inter-ethnic relations. There are several reasons for this. First, Soviet “national cadre policy” designated special quotas of Communist Party positions for representatives of the local population. “National cadre policy” was fully applied when filling Reni district Communist Party Committee positions. One of the three secretaries of the Committee (as a rule the Second Secretary) was a representative from the local population. The same rule was applied in all the departments of the district Party Committee where 5-6 employees in each department were Moldovan, Bulgarian or Gagauz (usually one or two were chosen from each group).

However, this rule was not applied while filling vacancies in the port and the railway station, because these were strategic enterprises and top managers were nomenclature from the republican Ministry of Transport, which promoted Russian or Ukrainian candidates. Since Bessarabia was a part of the Ukrainian Soviet Socialist Republic, high managerial and district Communist Party Committee positions were nominated from Kyiv and filled mostly by Ukrainians who numbered 16.5% of the total population in the Reni district. While technical and engineering staff in the railway complex and port were usually Russians (18.3% of the population of the district), the main managerial positions in rural areas of the district and middle rank managers in the town were filled by representatives of national minorities. Middle rank managerial positions, as well as small and medium enterprise manager positions were open to locals. Moreover the image of “the Russian man” held positive associations by virtue of the fact that Russians lived as “next door neighbors” with the local population for centuries. Furthermore, the official Soviet policy that aimed at creating a new community of ‘Soviet’ people, meant that ethnic differences were considered to be of secondary importance.

With the inclusion of Bessarabia into the Soviet Union the process of the collectivization of villages was launched and completed at lightning speed. While in 1946 only 2.7% of the district’s agriculture was collectivized, in 1949 this number increased to 91.3% (in 1947 it was 24.1%, and in 1946 it was 56.7%). In this period the Stalinist measure concerning the transformation of all ethnic groups of the USSR into one “Soviet people community” was also implemented—in part through the translation of all village names from their original names (which identified the ethnicity origins of their founders) into Russian.

The collectivization and integration of the district into the centrally planned economy resulted in

the creation of new trade patterns. A significant volume of agricultural production—up to 70 thousand tonnes of cereals, 15 thousand tonnes of milk, 12 thousands tonnes of meat annually—meant that Reni became a supplier of agricultural products for the Odessa region and Ukraine. Moreover, the warm climate of the south Odessa region allowed the Reni villages to specialize and to produce agricultural products that were rare in other parts of Ukraine (e.g. the village of Nagornoye had been producing onions for central and northern Ukraine, while Novosel’skoye—sweet peppers and aubergines). Some of them exported honey, nuts and sunflower seeds abroad.

### **The collapse of the USSR and Changes in the Economic and Trade Patterns of the District**

After the collapse of the USSR and in the course of the last 15 years, the general situation in the port of Reni can be summarized as one of decline. The Port—which used to be an important transit link between the Soviet republics of Central Asia, Russia and Europe, and connect Europe to the Black Sea and Middle East—has lost a major segment of its freight. This is partly due to the collapse of economic ties between the USSR and its former satellite-states and partly as a result of Romania actively promoting the operation of the Chernavoda—Constanta channel—the shortest artificial water way that connects the Danube to the Black Sea.

Further, following the collapse of the Soviet Union, one of the most important elements of the Reni transport complex, the railway connection with Odessa, was cut off, since several kilometers of this railway crosses the territory of the new independent country of Moldova. Customs fees, delays due to prolonged bureaucratic procedures and a high level of corruption have all resulted in the decrease of clients using railway transportation from Odessa and Chishinau to Reni. It should be mentioned that the Port was mainly export-oriented in the Soviet times. Therefore, breaking off transport and trade routes with the rest of the USSR had resulted in a considerable decrease in the workload of the Port. At the same time, the Romanian port of Galati has grown in importance because the navigable Sulinskoye arm of the Danube delta is situated in Romanian territorial waters<sup>31</sup>. Several years after the collapse of the USSR, Ukraine attempted to address the railway isolation of the Reni port. Special Ukrainian-Moldovan negotiations on border issues resulted in a compromise according to which Moldova made concessions to Ukraine of several kilometers of the railway line ‘Odessa-Reni’ and Ukraine in exchange provided Moldova with several

hundred meters of the Danube bank, where Moldavia started the construction of its own port. This new project will provide Moldova with access to the Danube river while the port will provoke further competition between Moldova and Ukraine and make their cooperation less and less feasible.

The Yugoslav crisis also caused serious damage to the Ukrainian Danube Shipping Company due to the embargo of cargo from/to/through the Yugoslav part of the Danube river. For the same reasons, the operation of the Reni Railway Complex faced a dramatic decrease in traffic and was forced to cut its operating capacities, mainly in terms of human resources. Reni has not recovered from these events. According to some analysts, the Port, as well as the Railway Complex, are using only 15% of their operational capacities. For comparison, the Port once received huge inflow investments of more than 1 billion dollars. In the course of the last 15 years, Reni has been reduced from a strategic transition centre at the crossroad of several routes, to a town/administrative centre of a rural district with little international activity. The social consequences of this process are reflected in Table IV which reveals the population change in the Reni District between 1989 and 2001.

The main reason for the decrease in urban population—14% (3,186 people)—was the crisis in port and railway complex activities. The outflow of population, mainly of port and railway workers has led in turn to an increase in the township's poverty. It has also negatively affected the rural areas of the district which used to supply agricultural goods to Reni. The outflow of population from the rural areas is not that high but still noticeable—5% (1,026 people).

The ethnic structure of the outflow demonstrates that since 1989 it is mostly Russians who have left the area. The number of Moldovans in the district has also decreased by 3.7%, Ukrainians by 1.1%, Russians 23.9%, Bulgarians 12.2%, Gagauz by 17.9%. However, Russian intelligentsia and engineering staff constitute the largest percentage of those who have left Reni. (See Table V).

This outflow should be understood as one based on economic, rather than political reasons. It is worth mentioning that those representatives of the Russian-speaking intelligentsia or engineering staff who left the Reni Port or Railway Complex did not necessarily return to Russia. Many preferred to be relocated to other areas of the Odessa *oblast*, where similar capacities provide more opportunities for employment—the port of Izmail, Odessa and so on. On the other hand, migration patterns of a number of

local ethnic groups from rural areas present an interesting picture and are discussed below.

### Migration patterns from the Reni District

During the last decade, the agricultural collectives in the Reni district have also passed through a structural crisis. According to the Head of the Directorate for Agriculture in the State Administration of Reni District, I.G. Koval'zhi, the main reason for this crisis is the disintegration of the *kolkhoz* and *sovkhoz*. These were large, mechanized and well equipped agricultural producing complexes, which used to carry out the full circle of agricultural production. A further reason for the crisis is the disorganization evident in agricultural planning, in support and the production of agricultural goods<sup>32</sup>. For the time being, *Kooperativnye Sel'skokhoziastvennye Predpriatiya* (Cooperative Agricultural Enterprises), created to substitute the previous agricultural organizations, have not managed to establish efficient cooperation structures and ensure the effective management of the chains of production in Ukrainian agriculture.

On the other hand, the formation of farm enterprises has been delayed due to the lack of progress in the introduction of the private ownership of land. This delay stops the formation of fully-fledged farm businesses, at the same time prolonging the rudiments of the *kolkhoz* regime. Institutional uncertainty in agricultural production, as well as obsolete equipment and techniques, restricts villagers' commercial working of the land to the small plots of land attached to their houses (approximately 600 square meters in size), not allowing the development of the other 3.5 hectares that they own. In these small household plots, peasants produce dairy produce for the whole district population and one half of the meat foods for the whole district. However, to overcome the crisis the agricultural sector needs serious investment for the melioration of the soil, fertilizers, new techniques and equipment. As peasants have no means to achieve such capital, the trend for migration continues to be an important phenomenon in the rural areas (See Table VI).

Migration is a response to economic conditions. Immigrants leaving the villages of the Reni district do not necessarily head for their historic motherland. Of the 280 departures from the Moldovan village of Orlovka, 100 peasants left for Russia (Moscow, Saint Petersburg); 50 for Italy, Spain, and Portugal; 15 for Turkey; and 10 for France and Germany<sup>33</sup>. Most of the pupils who leave to study in Romania insist that the main reason for this decision is the better economic conditions in

Romania: scholarships, accommodation free of charge, and more opportunities for further employment<sup>34</sup>. At the same time, there is a steady outflow of youngsters to other urban centers—mainly Izmail and Odessa—for studies and employment. More than 70% of the residents of another village (Kotlovina) have left for Turkey and Russia for temporary employment, while others are leaving for other areas of Ukraine and frequently establish their residence there. More than 80% of Moldovans leaving their villages, as well as Bulgarians from Nagornoye, migrate to Odessa, Kyiv and Russia. A frequent visitor to Russia narrates that “There is an entire colony of Gagauz from Kotlovina (in the Reni district) now living in Saint Petersburg carrying out the most difficult jobs—loaders, layers, builders<sup>35</sup>. Economic conditions, therefore, determine the migration of ethnic groups from Ukrainian Bessarabia to the West and to the East. The ethnic minorities of the southern Odessa region, Moldovan, Gagauz or Bulgarian, have found their economic and social niches in Odessa, Kyiv, even Moscow.

*Cooperation structures in Ukrainian Bessarabia and the participation of the Reni District*

From the time that economic integration in post-Soviet was suddenly destroyed and Reni was marginalized from previous Soviet trade routes, the new local and national leadership has been searching for ways to include Reni in the complex of international cooperation. As a result, Euroregion (ER) “Lower Danube” was founded in 1998. The ER “Lower Danube” includes the border areas of Romania, Moldova and Ukraine. In the process of founding the ER, experts identified the common problems faced by the “Lower Danube”: poverty, unemployment, environmental degradation, lack of adequate health care, illegal activities, trafficking and migration. Several meetings that involved the heads of police and military structures were held in the framework of the ER. The ER has also launched a TACIS project named “Business Infrastructure of the Odessa Region” which ran until July of 2005. A part of the project involved opening ‘The Agency for Trans-border Cooperation’ in Reni. It is hoped that a network of organizations will remain in Reni to contribute to the development of democracy and market economy in the district. Among the joint projects, the municipalities of Reni (Ukraine) and Galati (Romania) developed a program on the “Joint study of social-economic development of Galati and Reni, the preservation of an environment and transport system”. The development of trans-border cooperation will include the construction of an 8-lane highway ‘Galati-Reni-Odessa’ a constituent part of the European transport corridor № 7. Its approximate

value is 880 million USD. The project also foresaw the construction of an international airport and a power plant.

In order to boost economic development in southern areas of Ukraine, the local leadership lobbied for the founding of a Special Economic Zone (henceforth SEZ) focused on the Reni port. The SEZ was established as Ukraine law on the 23<sup>rd</sup> of March 2000 “Concerning the Special Economic Zone, Reni” foresaw the establishment of simplified customs and tax regimes for a period of 30 years. Eventually, the main goal of the SEZ was to attract foreign investment, and boost trade relations and local entrepreneurial activities. With this goal in mind, containers that arrive at the Port of Reni are not subject to taxation and customs fees and all the income received from the investment projects on the territory is subject to 20% tax. Also the ferry boat line ‘Reni-Ruse’ was launched which was part of four transport corridors. Simultaneously, several investment projects were launched in the SEZ “Port of Reni” including the “Proceeding Soy” (25 million USD), a Russian-Ukrainian project “Reni-forest” (2.4 million USD) and so on. Millions of tonnes of sapropelic, marl, drinking water, and possibly natural gas and oil deposits are to become the raw material base for the implementation of future projects in the Reni SEZ. The SEZ is incorporated into a triple Special Economic Zone network which consists of three national special economic zones – those of Reni (Ukraine), Giurgiulesti (Moldova) and Galati (Romania).

According to the Mayor of Reni (in 2005), Serghy Kolehich, the development of regional cooperation structures in southern Bessarabia will demand the establishment of new opportunities for social and economic development, what he calls ‘sociopolis’. Sociopolis is the close connection between social-economic structure and a certain territory. Such a structure should contribute to the formation of a new socialized economy, bear special legal status and be targeted towards the promotion of advanced sustainable development. In the Reni District the idea was realized in the project of “Sociopolis Reni-Dolinskoye-Limanskoye”. The concept of sociopolis, elaborated by leading Ukrainian specialists, foresaw the production of electronic systems, attracting know-how and information technologies, and increasing labour productivity to ensure high competitive potential for the District, including it into a global production complex.

The aforementioned trade initiatives, if properly realized, would produce positive effects on the border of Ukrainian Bessarabia. Encouraging

business activities (if these prove profitable) would increase the general public awareness among the neighbors of Ukraine across the Danube, much like the situation in the early 1990s when the Soviet-Romanian border was opened for free passage and thousands of Soviet people from all the parts of the USSR crossed into Romania. This mass crossing was accompanied by a boom in trade and other exchanges. These projects would gradually make borders more transparent for the three partner countries. The removal of administrative barriers at the border would lead to an increase in all kinds of trade activities (legal, semi-legal and illegal) and other exchanges. Based on new trade links, informal contacts could grow into regular communication paths which in turn would facilitate the return of historical memories, the renaissance of a cross-border consciousness reflecting the cultural commonality between the two banks of the Danube river. Therefore, if successful, those cross-border cooperation projects could turn around a region in decline.

However, despite the best intentions, most of the designed projects did not produce the expected results either at the local or at the regional level. The aforementioned business projects launched in the framework of the trans-border cooperation “Lower Danube” Euroregion and SEZ structures were mainly bilateral or even unilateral initiatives carried out by large-scale enterprises, which could hardly influence the structure and character of agricultural production at the local level. They could not hope to seriously boost trans-border trade since they involved specific producers frequently outside the district, and were aimed at taking advantage of the preferential taxation and customs regime which had nothing to do with cross-border trade. Therefore, while structures for trans-border cooperation were established, they hardly influenced local production or the trade patterns of local farms or small urban enterprises. Further, the major local enterprise of the Reni district—its port—now has competitors on the Romanian (Galati) and the Moldovan (Giurgiulesti) sides. This situation does not contribute to the development of trans-border cooperation.

Amongst the reasons for the failure of trans-border cooperation projects, local officials identify the lack of political will by the national and regional leadership to invest in such projects; the Ukrainian political elite view trans-border cooperation in Ukrainian Bessarabia more as a headache or even as a potential threat for the integrity of the country, rather than as an opportunity for economic development. Trying to reinforce the borders of Ukrainian Bessarabia, regional authorities prefer to

encourage trade within the region, for example, with Odessa. With such a goal in mind they promoted specific projects such as the “Renaissance of the Region”, which foresaw special treatment for agriculture producers who come to the Odessa markets from distant districts. The lack of support for SEZ by the high level political elite of Ukraine was evident in the decision to abolish the State Administration of the SEZ in early 2004. Following this, one of the first actions taken by the new President of Ukraine, President Yushchenko, was to abolish SEZ. He argued that it did not produce added value for cross-border trade and only served as a tax evasion for entrepreneurs.

Another serious hindrance to launching effective trans-border cooperation between the Reni District and Moldova/Romania is the fact that productive relations in Reni during Soviet times were oriented towards different agricultural enterprises. Peasants in local villages will hardly be able to start exporting meat or milk to Moldova or Romania, while they can easily sell it at the local market or transport their goods to Odessa. A similar logic is valid for vegetable production which is profitable while sold in Ukraine but less so when exported to Romania or Moldova. The level of rural production in Ukrainian Bessarabia has not been developed to such a degree that it could seek new markets and export opportunities. Perhaps the only example of cross-border trade between Moldova and Ukraine is a regular (weekend) inflow of traders from the Moldovan side of the border to various towns and cities in Ukrainian Bessarabia: Reni, Izmail and Odessa. These shuttle traders try to sell their dairy, vegetables, fruits and other agricultural products in Ukraine: a move resulting from the fact that the average income in the urban areas of Ukraine—and so prices for agricultural production—are much higher than in Moldova. Such individual trading activities encourage the formation of cross-border trade. However, while agricultural production in Moldova remains dependent on small individual plots, the supply of agricultural produce to the market in Ukrainian Bessarabia is negligible and often of an illegal nature.<sup>36</sup>

Thus all the aforementioned projects, while supported by local enthusiasm, have not changed local trade patterns or improved the economic situation in Ukrainian Bessarabia, which for the time being remains one in decline, a far cry from its once important geostrategic position as a major Soviet port.

## **Conclusion**

Bessarabia is a historic and cultural region, which has been a border zone between the Russian and the Ottoman empires from ancient times. Due to this position, the area was either the arena or the object of numerous clashes between major forces, often from neighbouring powers. Until the 20<sup>th</sup> century, frequent changes in border configuration due to power shifts, as well as massive population migrations, contributed to weak borders in the region. State borders divided Bessarabia in various ways, including and excluding different parts, as for example, between Moldova and Ukraine which were administrative borders during the Russian Empire, then republican during Soviet times and later on state borders in the post-Soviet realities. Moreover, policies by the Russian Empire aimed at the colonizing of its new areas encouraged mass migration across the rivers Danube and Prut. Territorial conflicts, imperial expansionist policies, as well as the resulting and frequent changes in the border configuration, made the enforcement of the borders of the region difficult.

The situation changed dramatically in the 20<sup>th</sup> century. The Cold War was not primarily a conflict for territories, as much as a conflict of ideologies for the perception of nations. The "Cold War" in Europe did not result in serious and frequent changes in borders. In Bessarabia, the internal conflict between the two socialist states, USSR and Romania, made it difficult for any border crossing to take place and the respective states discouraged significant cross-border contacts. Moreover, following the logic of Communist ideology aimed at the creation of a single Soviet people, the Communist regime divided Soviet Bessarabia into two uneven parts, the Moldavian Soviet Socialist Republic (Moldovan Bessarabia) and Southern districts of the Odessa region (Ukrainian Bessarabia). Despite the fact that the administrative border between the two parts was transparent, with no physical borders erected, an economic division was created by this administrative partition. While Moldavian Bessarabia remained mostly a rural economy with an assigned agricultural production for the USSR, Ukrainian Bessarabia was incorporated into the Soviet industrial complex and was assigned a transport function. Unlike many other border regions of the Soviet Union which preserved their historic integrity (e.g. Western Ukraine or the Baltic States), Bessarabians did not maintain associations with the totalitarian polity of Ceausescu in Romania. Therefore, in the wars of ideologies, the Bessarabian border town of Reni (a town with its own ethnically rich character), lost its historic link to Romania and associated itself

more with Moldova and even more so to the Soviet Union.

After the collapse of the USSR, the administrative divisions resulted in the two parts of the single historic region of Bessarabia becoming two different states, the Republic of Moldova and Ukraine. This also initiated the decline of the port of Reni and its railway station, so degrading mainstream economic relations. Since the collapse of the Soviet Union one can witness a revival of trade patterns between Ukrainian Bessarabia and Moldova. Peasants from Moldova ignore existing borders and try to sell their products at markets in Ukrainian Bessarabia – Reni, Izmail and Odessa. These illegal traders, who cross the Ukrainian–Moldovan border and sell their products on the territory of Ukrainian Bessarabia, actually follow old trade patterns which existed in 19<sup>th</sup> century, reviving in this way the old notion of the Bessarabian region. However, while in 19<sup>th</sup> century the local farmer could transport significant amounts of produce by carriage unhindered by any border, today the pauperized villager has to carry a dozen kilograms of meat or milk travelling by train or bus through the border between Ukraine and Moldova in order to survive. This is not an easy journey and it emphasizes more than anything else the economic decline of Bessarabia since Soviet times. The situation will remain grave while the local rural population is deprived of any opportunities to own considerable plots of land that would allow production to increase beyond survival levels. Moreover, attempts to reunite the region met with the following obstacles: different economic and trade patterns by the two separate parts of Bessarabia; lack of skilled and dedicated personnel; and the internal political agenda of the new leadership of Ukraine, which tried to unite the new nation at the expense of regional unity.

The division of Bessarabia was not overcome after the collapse of the USSR. The division between Ukrainian and Moldovan Bessarabia has in fact deepened. The same process is likely to unfold on the Ukrainian and Romanian border after the accession of the latter to the European Union in 2007. The introduction of the Schengen regime, single external trade tariffs and quotas, amongst other measures, which are likely to be applied by the EU in order to prevent illegal migration, smuggling and trafficking in human beings, will act to reinforce the existing Romanian-Ukrainian border. On the eve of its new enlargement, the EU should pay special attention in order to avoid creating new dividing lines in Europe. To this end, special measures should be taken by the European Institutions in the framework of the European



Neighborhood Policy of the EU towards Ukraine. Priority in future cooperation should be given to the establishment of: inter-ethnic and intra-ethnic reconciliation and cooperation; trans-border cooperation; raising public awareness and civil society development; and reforms to education. If properly implemented these measures can ensure not only the successful development of trans-border cooperation in Ukrainian Bessarabia, but also a successful transition for the societies of the region.

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## Notes

<sup>16</sup> It is worth mentioning that the task of colonizing the Northern Black Sea regions - Novorossiysky kray – was assigned by the Russian Tsars to their most outstanding Russian Empire Dukes: Gr. Potemkin and M.S. Vorontsov.

<sup>17</sup> A village with the same name still exists in Bulgaria, in the province of Varna.

<sup>18</sup> *Entsyklopediya Bolgaria*, 1986: 447-448.

<sup>19</sup> Batyushkov, 1892.

<sup>20</sup> *Statisticheskoye Opisanie Bessarabii, tak bazyvamemoi ili Budzhak* (Statistic Description of Bessarabia), 1899.

<sup>21</sup> Semenov, 1899.

<sup>22</sup> *Pervaya Obschaya Perepis' Naselenia Rossiyskoy Imperii*, 1905.

<sup>23</sup> *Iz donesenia pomoshnika nachalnika Bessarabskogo Zhandarmskogo Upravleniya na pogranichnom uchastke v gorode Reni* (From the report of the deputy head of the Bessarabia Gendarmerie in the Reni Border Department), F.297, D.1.

<sup>24</sup> *Iz donesenia pomoshnika nachalnika Bessarabskogo Zhandarmskogo Upravleniya na pogranichnom uchastke v gorode Reni* (From the report of the deputy head of the Bessarabia Gendarmerie in the Reni Border Department), F.297, D.1.

<sup>25</sup> One interpretation for the indifference displayed by Bucharest towards its new territory is that the USSR never officially succeeded this region to Romania (a point backed up by the Soviet maps produced between 1918 and 1944 which did not recognize the area as Romanian territory). Other histories contest this interpretation, arguing that Bessarabia was indeed important to Romania and one of the main reasons the latter joined the War in 1941 against the Soviet Union.

<sup>26</sup> Interview with the widow of a major Bessarabian farmer, Elena Syrf, 23 June 1998.

<sup>27</sup> All the ports of the Soviet Union were ranked according to the volume of cargo they were processing. Any port that processed more than 10

millions tonnes of cargo annually was considered an “exceptional category”.

<sup>28</sup> Interview with the engineer of Reni railway station V.F. Lobayev. August 1999

<sup>29</sup> Yunkevich, 1962: 275-275; Annual Report of the Reni Trade Commercial Port, 2003.

<sup>30</sup> Interview with an anonymous officer of the Reni district registry office, May 1994.

<sup>31</sup> This aspect of Danube shipping is closely connected with the recent international dispute between Romania and Ukraine. Kyiv launched a project designated to break the Romanian shipping monopoly on the Danube delta – digging works for a canal that served to deepen another of the Danube's branches – Bystroye. This provoked harsh criticism from the Romanians, as well as numerous environmentalist organizations, who argued that it had a negative impact on existing flora and fauna on the Delta of the river. The European Commission intervened with a call to Ukraine to stop digging until a special independent review could be conducted on the possible impact of the project. Ukraine has complied and postponed the project. For further information see the website of the Delegation of the European Commission in Ukraine, [www.delukr.cec.eu.int](http://www.delukr.cec.eu.int).

<sup>32</sup> Interview, 5 January 2005.

<sup>33</sup> Interview with a Member of Orlovka Community Council, 11 January 2005.

<sup>34</sup> *Zerkalo Nedeli* (*Weekly Mirror Newspaper*), 4-10 November 2000.

<sup>35</sup> Interview with the shuttle trader Yuri Kopeyko, 15 January 2005.

<sup>36</sup> A regular observer narrates “Each Saturday morning, at approximately 10.00 am, Moldovan peasants reach Reni by the “Reni-Chishinau” train. Each of them brings between 15 and 20 litres of milk or sunflower oil, brynza or 20 kilograms of grapes, peaches. They spread carrier bags in front of the entrance of the Reni central market and sell their products to market buyers. They remain at the entrance because they can not afford to pay the fees for the market place, which can amount to one half of their daily profits. Often we chase them away. Many relocate to the crossroads a hundred meters away from the market place or move from one block of flats in Reni to another offering their produce to local inhabitants”. Interview with an officer of the Reni militia department, 3 August 2002.

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**Table 1.** Population changes in Reni District analyzed for each administrative-territorial unit<sup>1</sup>

	Population numbers		Decline in percentage
	2001	1989	
Total population of the district	39903	44115	90,5
Urban population	20481	23667	86,5
Rural population	19422	20448	95,0
Villages			
Novosel'skoye	3583	3350	107,0
Limanskoye	3190	3302	96,6
Orlovka	2980	3083	96,7
Nagornoye	2592	3063	84,6
Kotlovina	2570	2854	90,0
Dolinskoye	2552	2644	96,5
Plavni	1955	2132	91,7

**Table 2:** Dynamics of population changes analyzed for the main ethnic groups in the Reni District<sup>2</sup>

	Number of residents in the district	Percentage of the total district population		Decline in percentage
		Ukrainian census of 2001	USSR Census of 1989	
<b>Moldovans</b>	19938	49,0	46,9	96,3
<b>Ukrainians</b>	7196	17,7	16,5	98,9
<b>Russians</b>	6136	15,1	18,3	76,1
<b>Bulgarians</b>	3439	8,5	8,9	87,8
<b>Gagauz</b>	3216	7,9	7,6	82,1
<b>Belarussians</b>	164	0,4	0,6	66,9
<b>Germans</b>	36	0,1	0,1	94,7
<b>Romanians</b>	36	0,1	0,1	
<b>Armenians</b>	32	0,1	0,1	
<b>Tatars</b>	31	0,1	0,1	83,8
<b>Poles</b>	31	0,1	0,1	96,9
<b>Other</b>	425	1,0	0,7	147,8

**Table 3:** Migration from villages of the Reni District<sup>3</sup>

Village	Number	Percentage of village's population
<b>Kotlovina</b>	209	8
<b>Orlovka</b>	280	9
<b>Nagornoye</b>	150	6
<b>Plavni</b>	70	3,5
<b>Novosel'skoye</b>	30	1
<b>Limanskoye</b>	279	7
<b>Dolinskoye</b>	469	18

<sup>1</sup> *Reniysky Vestnik* ("Reny Herald" Newspaper), 4 March 2003.

<sup>2</sup> *Reniysky Vestnik* ("Reny Herald" Newspaper), 4 March 2003; Odessa Regional Statistic Directorate, All Ukrainian Census File, 2001.

<sup>3</sup> Interview with the Head of the Department of Internal Policy of the District State Administration, V.I.Diachenko, and with the heads of the Community Councils of the villages Nagornoye and Dolinskoye.