Macro-regions in the global cloud of trust.
A study of competitive identity creation within the European Union Strategy for the Baltic Sea Region

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Abstract

With a new regionalisation process in Europe a number of macro-regions are appearing. The same as countries or cities, macro-regions aim at developing or increasing the competitiveness in the global markets not only for products or funds, but also for ideas, influence and reputation, for trust and attention. The model of competitive identity – the brand management model for nations, cities and regions – suggests the complex approach for enhancing the competitiveness in a global world. The Baltic Sea region (BSR) – cooperation area consisting of 11 countries around the Baltic Sea- is an example of a new type of regions. As the European Union Strategy for the Baltic Sea Region (EUSBSR) accompanied by the Action Plan shows, branding and competitiveness topics are important issues aiming to build a successful macro-region.

The research framework is constructed applying the model of competitive identity to the recently edited Action Plan for the EUSBSR. This thesis adopts a case study design with the aim to examine how the Action Plan helps creating competitive identity in this pioneering macro-region. Since the BSR is seen as a role model for other macro-regions in the EU, the most important aspects creating the competitive identity for macro-regions are revealed based on this single case study.

Keywords: competitiveness, macro-regions, branding, EUSBSR, Baltic Sea Region (BSR)
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Introduction

One of the consequences of globalisation - growing acknowledgement of the influence of global public opinion and market forces on international affairs – leads to the perception of the world as a one market. As Simon Anholt, one of the world's leading specialists in creating brand strategies, states:

rapid advance of globalisation means that every country, every city and every region must compete with every other for its share of the world’s consumers, tourists, investors, students, entrepreneurs, international sporting and cultural events, and for the attention and respect of the international media, of other governments, and the people of other countries. (Anholt, 2007: 2)

Such factors as the spread of democracy and democratic-type governance, the growing power of the international media, the falling cost of international travel, the tightly linked global economic system and limited pool of international investors led to growing acknowledgment of the influence of global public opinion and market forces on international affairs (Anholt 2007: 19-20). As Anholt (2010: 37) states, globalization led to ‘the rapid transformation of the world from global battleground to global marketplace’. The understanding of this marketplace and rules it is imposing on such key actors in international relations as cities, countries and regions are the discussion topics recently raised in fields of international management and governance studies. A number of articles and books discuss the needs and practices of city, nation or destination branding (Kavaratzis, 2004, Ooi 2004, Moilanen - Rainisto 2009, Dinnie 2011). However, it should be underlined that these marketplaces do not mean just markets of products or funds, but of ideas, influence, culture, reputation, trust and attention (Anholt 2007, Szondi 2008, Volcic -Andrejevic 2011).

So in this global competitive context, the need for branding places (cities, countries or regions) and creating a competitive identity is underlined. Competitive identity is the model used by Anholt to describe the synthesis of brand management of places, public diplomacy, trade, investment, tourism and export promotion. In this model six channels most countries use to communicate with the rest of the world are specified: tourism promotion, export brand, policy decisions of the county’s government, investment promotion, culture and people of the country (Anholt 2007:26). Through these channels places deliberately or accidently create their reputation and image. Successful design of competitive identity offers a place a way to improve their
prospects for trade, aid, economic development, political influence and to gain general respect from the international community (Anholt 2010:30). In other words, it helps to create and maintain an international role for the place. One of the key points here is visibility in the dynamic global marketplace which is underlined in branding literature (Andersson 2007, 2010, Anholt 2007, 2010, Szondi 2008). Low visibility comes at a price: ‘at a time when the global competition between countries and regions is heating up, being unknown or having a weak image becomes a serious handicap’ (Andersson 2010:10).

The creation of competitive identity is seen as a model for enhancing national or regional competitiveness in a global world, which, according to Anholt, (2010: 23) ‘is a world made almost entirely of brand value: we hardly ever do business with people we really know, and consequently live, work, and trade almost exclusively among clouds of trust’. This cloud of trust is enhanced and its formation is accelerated by such activities as branding, design, advertising, public relations and public affairs. Companies and governments spend uncounted millions to create the impression that they are trusted by many people, or at least that they deserve to be trusted. This trust broadcasting system is commonly called branding (Anholt 2010: 22-23). However, in the current global system, not only companies or countries are in need of trust building and broadcasting. Supranational entities such as regions are also trying to gain their places in the global cloud of trust. In general, the formation of regions can be seen both as a consequence of global forces (economic, technological, political, etc.) and defence mechanism against competitive pressures in the global arena (Pelagidis - Papasotiriou 2002, Väyrynen 2003). So as, every country applying branding strategies, according to Nworah, ‘actively seek to create a unique brand and competitive identity for itself, with the aim of positioning the country internally and internationally as a good destination for trade, tourism, and investments’ (Nworah cited by Andersson 2007), regions are also in need of competitive identity in order to compete in a single, global community within the complex global marketplace. One of them is the Baltic Sea region (BSR) consisting of the Baltic countries (Estonia, Latvia, and Lithuania), the Nordic countries (Denmark, Finland, Iceland, and Sweden), Northern Poland and Russia’s North-western region including Kaliningrad.
1.1 Research problem

As states (Andersson 2010: 10), ‘the BSR “deserves” to be known for all its qualities’, and that ‘it can be seen as a “global frontrunner”, “a region of excellence”, the “Top of Europe”, and a “magnet for capital, talent, tourism and innovative thinking”’. Aiming for visibility, initiatives towards intensive regional cooperation among the countries around the Baltic Sea have been present since the early 1990s. As a result, ideas of branding the BSR can be traced back to 2000 when in the Baltic Development Forum Summit in Malmö the need of active marketing to become better known and attract more investors was pointed out. Since then discussions and investigations of the potential for building a brand for this region have been present, aiming to promote it both in Europe and globally (Andersson 2007: 10-12). These interests were strengthened after the EU enlargement in 2004 when three Baltic States and Poland joined the union. This enlargement created a new impetus for the region to become an integrated economic and political entity, which made regional decision-makers turn their interest towards a deeper integration of the region. These integration ideas also covered initiatives to create strategy for branding the region (Andersson 2010: 12). The best known practitioners of place branding were involved in the process of creating several ‘brand stories’ for this region as a starting point to promote the region in wider international contexts. Developed around the main themes about the BSR and its advantages, several stories about the region were presented: ‘When East and West combine’, ‘Born in the age of globalisation’ or ‘Smartest region in the world’ (Andersson 2010: 13). All these stories reflected ideas about the image of the BSR region as a dynamic, ambitious and highly competitive region. In addition to these stories, the ‘Pearl Necklace Strategy for Branding the New Hanseatic League’ was drafted by Anholt. The core of this strategy was to portray the BSR as consisting of individual countries and different developing areas which in close cooperation are inspiring each other and in the longer run can become pearls in a ‘pearl necklace’ of great value (Andersson 2010: 11). Presented in 2005, this strategy to a large extent was the inspiration for the BaltMet Promo project, which marketed the region to attract investors, tourists and skilled individuals.

Thus all these initiatives show that the aim to create a competitive and trustworthy brand for the BSR has been present and developed for some time. Initiatives
towards closer cooperation aiming to create both an economically and socially strong region were not only the topics in some conferences or an interest of some NGOs or project managers. These topics have also been discussed on different levels within a dense network of organizations for regional integration. However, this variety of cooperative arrangements, organizations and activities lacked a common goal or mission. As a result, the BSR has remained a diffuse or even unknown concept and ‘too much of a “well-hidden” secret to the outside world’ (Andersson 2010:10). As it is stated by the European Commission (2013: 166) ‘despite the high-level interest towards joint promotion, marketing and branding the Region, it has not yet developed in a structured and systematic way. Neither does Baltic Sea Region exist as a region with shared identity and recognised image’.

The BSR has been outlined as an area of cooperation ‘where new ideas and approaches can be tested and developed over the time as best practise examples’ (Joenniemi 2009: 4). These ideas about BSR are raising high expectations about this region in different areas. Good performance in common global markets, which depends on trust building and broadcasting in the global cloud of trust, is one of these expectations. However, as was mentioned before, the BSR does not have a strong enough competitive identity to appear in the global cloud of trust. As a result the region is losing opportunities to compete in global market places for investments, tourists and talents in order to increase its prosperity and strengthen its positions in the broader international arena.

1.2 Relevance of the research. The aims and discussion questions

Since regionalization is seen as one of the obvious outcomes of globalization and at the same time as a defence mechanism against the competitive pressures arising from the globalization process (Pelagidis - Papasotiriou 2002) the discussion how regions can cope with the challenge to be visible and compete in global markets is a highly relevant and important issue in the current international arena. Even though, in his books Anholt (2007, 2010) mentions the need to brand regions, the examples he provides are of individual countries or cities. Moreover, presenting the model of competitive identity, the author refers to a national reputation or a national image. Also of mentioned Anholt’s books and a number of articles, which touch upon image or identities of regions, most are referring to sub-state regions not supra-state
regions (Anholt 2007, 2010, Terlouw 2009, Prytherch 2010, Kavaratzis - Hatch 2013). Andersson, the main researcher investigating branding of the BSR, emphasizes that there is clear limit of works focusing on the branding of entities larger than countries, such as supra-state Baltic Sea region (Andersson 2010, 2013, interview). However, with a new regional dynamic in Europe, ‘unusual’ or ‘non-standard’ regions in the EU context are appearing. Most of them are local or regional cross-border areas located between two states, but some of them encompass several states (Paasi 2009: 130). The BSR as a macro-region is an example of a bigger, unusual region connecting several countries. Also this region is seen as a ‘model’ having the potential to lead the way in the sphere of macro-regions (Joenniemi 2009: 5). And this sphere is recently growing with the creation of the macro-regional Strategy for the Danube Region, with idea to create the Atlantic Arc (cooperation area among Western Europe's maritime countries) as the next macro-region and with the recent proposals for the Mediterranean Macro-Region (Dühr 2011, Andersson 2013, Bialasiewicz at al. 2013). According to Paasi (2009: 133), these new regions in one way or another are created as ‘ad hoc projects that aim at developing or increasing the competitiveness of the spatial unit in question’.

Such nature of these regions confirms that new macro-regions in the EU context are in obvious need of visibility in the global cloud of trust. Like countries, these regions should cope with the mentioned consequences of globalization and stay competitive in fused marketplaces not only of products and funds, but also of consumers, tourists, investors, students, entrepreneurs, international sporting and cultural events. So since a new regional dynamic in Europe is bringing up regions as important actors in the international arena, there is a need to raise questions about these new regions’ capacities to appear in the global cloud of trust by building their competitive identities.

In speaking about the need of competitive identity to gain an international role in the global marketplace/international system, we should see this field as entirely new and as ‘an emerging synthesis of public and private sector theory and practice that could, and should, revolutionize the way that places are run in the future’ (Anholt 2007:23). In connection to this, the need of broader debate in this area is underlined. So application of the theory of competitive identity to regions, and especially new kinds of regions such as macro-regions, can possibly provide more debate and discussion on ‘the core issues of good practice, ethics and standard in the field’ (Anholt 2007: 22).
So the aim of this thesis is double. First, to apply the theory of competitive identity to the case of the Baltic Sea macro-region in order to contribute to the still limited research on branding activities of supranational entities such as macro-regions. The second aim is stimulate a more flexible application of the competitive identity model to different entities and in this way to complement discussions within the theory of competitive identity. To accomplish these aims, close analysis of the recent Action Plan for the European Union Strategy for the Baltic Sea Region (EUSBSR) will be the core of this research. By creating an extensive overview of actions and projects under this Action Plan in the framework of competitive identity theory, this study aims to see how creation of competitive identity is being built in the BSR. This overview can help both to develop the application of competitive identity theory to macro-regions and to formulate suggestions for the mentioned macro-regions in progress. So the main questions of this research are: How does the EUSBSR strategy, through its Action Plan, contribute to creating a competitive identity of the Baltic Sea macro region? In connection to this, what suggestions does the Action Plan reveal for creation of competitive identity in the global cloud of trust for macro regions?

1.3 Why these tools and why now?

In 2009, the European Commission launched the European Union Strategy for the Baltic Sea Region (EUSBSR). This Strategy, accompanied with the Action Plan, is the first EU internal strategy for a European macro-region and is ‘an integrated framework adopted by the Council to address common challenges, in which adjacent member states benefit from strengthened cooperation contributing to economic, social and territorial cohesion of the EU’ (Sørensen 2012). One of the challenges stated in the recent Action Plan for EUSBSR is the need to enhance the region’s prosperity. In connection to this, the goal to strengthen the competitiveness of the region is mentioned as a separate sub-objective in the Action Plan. In the recent Action Plan, the Commission emphasized the problem that the BSR do not have recognised image and that there is a lack of joint activities branding this region (Commission 2013: 165). So with this Action Plan, issues about brand and identity building, which were already present among organizations and stakeholders of this region for over a decade, got an important place on the high-level political agenda in this macro-region.
As Andersson discusses about the BSR and its visibility:

the region has a lot going for it when it comes to becoming more known and appreciated, but it needs to make more efforts to coordinate activities, exploit the synergy between them, and work with a longer-term perspective. It may well be that the EU Strategy for the Baltic Sea Region is part of the solution to these challenges because it has the potential to provide not only a framework and structure for coordination and collaboration but also a long-term perspective. (Andersson 2010, 62)

The EUSBSR which should be read with the indicative Action Plan seeks to provide a co-ordinated, inclusive framework in response to the key challenges facing the Baltic Sea Region (Commission 2009: 4). Aiming to strengthen the competitiveness of the region, the recent Action Plan for this strategy includes a number of actions in order to coordinate activities which can help to brand the region and strengthen its competitiveness. Because of this, the Action Plan as a main document providing the framework and structure for the activities to create more visible and competitive BSR is taken as plan providing a foundation for creating the competitive identity for this macro-region.

Since 2009, the Strategy and its Action Plan have been discussed and edited. The recent editions have been started in June 2012 changing the Action Plan in order to make it more communicative and effective. In March 2013 the editing process was finalised. This recent edition shows that branding and visibility are becoming important issues in the framework of the Strategy, so it is good timing for an investigation of the competitive identity of the BSR in the framework of the recent Action Plan.
2. Theoretical and conceptual frameworks of the research

In this thesis, the main focus is the possibilities and challenges for macro regions to appear in the global cloud of trust. However, before applying the theory of competitive identity to the new kind of regions such as macro-regions, the concept of macro-region should be discussed more. There is a need to show that when applying this theory of place brand management to macro-regions, these regions should be understood as specific kind of places, places different than the cities or countries to which the model of competitive identity previously was applied. Also there is a risk that creation of competitive identity for a place could be understood in economic sense as part of a marketing project. In order to overcome these possible conceptual traps, the theoretical framework of analysis should be discussed more extensively. So this part will analyse what kind of entity we are discussing when we talk about the region as BSR and what is meant in this research by place branding. Finally, the model of competitive identity as policy based approach to branding will be presented.

2.1 Macro-regions

The concept of macro-region is quite new and is seen as marking a new approach to European territorial integration (Salines 2010). As a result, it is getting more attention in different study fields. However, based on an overview of discussions in regional studies, Paasi states that some keywords in regional studies are often circulated without reflecting on them contextually. The same points could be applied for the concept of region as such. Paasi points to the lack of conceptual approaches in recent political science analysis of the region-building processes in such contexts as the Mediterranean, Northern Europe, or the Black Sea (Paasi 2009: 122). This is the reason the concept of the macro-region should be investigated first, trying to answer the question what kind of place we are speaking about.

After the conclusion of the EUSBSR, investigations of the concept of macro-region and discussions about it were raised to analyse what kind of entity this strategy frames and promotes (Dubois at al. 2009, Joenniemi 2009, Henningsen 2011, Schymik 2011). These studies provide us with an idea of the macro region as an area covering a number of administrative regions with extensive issues in common to justify a single
strategic approach (Schymik 2011). As Madeiros claims, the BSR should get special attention because it ‘marks a new beginning for the territorial cooperation policy of the European Union since it is the first truly integrated approach adopted by the Member States and other neighbouring countries that face the same set of problems’ (Medeiros 2011: 3). Moreover, the BSR has been outlined as an area of cooperation ‘where new ideas and approaches can be tested and developed over the time as best practise examples’ and, as a result, is seen as having the potential to lead the way in the sphere of macro-regions (Joenniemi 2009: 5). These descriptions of the BSR show high expectations for this region. However, all of them are referring more to the aim and the function of the macro-region but do not speak about the macro region as a particular type of entity or place. Aiming for this, several perspectives on macro-regions can be applied.

2.1.1 The need to analyse the BSR as particular kind of entity

Applying the theoretical framework of competitive identity to such a still poorly analysed entity as the macro-region, this thesis aims to stimulate a more flexible application of the competitive identity model to different entities, and to raise broader debate about it. However, application of competitive identity theory to such a place as the BSR first requires discussing a concept of macro-region in the wider perspective of regional studies. This can help to show that in applying a new theory of brand management of places to macro-regions, one should be aware of the particular nature of such regions. So the specific nature of the BSR will be discussed briefly in few next sections. Starting this, however, it should be stated that this part will not cover all of the different discussions about emerging macro-regions in Europe, since they are seen as ‘fuzzy’ and ‘soft-bordered’ (Bialasiewicz et al. 2013) and can be approached from different angles – geographically, socially, cognitively, etc. Speaking about the BSR in these sections and in the framework of place branding, the analysis is close to Weaver’s question asking ‘when we say “Baltic”, do we mean a place, a space, a bounded area, a cluster of networks?” (Weaver 1997: 293). So the case of the BSR will be analysed taking dichotomies in regional studies in this way, revealing specific features of this region and trying to show that macro-regions are not a strict place in comparison with cities or countries.
2.1.2 BSR as a new kind of region

Generally macro-regions are described as regions covering wide transnational territory. Based on two already established European macro-regions (Baltic Sea and Danube regions), these regions are defined as the ‘governance units’ covering the area over 700,000 km², involving more than two countries with contiguous territories and a common development strategy in certain socioeconomic domains (Medeiros 2011:9). However, to reveal the nature of such a place as the BSR, it is useful to understand emergence and functioning of this macro-region, seeing it first of all in the distinction between old and new regionalism.

During the 1990s, a new theoretical approach to regional integration called new regionalism was developed simultaneously with emerging new forms of regional cooperation. At this time, the international arena going from the Cold War bipolar world scenario to a ‘multipolar’ world order, and the increasing importance of global flows created preconditions for more robust and new regional integration (Dubois at al. 2009:14). To compare old and new integration, it is important to underline that ‘[o]ld’ or conventional regionalism was created from ‘above’ under a clear top down approach, while the ‘new’ one is conceived throughout as a more spontaneous process from within the regions’. So as a result in the sense of formation and maintenance of the region, the old regionalism was about ‘government’, while new regionalism is about ‘governance’ and the combination of private, public and non-profit interests (Dubois at al. 2009: 14).

Having this dichotomy, we can see that the formation of the BSR is an example of new regional integration process. According to Williams, an interesting – and to some extent unique – feature of BSR cooperation is that it first emerged as a bottom-up and grassroots movement from ‘below’, rather than originating from political pressure from ‘above’. The main driving forces behind the Baltic Sea regional cooperation have been a strong commitment to regional cooperation at the national, regional and local levels – in both the public and private sectors (Williams 2001:10). Early frontrunners of this regional cooperation were organisations and collaboration networks (Andersson 2010:10). In talking about the institutional side and about the particular governance of this region, two features should be underlined. First, the BSR is known for a dense network of flexible intergovernmental organisations for regional
integration trying to involve all BSR members states (i.e. the Baltic Council, the Council of Baltic Sea States and the Nordic Council of Ministers). Second, a number of different thematically-oriented and overlapping associations, conferences and research groups/institutions exist in this region. This multilevel cooperation, broad participation, and a variety of agreements in these levels enable different stakeholders to participate in the process of maintenance and development of regional cooperation (Christiansen 1997:287). Because of this density and variety, the BSR is called a laboratory for transnational governance (Dubois et al. 2009: 14). So this dense cooperation network shows that BSR should be seen as a new region built from below by spontaneous processes and having the specific governance in multiple levels.

However, here it should be stated that today, with the currently adopted the EUSBSR discussions about the BSR as a top-down project can be found. There are opinions that today, the BSR has become a community of elites with no bottom up recognition (Henningsen 2011: 16), or is just a political project translated into a particular space (Bialasiewicz et al. 2013: 71). However, having the limitation of this work and the main research questions, the Strategy and the accompanying Action Plan, their aims and effects on regional functioning will be analysed only in connection with the goal to create competitive region. In this paper the Strategy is seen as an outcome of decision to join forces to achieve common goals - save inland sea and to strengthen the competitiveness of the region (INTERACT 2009, Commission 2009: 5). So creation of the Strategy does not negate its nature of new regionalism or the specific governance of the region. In this paper, analysis of the region and its competitive identity is based on the assumption that the Action Plan of the Strategy is a framework for all multiple-level cooperation on which the BSR is built in order to reach a common strategic approach for the future development of this region.

Furthermore, while seeing a macro-region as a governmental unit having a dense network of organizations and multilevel cooperation, further analysis of macro-regions can be operationalized in light of the distinction between physical and functional regions. According to Väyrynen ‘[p]hysical regions refer to territorial, military, and economic spaces controlled primarily by states, but functional regions are defined by non-territorial factors such as culture and the market that are often the purview of nonstate actors’ (Väyrynen 2003:27). From the beginning of the 1990s rapid extension of a new kind of collaboration in the BSR can be observed. Along with the
very conscious revival of historical links, cooperation in the fields of economics, politics, environmental protection, security, culture, social issues, education, and tourism was built on different levels which highly contributed to deeper regional integration (Andersson 2010: 10). So since the BSR is characterized by a variety of organizations and cooperation in different fields, it shows that the BSR should be seen as functional region with multiple functions covered. Moreover, this variety of issues covered by different initiatives and organizations shows that the BSR is defined by several both, territorial and nonterritorial factors – culture, market, environment. Finally, because of its bottom-up creation over the years and the significant number of cooperation areas covered under the BSR, this region is presented as ‘a functional region, sharing challenges, opportunities and solutions’ and ‘a space “naturally” unified by both common geomorphological and historical features’ (Bialasiewicz at al. 2013: 66: 65).

2.1.3. BSR as a space of flows

Seeing the BSR as a functional region with bottom-up governance, it is useful to come back to discussions about functional regions referring to Castells’ differentiation between a ‘space of places’ and a ‘space of flows’. Castells defined a place as ‘a locale whose form, function, and meaning are self-contained within the boundaries of physical contiguity’ (Castells 1996:423) and by the space of flows he refers to the ‘material organization of the time-sharing social practices that work through flows and networks’ (Castells 1996:412). Moreover, these ‘networks have their own hubs of power and managerial elites who, even though spatially located, organize the space of flows independently of physical contiguity’ (Väyrynen 2003:27). In the case of the BSR the earlier mentioned density of networks which are created for different purposes – political, cultural, economic, environmental, etc. – have a number of transnational organizations joining them and in this way creating these hubs of power and managerial elites. So as a new type of region, the BSR should be associated not only with the process of relations between nation states, but the process among a variety of nonstate actors. Such actors as private institutions, universities, organizations, movements, civil society actors, private firms or any other type of stakeholder and their networks are promoting regional integration (Dubois et al. 2009: 14). Exactly these
actors are organizing the space of flows, promoting integration, and at the same time creating and maintaining the region.

In some of the definitions of the BSR we read:

There is no scientific way to precisely determine the boundaries of the Baltic Sea Region. We proceed conservatively, including only those regions that appear closely integrated with other regions around the Baltic Sea. Iceland and Norway are included because they have close relations to many countries around the Baltic Sea and are eager to participate in regional co-operation. Regions in Germany, Poland, and Russia not bordering the Baltic Sea are not included, because their economic ties with the Baltic Sea Region are limited. This makes the definition used here more restrictive than the ones used by other institutions. (Ketels et al. 2012: 10)

Or in the European Commission’s own words, the macro region is simply ‘an area covering a number of administrative regions but with sufficient issues in common to justify a single strategic approach’ (Commission 2009: 5). Moreover, its borders are not delimited once and for all, but their ‘extent depends on the topic: for example, on economic issues it would involve all the countries in the region, on water quality issues it would involve the whole catchment area’ (Commission 2009: 5).

So because of its complexity, variety of activities and unclear boundaries, the BSR is definitely difficult case to see as a clear space of places. In the description of this region it is seen that eagerness to participate, ties, and also the sharing of the problem are some of the main factors determining what is included under the name of BSR. It shows the perception of the BSR as less particular geographical space but more as a ‘space of flows’, meaning every kind of flows – economic, cultural, political, etc. These flows were formed step by step over the years. With new challenges, they are expanding and in this way are creating particular flows. Moreover, as it was stated earlier, the BSR is more of a functional than physical region. This means that in referring to the BSR, we cannot refer to a particular place, but rather to the initiatives and cooperation, and the networks this macro-region consists of. So it should be admitted that the Baltic Sea macro region, which from the very beginning of the 90s was shaped by social practices and different kind of flows and networks, can be seen as a space of flows or a cluster of networks.

So trying to describe how the BSR macro region is understood in the framework of this research, this part let us refer to this macro-region as a new type of
region run by bottom-up governance logic, as functional region, a laboratory of transnational governance, and a space of flows. It shows that a macro-region is not just a regular place. It is a multifunctional entity, a space of flows and a much more complex place than any city, country or strict physical region. Therefore the macro-region should raise awareness that in trying to create a competitive identity for this kind of entity, it is not created for a unit, but rather for a complex and multifunctional entity.

2.2 Approaches to branding and competitive identity

In both books and articles discussing theoretical levels of branding and its application in different cases, we find the standpoint that despite the fact that branding has developed within the commercial world, nowadays its basic principles apply in equal measures to almost every sphere of public and private life: political, social and cultural, official and unofficial, private and public (Anholt 2007, 2010, Moilanen - Rainisto 2009, Therkelsen - Gram 2010, Dinnie 2011). This wide application of branding practices shows the importance of trust broadcasting systems in different areas but at the same time different applications show a lack of consensus about the definition of a ‘brand’. There is no single accepted definition of place branding either. However, following some discussions in the main sources analysing this area of studies, several dominating definitions of place branding and particular approaches to branding can be tracked. In describing them, the approach towards place branding and competitive identity in the framework of this thesis should be clarified.

The Journal of Place Branding and Public Diplomacy, which is a pioneering journal and the first to concentrate on this fast-growing field, base d on Anholt’s ideas defines place branding as ‘applying brand strategy and other marketing techniques and disciplines to the economic, social, political and cultural development of cities, regions and countries’ (Anholt cited by Hanna - Rowley 2007: 64). Also as Hanna and Romley in their research on the essence of place brand management claim, there is wide agreement on seeing place branding as ‘a process through which a new place identity is acquired by adding measurable, cultural, social and economic value’ (Hanna - Rowley 2012: 103). These definitions provide us with a clearer understanding of place branding and the aim with creation of competitive identities for places. But at the same time they point to some problematic issues and shortcomings. First, there is a need to show that previously mentioned widely spread definitions of place branding are
often reflecting the technical-economic approach to branding activities coming from disciplines that concern themselves with conditions for economic growth, efficiency and capital accumulation. This approach is rooted in marketing management orientation and is based on the assumptions of hegemony of global market and global competition meaning that ‘national wellbeing is defined primarily in terms of securing an economic competitive advantage’ (Kaneva 2011: 122). However, even though in this thesis the assumption about global competition is accepted, there is a need to abandon the notion that place branding is some form of marketing and economic discipline associated with advertising, promotions, public relations or even propaganda providing only economic competitive advantage (Anholt 2007). In other words, there is a need to clarify that this research aims to overstep pure technical–economic approach which analyses branding as marketing procedures. As reflections on place branding researches shows, the technical–economic approach ‘puts scholars and practitioners in general at risk of commodifying social and cultural aspects of identities, image creation and, consequently, place branding’ (Sevin 2011: 157).

So in this thesis, in trying to avoid mentioned risk, the claim that globalisation has created situation where every entity in the international arena has to compete for its visibility in global settings is approached from more political point of view. Today in the global international arena, according to Peter van Ham (2001: 4), we see ‘a shift in political paradigms, a move from the modern world of geopolitics and power to the postmodern world of images and influence’. In these settings ‘[b]rands are not only seen as the engines of business, but also of politics’ (van Ham, 2002: 253). Thus in this case of BSR study, place brand will be analysed applying more of a political approach to this issue, in order to avoid the mentioned risk of commodification of social and cultural aspects of macro-regional competitive identity.

However, it should be stated that the strict classification of the mentioned approaches is not clear and pure identification with one of them is not really possible since quite often the spill over of these approaches is seen in recent discussions and analysis on place branding activities. It should be noticed that Anholt’s works (2007, 2010) with some concepts which the research questions and theoretical framework of this thesis were primarily built on, seem to present a technical-economic approach (Sevin 2011: 157). However, Anholt argues that there are two ‘schools’ of branding—‘communication-based’ and ‘policy-based’—and that, while communication-based
branding is more common, only policy-based branding produces real results (Anholt cited by Kaneva 2011:121). So even if concepts used in this thesis themselves are more referring to technical-economic area where employing marketing and pure economic tools to gain fast economic advantages for a place are expected, recent discussions by Anholt show that the initiatives and the goals towards the place branding are not and cannot be seen purely economic. Also in his recent book Anholt (2010) emphasises that in order to create and sustain the image, place branding should be seen as a long-term project closely connected with coordinated policies. So this standpoint is clearly reflecting a ‘policy-based’ approach.

However, in the processes of brand creation and its maintenance, both economic and political tools and goals are necessary. So in this thesis the approach to branding and specifically to competitive identity is more of a political approach with some spill overs from the technical-economic approach, basing this standpoint on the evidence that certain assumptions held by the technical-economic approach are also shared by authors in the political category. These include the claim that nation-states operate in a global competitive context, and that, ‘by managing their reputations strategically, nations can advance their interests in the international arena’ (Kaneva 2011: 125). As Kaneva summaries these shared points, ‘both approaches share an instrumentalist orientation and see public diplomacy or nation branding as tools for gaining a competitive advantage, regardless of whether the processes are defined in economic or political terms’ (Kaneva 2011:125). So in trying to avoid a narrow technical-economic approach to place branding and overcome ‘the bad brand of branding’ (Anholt 2007:5), the theory of competitive identity is applied as enabling to bring more political approach to the place branding process.

2.3. Competitive identity as political approach to place branding

In his latest book, Anholt underlined the need to abandon the notion that place branding ‘is some form of marketing discipline. It is nothing less than a new approach to statecraft, to economic development and international relations’ (Anholt 2010: 8). Also he states that that ‘the word “brand” captures the idea of reputation observed, reputation valued and reputation managed’ (Anholt 2010:20). So place branding or creation of competitive identity is exactly the process of creating this reputation for a place and managing it. Implementation of the place brand ‘consists of
proving the vision, rather than just communicating it’ (Anholt 2010: 33). So in order to prove this vision, a number of policies should be initiated and developed in the sectors places deliberately or accidentally create their reputation and image through. This idea is reflecting the already mentioned ‘policy-based’ school of branding.

As Sev in states, ‘a place brand is the perception of a place by external and internal audiences, which is based on the projected physical and psychological peculiarities of a place’ (Sevin 2011: 157-158). Moreover, according to Kavaratzis, the brand of the place ‘is embodied in various and diverse actions and objects, some of which will be directly aimed at the creation of the brand, while others might aim at other goals but still have a significant effect on the place’s brand’ (Kavaratzis 2004: 64). So in this context Anholt’s model of competitive identity can be seen as a model reflecting the various and diverse actions in which place brand is embodied, and the important actors in building branding policies. In the model of competitive identity (Figure 1) this variety of aspects influencing place brand is indicated in a hexagon of competitive identity. In this hexagon, six channels most countries use to communicate with the rest of the world are specified: tourism promotion, export brand, policy decisions of the county’s government, investment promotion, culture and people (Anholt 2007:26).

Figure 1: The hexagon of competitive identity. Source: Anholt, Simon (2007), Competitive Identity: A new model for the brand management of nations, cities and regions, p.27

It is important to note that these communication channels are presented as the channels national reputation comes from. Below the six channels of competitive identity will be presented as they are described in Anholt’s book (2007) on competitive identity. However, this model of competitive identity is called the new brand management for nations, cities and regions. So in having an aim to stimulate a wider
application of competitive identity model to different entities, a more flexible interpretation of these channels will be needed.

- **Tourism** promotion and people’s direct experiences of visiting the country as tourists or business travellers. Tourism is often the loudest voice in ‘branding’ the nation as it has an ability to brand the country directly. Communications from tourist boards are seen as a legitimate representation of the country to the global audience (Anholt 2007: 25, 88-89).

- **Culture** as cultural exchange and cultural activities and exports. Culture plays an essential role in enriching a country’s reputation and in driving public perceptions towards a fuller and more durable understanding of the country and its values (Anholt 2007: 97).

- **Investment** as communication channel is understood as the way a country attracts inward investment and expansion into the country by foreign companies. It is a channel to attract business audience (Anholt 2007: 25)

- **People.** Population in general can be a great tool of public diplomacy, meaning people-to-people relations when population is ‘becoming the mouth-piece of a country’s values and qualities’ and specific advertising means communicating the complex identity of the place. When the substantial part of the population is motivated and energized through benign national ambition, people use the opportunity to tell the world about their county. Furthermore, an educated population is a great communication channel in building a positive and highly attractive image of the place (Anholt 2007:105, 107).

- **Brand.** In general, the brand of the place is the subject/object the place is associated with which has great effect on the place image. It should be underlined that the brand is one of the communication channels. ‘Brand has a particular power to accelerate and lead changes in the public perception of countries: whether we like it or not, they are increasingly important vector of national image and reputation, even of culture’ (Anholt 2007: 91). On the national level when referring to brand as a communication channel, export brand is mentioned first of all as a powerful ambassador of each country’s image abroad.
• By policy as communication channel Anholt means governmental policy, the policy decisions of the country’s government, whether foreign policy that directly affects overseas population, or domestic policy that gets reported in the international media (Anholt 2007:25). From this point of view, ‘public diplomacy is clearly a component of competitive identity’ (Anholt 2010: 94). However, in the author’s later book (Anholt 2010) we find an explanation that public diplomacy in the model of competitive identity should be understood as ‘an instrument of policy rather than the method of communication’ (Anholt 2010: 100). By this it is meant that public diplomacy is a variety of methods which are ‘used in order to bring about changes in the behaviours of populations [...] to cause them to bring policy changes’ (Anholt 2010: 101).

As was mentioned earlier there is an agreement that place branding is ‘a process through which a new place identity is acquired by adding measurable, cultural, social and economic value’ (Hanna - Rowley 2012: 103). So the model of competitive identity lists six main areas within which places can acquire their values, which can help them to become more visible and competitive. Also this model reflects the idea that when the place (city, country, region) is able to coordinate all six channels, then there is a good chance of building and maintaining a competitive identity both internally and externally. The successful creation of competitive identity is seen as ‘the lasting benefit of exporters, importers, government, the culture sector, tourism, immigration, and pretty every aspect of international relations’ (Anholt 2007: 26). The competitive identity model shows that in order to create strong competitive identity and positive perception of the place both internally and externally particular initiatives and activities should be initiated and maintained to unite different areas and different actors of the city, country or region.

Taking the political approach with some spill overs from the technical-economic approach towards analysis of competitive identity, we can see the model of competitive identity as a tool to provide the place with an international role, at the same time seeing economic advantage of competitive identity as important aspect. From this point of view, the competitive identity of the BSR can be seen as a concept close the so-called Nordic brand. As Browning states, ‘the idea of the Nordic model has become something of a brand by which to position the Nordics in the world and provide them with an international role’ (Browning 2007: 28). Also his ideas about the Nordic brand
can be helpful to understand the concept of competitive identity in a wider perspective, suggesting a spill-over of the technical-economic approach into the political approach. Describing the concept of brand in the political and international relations context, Browning states:

While identities can be understood as malleable and relatively hard to pin down, the idea of brand in this instance points to a set of ideas, norms and practices that might be conceived of in terms of an overall (if loosely defined) package. The aim of marketing a brand in this instance might be driven by identity considerations to convince the audience that you have a particular identity, but it might also be to sell the package of ideas, norms and practices and to carve out a niche for one’s product and oneself within the global marketplace/international system. (Browning 2007: 30)

In the framework of this understanding about branding activities, competitive identity can be seen exactly as this set of ideas mentioned above. These ideas are coming from different areas which in the model of competitive identity are sustained by six different channels and which are carving out a niche for a place within the global marketplace and international system. So built by different means including attraction of investments, tourists, human capital, or trade, competitive identity should be seen as a tool enabling places to be present and compete not only for economic advantages in global markets but also to obtain the position and influence in the international arena. In some sense we can see a strong competitive identity as a tool of soft power in international relations. This soft power can be channelled through different sectors listed in the competitive identity model.
3. Methodology

According to Yin (2003: 2) ‘the distinctive need for case studies arises out of the desire to understand complex social phenomena’ and ‘the case study method allows investigators to retain the holistic and meaningful characteristics of real-life events’. Since both the process of place branding and regions’ need to appear in the global cloud of trust are recent social and complex phenomenon, the case study design strategy is seen as the most suitable for this research. Moreover, the case study method was chosen according to the questions and the goals of this research.

3.1 Research questions and case study strategies

The case study is the preferred strategy when the questions how and why are being posed, when the investigator has little control over events, and when the focus is on contemporary phenomenon within real-life context (Yin 2003: 2, 5-10). In these setting a case study would be an ‘explanatory’ one (Yin 1989: 13). However, here it is important to underline that explanatory case studies can be complemented by ‘exploratory’ and ‘descriptive’ types of strategies (Yin 1989: 15). As Yin discussing these strategies claims, the boundaries between the three mentioned strategies are not clear and sharp and there are large areas of overlap among them (Yin 1989:16). This pluralistic nature and capacity of a case study to raise and answer different kinds of questions applying to different study strategies is one more reason why it was chosen as the most suitable for this research.

The case study research is seen as generally more exploratory than confirmatory which means that the case study researcher normally seeks to ‘identify themes or categories of behaviour and events rather than prove relationships or test hypotheses’ (Hancock - Algozzine 2006: 16). So the research question how does the EUSBSR strategy, through its Action Plan, contribute to creating a competitive identity of the Baltic Sea macro region here should be seen as an exploratory question helping to identify actions which are taken to create the competitive identity of such a new entity as the macro-region. Applying the theoretical model of competitive identity and its six channels of communication, some categories of behaviour/actions contributing to competitive identity of macro-regions can be identified.
In the case study research design the question what can also be an exploratory question and because of this is seen to pertain to the exploratory case study strategy (Yin 1989: 17). So the second question of this study (What suggestions does the Action Plan reveal for the creation of competitive identity in the global cloud of trust for macro regions?) is raised aiming to lift the debate about macro-regional competitive identity to a broader theoretical framework and explore some patterns or even a particular approach to the creation of the competitive identity of macro-regions based on research of the BSR single-case. So in the framework of case study research design, both questions of the research identify the exploratory research strategy within this study. In addition to an exploratory strategy, a descriptive strategy of a case study aiming ‘to present a complete description of a phenomenon within its context’ (Hancock - Algozine 2006: 33) will be also applied in this research analysing the actions and activities in the Action Plan in connection with six communication channels.

3.2 Case selection and attempts to achieve analytical generalization

Trying to fulfil the aim to contribute to limited research on the branding activities of supranational entities such as macro-regions, the single case study of BSR was chosen for this research. The case of the BSR has been chosen for several reasons. First, this case can be seen as having strong potential to achieve analytical generalization. The research is based on this single-case analysis because it is widely agreed that the BSR is pioneering but also ‘a showcase laboratory’ (Salines 2010: 6) and a model for all subsequent macro-regional initiatives (Bialasiewicz at al. 2013: 66). Furthermore, As Perri 6 and Christine Bellamy (2012: 122) states, ‘[w]ell-chosen studies can be used to illustrate, or even to simulate, features commonly found in “real-life” practice. Social science use case studies to provide similar insights’. So because the BSR is considered an area of cooperation ‘where new ideas and approaches can be tested and developed over the time as best practise examples’ (Joenniemi 2009: 4), this case is taken exactly as the case which can illustrate features of competitive identity creation on a macro-regional level. Finally, having the interest and knowledge about cooperation among countries in the BSR from previous and recent studies in Lithuania, Sweden and Finland and work experience in Denmark at Baltic Development Forum - one of the leading international think-tanks in this region – the case of BSR is seen as
the most suitable case illustrating the convergence of place branding activities and macro-regional development and as the case showing an emergence of possible new approaches to place branding.

The single case study of the BSR aims to complement to discussions within competitive identity theory and to contribute to the still limited research on branding activities of such supranational entities as macro-regions. So the analysis of the BSR case should be seen as aiming for ‘generalization beyond the immediate case study’ (Yin 1989: 43). However, it should be mentioned that external validity - knowing whether a study’s findings are generalizable beyond the immediate case study - is one of the common concerns and critiques discussing a case study research design. It is claimed that ‘[o]ne cannot generalize on the basis of an individual case’ and that ‘the case study cannot contribute to scientific development’ (Flyvbjerg 2006:221, 237). So the same critique can be applied in the context of a case study of the BSR. The short answer towards this critique given by Yin here is that ‘the case study, like the experiments, is generalizable to the theoretical propositions and not to populations or universes’ (Yin 1989: 210). According to Flyvbjerg ‘[o]ne can often generalize on the basis of a single case, and the case study may be central to scientific development via generalization as supplement or alternative to other methods’ (Flyvbjerg 2006: 228).

Since the BSR is presented both as pioneering case of a new approach to European territorial integration and also as an example to other new macro-regions in Europe (Danube, Mediterranean regions), this case is taken as an illustrative case enabling complement to discussions within competitive identity theory. In the future, development of competitive identity theory might be achieved with wider comparative studies of macro regions. However, based on recent discussions and analysis (Dubois at al. 2009, Bialasiewicz et al. 2013, Medeiros 2011) today the BSR is seen as the only strong case exemplifying European macro-regions. It is so because of the BSR’s clear institutionalized strategy, accompanied by the Action Plan for its implementation and cooperation within the region.

3.3 Research material and research framework

3.3.1 Main sources

As it was mentioned, the case study is preferred in examining contemporary events and complex social phenomena when the relevant behaviour
cannot be manipulated. In this context, the unique strength of a case study is ‘its ability to deal with full variety of evidence: documents, artefacts, interviews, and observations’ (Yin 1989: 19). This aspect of a case study is very useful in this research too because this study deals with different types of sources. The main sources for the case study of the creation of the BSR’s competitive identity here are the recently changed version of the Action Plan for the EUSBSR, the Strategy for this region launched in 2009 and edited in 2012, additional information from articles and also information about different projects under this strategy, which are available on line. In addition, several expert interviews were conducted analysing the Strategy and the Action Plan focusing on actions, projects and initiatives under them.

3.3.2 Interviews

As Stake (1995: 64) states ‘[t]wo principal uses of case study are to obtain the descriptions and interpretations of others.[...] The interview is the main road to multiple realities’. So with a number of expert interviews, some ‘inside’ knowledge and evaluation of some initiatives were expected in order to avoid the potential overreliance on documents, which is observed in the process of doing case study research (Yin 1989:84, Stake 1995: 68, Hancock - Algozzine 2006: 51-53). Interviews were conducted in order to gather complementary information about the process of editing the Action Plan for the EUSBSR and the implementation of different projects because the Action Plan, several EU and projects’ webpages provide just brief information about the initiatives and actions. So in conducting this case study research, several practitioners in branding and regional identity building, also people working with different projects and initiatives under the EUSBSR were interviewed.

Having time limitations for this research, it was not possible to achieve the ambitious goal to interview practitioners from all priority areas and horizontal actions of the Action Plan connected with six communication channels from the competitive identity theory. However, several interviewees were chosen because they are working in connection with a new Horizontal Action ‘Boosting joint promotion and regional identity building’ under the Action Plan. This action is a cross-sectoral action more or less connecting the main communication channels and is directly dealing with regional promotion topics. The list of interviewees and explanations of why they were chosen for this research is provided in Appendix I.
3.3.3 Research framework

Presenting the hexagon of competitive identity (Figure 1), Anholt refers to such an entity as the country and lists six channels of communication as sources of national reputation. In national settings, analysis of competitive identity applying the hexagon requires particular consideration of specific activities connected with the six channels of communication, which are the parts of national image creation. Speaking about such communication channels as culture, tourism or investments of city or country, Anholt refers to specific agencies and organizations in these areas and underlines the need of coordination among them and with a central government.

Figure 1: The hexagon of competitive identity.

But this study aims to apply the same hexagon of competitive identity on macro-regional level. As the part presenting macro-region as particular kind of place shows, these regions are complex multifunctional entities filled with space of flows. On macro-regional level communication channels and groups contributing to them are widely spread among countries and also different levels (local, national, transnational or regional). Anholt states that when we speak about creation of competitive identity on the national level, the coordination process of all six channels of communication is a great challenge because of the number of groups relevant for different areas of competitive identity (Anholt 2010: 66). Speaking about creation of competitive identity of the macro-region, the need for this coordination is even more important. Moreover, coordination process is much more challenging since the macro-region consists of several countries and thus is much more complicated in terms of its nature, structure and specific governance. Therefore, one should be aware that the model of competitive identity applied to macro-regions implies a more complex and wider approach in analysing each of six communication channels.

So in the research part trying to answer the question how does the EUSBSR strategy, through its Action Plan, contribute to creating a competitive identity
of the Baltic Sea macro region?, the analysis will focus on how the Action Plan contributes to initiatives and activities regarding the six communication channels in order to create values in different areas and to strengthen the competitiveness of the region. Seeing the Action Plan as the collection of initiatives under different areas connected with communication channels from hexagon, the theoretical model of competitive identity is seen as a frame indicating what priority areas and horizontal actions should be studied when analysing competitive identity of BSR.

So in aiming to investigate how the EUSBSR through the Action Plan is contributing to the creation of competitive identity of BSR, the hexagon of competitive identity (Figure 1) and the scheme of new setting of horizontal actions and priority areas under the EUSBSR Action Plan (Figure 2) are connected for this research. As figure 2 shows, this Action Plan consists of 17 Priority Areas (PA) and 5 Horizontal Actions (HA) formed to serve 3 main objectives (and several sub-objectives which are not listed in the figure). The priority areas and horizontal actions are coordinated through actions and each of these actions has number of listed flagship projects. These projects are recognized as having high significance for the BSR and they are seen as fleshing out the ambition of priority areas and particular actions under these priority areas.

*Figure 2:* New setting for priority areas and horizontal actions under the EUSBSR objectives after the final edition of the Action Plan, Source: EUSBSR Newsletter, March 2013: 3

So an application of the competitive identity theory for the BSR in the framework of the Action Plan for the EUSBSR means research on the
contribution/input of the Action Plan to particular areas according to six communication channels from the model. Connecting the figure 1 and the figure 2 mentioned above, the research framework was created. It can be seen in the table 1, which presents how each of the six communication channels needed for creation of competitive identity of the place (tourism, culture, investment, brand, people and policy) are addressed by different priority areas and horizontal actions. This table shows the aim to investigate every channel of communication in connection with the priority areas or horizontal actions in the Action Plan for EUSBSR.

As it was mentioned, these priority areas and horizontal actions are coordinated through actions and each of these actions has number of flagship projects. So to investigate how the Action Plan contributes to initiatives and activities regarding the six different communication channels, actions and specific projects under particular priority areas or horizontal actions will be presented. Actions under priority areas and horizontal actions are seen as general goals and guidelines for a development of particular channel of competitive identity. Flagship projects are seen as illustrating what kind of ways the Action Plan suggests for the development of particular communication channel.

Table 1: Six communication channels in priority areas or horizontal actions in the Action Plan for the EUSBSR

<table>
<thead>
<tr>
<th>Communication Channel</th>
<th>Priority Area (PA) or Horizontal Action (HA) of the EUSBSR Action Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tourism</strong> -</td>
<td>PA Tourism: Reinforcing cohesiveness of the macro-region through tourism</td>
</tr>
<tr>
<td></td>
<td>HA Promo: Boosting joint promotion and regional identity building actions</td>
</tr>
</tbody>
</table>
3.3.4 (De)limitations of the research regarding the nature of Action Plan for the EUSBSR

The Action Plan is an extensive document with four initially stated distinctive overall objectives that later have been revised to three (Commission 2009, Commission 2012). Applying the competitive identity model to the recent Action Plan, all priority areas connected with the communication channels in the hexagon of competitive identity are taken from one of the objectives of the strategy, ‘increase prosperity’ (see the circle on the right in the figure 2). This choice is based on the fact that improved global competitiveness of the BSR, which is the focus of this thesis, is listed as a sub-objective exactly under the objective ‘increase prosperity’. This choice however, does not deny that the objectives ‘save the sea’ and ‘connect the region’ with their priority areas and number of actions under them, are also contributing to the competitiveness of the BSR. But having the limitations of this research, the priority areas just under the objective ‘increase prosperity’ will be investigated as most closely related to the theoretical model of competitive identity.

Also during the interviews, several persons mentioned that analysing the recent Action Plan there is a need to be aware that this document is very new. The Action Plan is seen as the long-term framework for regional development, so there is a need to follow its implementation in the longer run in order to evaluate its influence on the competitiveness of the region. These concerns were taken into account while doing this research. However, the fact that the Action Plan is so recent was evaluated also as
an advantage, providing the chance to conduct some of the first studies of this document.
4. How does the Action Plan contribute to creating a competitive identity of the Baltic Sea macro region?

As was already mentioned, based on the main stories about the BSR and its advantages, several stories or strategies were presented before 2009 when the EUSBSR was concluded. However, the BSR has not yet developed joint promotion and branding activities to strengthen its competitive position in the global marketplace. Also since the BSR does not have recognised image yet, its position in the global cloud of trust is weak.

In Anholt’s model, competitive identity is first of all about creation of a common purpose that enables to strengthen competitiveness of the place in particular sectors in this way creating strong communication channels of soft power. As it was mentioned in the analysis of the BSR as particular type of place and space of flows, we should take into account that in the case of the BSR, the flows in local, regional and national levels should be set for a common direction. So using six channels from the model of competitive identity– tourism, culture, investment, brand, people and policy – the Action Plan will be investigated to see how it helps to channel this space of flows toward the goal to create and maintain the competitive identity of the BSR.

4.1 Recent changes of the Action Plan. More focus on promotion of the region?

Before analysing the different priority areas, horizontal actions and flagship projects under the EUSBSR applying research framework which was presented in table 1, some major changes of the Action Plan in connection with the goal to strengthen competitiveness of the region will be underlined. It is important to note that in the revised Action Plan, the horizontal actions (HA) have been reduced from 13 to 5 (EUSBSR Newsletter, 2013). This is important because despite this, the HA ‘Promo: Boosting joint promotion and regional identity building’ (from now on refers to as: HA ‘Promo’) was introduced and got a place among a significantly reduced number of horizontal actions.

As Aaberg (2013, interview) stated, the goal with the last editions of the Action Plan for the EUSBSR was to simplify it and have a more focused structure. In the previous draft of the Action Plan, regional promotion issues were included under the priority area ‘Culture and Regional Identity’. However, several organizations started
negotiations with the European Commission and other stakeholders involved in the process, aiming to show that the question of regional branding and promotion, especially regional identity, was scattered in many priority areas and horizontal actions. In connection to this, the idea to have one horizontal action coordinating all identity and branding related objectives and actions were actively promoted (Aaberg 2013, interview). Arguments for splitting PA ‘Culture and regional identity building’ and having a new horizontal action for joint promotion were stated underlining that ‘regional identity building needs to be regarded more broadly than a purely cultural issue’ (Lahdensuo 2013, interview). It was claimed that regional identity builds on the different features that give the BSR its distinctive profile. Moreover, regional identity building is closely connected with the branding of the region. The image of the region affects the identity of it and vice versa (Lahdensuo 2013, interview). During the negotiation process regional think-tank Baltic Development Forum promoted HA ‘Promo’ as important to boost the synergies of the wide range of the BSR’s image and identity building actions which are put forward in various priority areas (BDF Proposals, 2012). As a result of these discussions, the current Action Plan has HA ‘Promo’, the role of which is to bring together different branding and regional identity building activities in the region. According to the European Commission:

The horizontal action ‘Promo’ highlights the region’s strengths and helps to join forces in the internal and external promotion of the region. The overall goal is to strengthen the competitiveness of the Baltic Sea region and to show that the region fulfils the Europe 2020 Strategy goals of being a smart, sustainable and inclusive region. (Commission 2013: 165)

So discussions about HA ‘Promo’ showed that in the Action Plan, branding of the region is seen as an area closely connected with regional identity. Moreover, regional brand and identity are seen as multiple characteristics of the region consisting of different features which come from different areas. So the approach in the Action Plan to regional branding as cross-cutting activity shows that the goals to brand the region and create its distinctive image are closely connected with Anholt’s approach to brand management of place presented in his competitive identity model which underlines cross sectorial cooperation and coordination. And it is not a surprise, since Anholt was involved in early initiatives to create stories to brand the BSR (Andersson 2013, interview). Moreover, the creation of new the HA ‘Promo’ and extracting it from
the previous priority area shows that both stakeholders involved in the improvement of the EUSBSR and the European Commission see the focus on regional promotion activities as a significant part of the Strategy. It also once again confirms that the creation of competitive identity should be seen as an important goal within this Action Plan and the Strategy. This consequently stimulates the interest in this research.

4.2 Tourism - promising channel, a loud voice of BSR

According to Anholt, tourism promotion, as well as people’s direct experience of visiting a place, is often the loudest voice branding the place and so is a very important communication channel creating competitive identity (Anholt 2007: 25). In the case of the BSR, tourism already contributes significantly to the region’s economy (Commission 2013: 42). The importance of tourism is also confirmed by the ways this channel is approached in the current Action Plan for the Strategy. First, issues concerning tourism promotion are discussed in the separate PA ‘Tourism: Reinforcing cohesiveness of the macro-region through tourism’ and under the new HA ‘Promo’. In this document tourism is presented as closely interlinked with branding and cultural promotion of the region (Commission 2013: 165-166). Second, it is important to state that the PA ‘Tourism’ is seen as one of few priority areas strongly contributing to global competitiveness of the region (Commission 2013:199). So in order to see how topics of tourism are presented and promoted in aiming to improve region’s global competitiveness, the PA ‘Tourism’ and activities under the HA ‘Promo’ will be described in more detail.

In the PA ‘Tourism’ tourism is approached as an important sector on local, regional and global levels. It is seen as a sector generating growth and employment, and stimulating investments in infrastructure and transport, thus an important sector for achieving territorial development in the region (Commission 2013:141). The Action Plan states that ‘the development of a globally competitive tourism scene in the Baltic Sea region also depends on close cooperation with other sectors, e.g. information and communication technology, the environment and health’ (Commission 2013: 141). However, even though this sector is seen as important for the BSR, on the regional level, tourism is still fragmented, non-cooperative, highly competitive and lacks common ground and the goal to pool resources together (Andersson 2013, interview). As a result, in order to create a globally competitive tourism sector in the BSR, the
Action Plan stresses the need to frame initiatives in this sector and achieve long-standing cooperation patterns among countries in the region creating sustainable, innovative and entrepreneurial tourism (Commission 2013: 142). So these statements show that tourism is taken as a highly important area in the Action Plan and that stakeholders are aware of the main problems and challenges in this sector. Actions and particular projects in the tourism sector (see table 2) can show what kind of steps the Action Plan suggests toward development of this significant area contributing to the global competitiveness of the region.

Table 2: Contributions to the channel of tourism with the Action Plan

<table>
<thead>
<tr>
<th>Priority Area (PA) or Horizontal Action (HA)</th>
<th>Actions</th>
<th>Flagship projects:</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA Tourism: Reinforcing cohesiveness of the macro-region through tourism</td>
<td>a. Facilitate networking and clustering of tourism stakeholders, b. Mobilise the full potential for sustainable tourism of the Baltic Sea region,</td>
<td>Facilitate sustainable land excursions of cruise ship operations in Baltic Sea; Promote the cultural and natural heritage; Develop strategies for sustainable tourism</td>
</tr>
<tr>
<td>HA promo: Boosting joint promotion and regional identity building actions</td>
<td>Boosting joint promotion of the region</td>
<td>ONE-BSR, tourism package</td>
</tr>
</tbody>
</table>

Under the PA ‘Tourism’ two actions are included in the Strategy. The first of them is the action ‘Facilitate networking and clustering of tourism stakeholders’. The main goal with this action is to create networking structures and cooperative actions involving private business, non-governmental organisations, public authorities, and multilateral cooperation structures in the entire BSR, utilising all existing tourism-related network initiatives (Commission 2013: 143). The goals with this action are seen as long-term goals assigned to coordinators of this priority area. Much more concrete and shorter term activities are listed under the second action ‘Mobilise the full potential for sustainable tourism of the Baltic Sea region’ in this priority area. This action aims at developing common strategies and approaches based on environmental and social responsibility, building them on the commitment of various stakeholders (Commission
There are three flagship projects under this action (see table 2) which are illustrating the main goals of this action. These projects aim to bring stakeholders in the tourism area on the regional level to exchange their experiences and their ideas in order to create common cross-border tourist offers for attractive Baltic Sea destinations (EUSBSR PA ‘Tourism’). Moreover, these initiatives reflect the need to improve the accessibility to the BSR’s natural, cultural and historical heritage for tourism using available sources of information such as databases and webpages (Commission 2013: 145). All this cooperative work can bring the attractive offers of the region together and create a globally competitive tourism scene in the BSR.

In addition to these projects, there is one more activity listed in the Strategy under the HA ‘Promo’ that is important to mention in connection with tourism promotion in the BSR. It is umbrella project ONE-BSR in which the tourist attraction is the focus of one of the four work packages. Based on the experiences from the predecessor BaltMet Promo project, which was focused on Japanese markets, this work package aims to gather information about the USA market concerning the demand on roundtrips through the BSR and in this way to strengthen image of the BSR as an interesting destination for city trips while visiting Northern Europe (ONE-BSR 1). The overall aim is to improve the image of BSR as a roundtrip travel destination. So far exactly this package in the ONE-BSR umbrella project is seen as the strongest and the most advanced, already showing that pooling of resources can give clear results and benefits for the region (Lahdensusuo 2013, interview).

So in analysing how tourism as a channel of communication about the BSR is approached in the Action Plan, it is clear that it is seen as an important sector for improving accessibility of the region and strengthening its competitiveness. Furthermore, this area is seen as closely connected with cultural, so at the same time identity building, topics. There is a clear idea behind tourism promotion in the Action Plan that touristic products created highlighting the common cultural and natural heritage and history in this region can bring not only economic benefit but also significantly contribute to ‘the perception of the region as a shared reference point in the identity of the inhabitants of the macro-region’ (Commission 2013: 142). The Action Plan emphasises the need to create and promote sustainable and innovative tourism products and services. However, from this document it is clear that the development of globally competitive and sustainable tourism in the BSR has to overcome the main
challenges in this sector: lack of cooperation among stakeholders and lack of joint objectives. In connection to them, two-dimensional – cooperative and policy based-actions and projects are suggested in the Action Plan. All of them can be seen as a significant contribution to the competitiveness of the region in the global tourism market. However, it should be noted that some of them will have effects in a shorter period, while others will need a longer period. Nevertheless, the separate priority area dedicated for tourism and a number of projects show that tourism has strong potential to be a loud voice of the BSR.

4.3 Increasing focus on regional culture promoting the BSR

Culture in the Action Plan can be seen as highly recognized communication channel of the region as tourism. This channel is taken into consideration in a separate priority area which is seen as directly complementing to the competitive identity of the region (Commission 2013: 191). Also it is important to note that culture has been involved as an official priority area just since February 2013 when the recent edition of the Action Plan was finalized (Schindler 2013, interview). In the PA ‘Culture: Developing and promoting the common culture and cultural identity’ culture is seen as an important resource of this region both internally and externally. First, common cultural identity is seen as an important source for the creation of regional identity. In this way culture should be seen as connected to the people as a communication channel because through the population, culture is spread and communicated externally. Also it is interesting to note that culture, the arts, and regionally-linked cultural heritage are seen not only as sources of common identity and shared values but also as assets for territorial and social cohesion which are helpful promoting the BSR as a culturally rich and attractive region (Commission 2013: 70-71). None of the other communication channels in the Action Plan are approached like this, so it is interesting that culture is seen as a tool for regional cohesion. Moreover, culture is recognized as a resource important for the region’s creative sectors which have potential to increase economic growth and employment in the region (Commission 2013: 69). Furthermore, the Action Plan underlines the attractiveness of diverse cultural life and cultural heritage which have great potential ‘to promote the BSR as a common cultural region’ (Commission 2013: 70). However, in creating the BSR as a common cultural region, number of objectives should be reached first. So this part will make an
overview of these objectives referring to actions and projects under the PA ‘Culture’ (table 3) in order to see how the Action Plan complements to culture as communication channel of the BSR.

Table 3: Contributions to the channel of culture with the Action Plan

<table>
<thead>
<tr>
<th>Priority Area (PA) or Horizontal Action (HA)</th>
<th>Actions</th>
<th>Flagship projects</th>
</tr>
</thead>
</table>
| PA Culture - Developing and promoting the common culture and cultural identity | a. Joint promotion and presentation of BSR culture and cultural heritage, b. Cooperation on cultural heritage, c. Joint promotion and presentation of BSR creative industries, d. Developing an efficient framework for BSR cultural cooperation, e. developing a common BSR cultural identity | Art Line
The Baltic Sea History Project
Cultural share point |

Promotion of BSR culture, cultural heritage and creative industries is one of the objectives of the PA ‘Culture’. Two actions should be mentioned in connection to this objective. First is the action ‘Developing a common BSR cultural identity’ which reveals interesting ideas about a common BSR cultural identity. In presentation of this action, we find the standpoint that the BSR ‘is not a uniform entity with a shared history and culture. It is made up of different political, economic and cultural structures with all their diverse means of expression, and individual and collective memories’ (Commission 2012: 73). However, even seeing all the differences, the Action Plan aims ‘to create a mutual understanding for different political views and ways in the present and for different viewpoints on culture and history in the past’ (Commission 2012: 73). It is believed that this understanding can help to strengthen and develop the regional cultural identity. The second action promoting BSR culture, cultural heritage and creative industries is ‘Joint promotion and presentation of BSR culture and cultural heritage’. The aim of this action is ‘to strengthen civil society and its institutions by more art and culture exchange within the BSR’ (Commission 2013: 70-71). The flagship project ‘Art Line’ is one of the projects under this action. The project involves 14 partners from 5 countries and works towards creation of a collaborative network
between art institutions and academia in the region (Commission 2013: 71). As a successful and promising project, ‘Art Line’ is seen as a project through which ‘culture has been acknowledged as an important part of the development power in the region’ (Art Line, 2013). This could also be said speaking about all the projects flagged under this priority area.

Having the objective to develop creative entrepreneurship within the BSR, the Action Plan tries to empower culture developing and promoting the region through specific sectors. This objective is involved in this priority area because the creative and cultural sector plays a crucial role in fostering innovation, as well as strategic investments in the region (Commission 2013: 69) which, as was mentioned previously, are vital for the competitiveness of the region. So the action ‘Joint promotion and presentation of BSR creative industries’ should be seen as important direction suggested in the Action Plan first, to foster regional development and second, to create the brand of the region basing it on certain creative industries in which the BSR is considered to be the world leader. In order to do so, cooperation among BSR countries’ creative industries and exchange of ideas, know-how and experience are promoted in this document (Commission 2013: 72). It is clear this area is quite new since this action has just potential flagship projects. However, it is interesting to note the main goals with these projects since they show some steps the Action Plan is suggesting for promotion of the region as an area of creative industries. These projects aim to build a network of creative industries in the BSR which could create spaces, places and possibilities to identify issues of common interest, to share experiences and provide a support for creative start-ups, businesses or newly established enterprises (Commission 2013: 73). This is highly important both in aiming to attract more investments and also to retain and attract youth and talents to the BSR. So here we see that through the creative and cultural industries, culture is becoming close to other communication channels of the region.

However, in order to reach all the goals and objectives mentioned before, the institutional aspect cannot be forgotten. And the Action Plan takes this into account by stating the need to create an efficient framework of BSR cultural cooperation. There is a variety of inter-governmental and non-governmental bodies which are addressing culture in the region. However, the lack of coordination among them is mentioned in the Action Plan underlining the need to coordinate their work better in order to take all the
advantages development of cultural sector can bring for the region (Commission 2013: 69). One of these advantages is definitely the attractiveness of the BSR in the global world because of its diverse cultural life and creative industries. In order to create an efficient framework of BSR cultural cooperation, the Action Plan lists several actions. The action ‘Developing an efficient framework for BSR cultural cooperation’ is highly relevant in connection to the institutional aspect. Highlighting the role of culture for this region, it is stated that ‘[j]oined forces of main BSR cultural actors will strengthen cultural cooperation, foster regional development and will contribute to social cohesion’ (Commission 2013: 74). Unfortunately, this action is not elaborated so much yet and has only potential flagship projects under it. Project ‘Cultural share point’ is interesting to note because it illustrates what kind of model the Action Plan suggests for cooperation among major cultural BSR organizations. Regular meetings of major cultural BSR players and other BSR bodies involved in cultural affairs allowing exchange of information on their achievements and future plans are suggested. This kind of setting proposed with ‘Cultural share point’ project is seen as useful platform to ‘enhance mutual support in communication with the public and promote key projects and initiatives’. In longer run this cooperation is meant to foster common cultural policy of the BSR (Commission 2013: 74).

So we see that in the Action Plan culture is approached as important channel of communication. This document contributes to the development of this channel in a separate priority area and a big number of actions under it. Analysing this priority, we can see that a culture is seen as important resource of this region both internally and externally. People’s awareness of shared regional traditions and history despite different viewpoints on culture and history can contribute to cultural identity. So from the Action Plan it is clear that in creating the image of the BSR, culture is important itself but also very valuable because of its close connections with other communication channels. In addition, in the Action Plan, culture is seen as an important resource for creation of regional identity and even territorial cohesion which are also highly needed aspects of a place trying to channel behaviour in one direction to create its competitive identity. So a number of actions and projects are listed in the Action Plan to employ the culture strengthening competitiveness of BSR. However, first of all the efficient framework of BSR cultural cooperation should be created to foster coordination among different inter-governmental and non-governmental bodies working
towards culture. However, the Action Plan still does not provide actual suggestions and policies to create this. The ideas are still in the phase of potential flagship projects. Though, this does not negate the contribution the Action Plan has for development of this communication channel and it shows that this document provides a long-term perspective for development of culture as communication channel of the region.

4.4 Attraction of business audience to the BSR. Investment promotion

The way places (cities, countries) solicit inward investment and recruit foreign companies to their economies is seen as an important channel of how places represent themselves (Anholt 2007:25). In the frame of a tightly linked global economic system and a limited pool of international investors, this channel is seen as important for the competitive identity of a place. In the Action Plan for the EUSBSR, investment promotion is mentioned at the very beginning under the sub-objective of the Strategy to improve global competitiveness of the BSR. This document underlines growing competition between countries and regions regarding investments in production, knowledge and innovation (Commission 2013: 42). Although, a specific priority area in the Action plan aiming to create attractive image for business audience and to boost investments in the region does not exist, several actions under several priority areas should be taken into account (see table 4).

*Table 4: Contribution to investment attraction to the region with the Action Plan*

<table>
<thead>
<tr>
<th>Priority Area (PA) or Horizontal Action (HA)</th>
<th>Actions</th>
<th>Flagship projects:</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA Innovation: Exploiting the full potential of the region in research and innovation</td>
<td>Establish a common Baltic Sea region innovation strategy</td>
<td>a. ScanBalt Health Region: cross-sectoral and transnational projects for innovation in health and in life sciences. b. BSR Stars c. Setting up a Baltic Science Link.</td>
</tr>
<tr>
<td>HA Promo: Boosting joint promotion and regional identity building actions</td>
<td>Boosting joint promotion of the region</td>
<td>ONE-BSR – investment promotion package</td>
</tr>
<tr>
<td>PA SME: Promote entrepreneurship and strengthen the growth of Small and Medium Enterprises (SMEs)</td>
<td>a. Building platforms for growth</td>
<td>c. Baltic Supply - the project to establish the ‘European Business Support Network’</td>
</tr>
<tr>
<td>---</td>
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</tr>
</tbody>
</table>

The PA ‘Innovation: Exploiting the full potential of the region in research and innovation’ is one of the areas closely linked with investment promotion, stimulating the innovation capacity of the BSR (Andersson 2013, interview). This priority area presents the aim to reveal particular sectors where the BSR is or has the potential to become particularly strong. This PA suggests that since different countries in the region have various things to offer in terms of knowledge, a combination of strengths and competences in research and development across the BSR can make this region a global leader in several specific fields (Commission 2013: 99). Among them such sectors as environmental technologies, health and well-being, ICT, biotechnology, maritime, nanotechnology and tourism are mentioned (EUSBSR PA ‘Innovation’). Also for further exploration of regional strength in attracting investments, the Action Plan suggests the cluster approach which means the stimulation to develop world class clusters in the fields of life science, IT, health care, environment and alternative energy (EUSBSR PA ‘Innovation’).

The Action Plan underlines the need to develop efficient innovation strategies and systems in the whole region in order increase its prosperity (Commission 2013: 41). Although this is seen as great challenge, the priority area ‘Innovation’ presents the action ‘Establish a common Baltic Sea region innovation strategy’. With this action, particularly relevant for the region’s global competitiveness, aims are to promote transnational and transregional innovation and research, to establish an infrastructure for free movement of researchers, knowledge and technology and to build a strong network between universities, research institutes and industries in the region (Commission 2013: 102). A few flagship projects under this action are important to note as underlining particular sectors for investment attraction. The first is the ‘BSR Stars’ project with the goals:

- to establish a ‘new BSR brand’, building on ‘smartness’, research, innovation and cooperation, leading to capacity building, stronger international competitiveness,
increase in foreign investments and world-class players in some strategic areas. (Commission 2013: 101)

The second project is the ‘ScanBalt Health Region’ which is a cross-sectoral and transnational project for innovation in health and in life sciences in order to attract and retain human, financial and industrial resources (Commission 2013:102-103). Finally the project ‘Setting up a Baltic Science Link’ is important to note here because it working towards the creation of networks between universities, research institutes and industries.

Another priority area closely connected with the attraction of business audience to the BSR is PA ‘SME: Promote entrepreneurship and strengthen the growth of small and medium sized enterprises (SMEs)’ (from now on refers to as: PA ‘SME’). In the Action Plan, small and medium enterprises (SME) are seen as ‘vital for strengthening a dynamic creative society’ (Commission 2013: 69) which is highly important in global competition for investments in creative industries. Under this PA, the need to strengthen conditions for regional growth is stressed as one of the key factors for successful investment attractions. In order to achieve this, more effective support for entrepreneurship and SMEs development is suggested. As a result, a significant number of flagship projects under this PA (see table 4) are dedicated overcoming challenges entrepreneurs and SMEs face ‘with regard to cross-border collaboration, access to markets and finance, human resources and knowledge’(Commission 2013: 136). Activities under this priority area are closely related with the PA ‘Innovation’ discussed above. If the PA ‘Innovation’ is focusing on development and improvement of the sectors the BSR is good and competitive at, PA ‘SMEs’ is focused on business opportunities in these sectors and successful institutionalization and cooperation within them. Intensive links among businesses in different sectors can bring their growth of them and at the same time wider interest from investors. But first, strategic cross-border collaboration is seen as a highly important condition in order to attract interest of the business audience.

Several actions (see table 4) are listed under the PA ‘SME’ which aim to establish macro-regional platforms for cross-border cooperation in areas with high potential for growth and innovation like environmental technologies. Among them, the action ‘Global opportunities’ is important to note. It aims to promote ‘cross-border cooperation between business organisations, local, regional, national authorities and
trade and investment promotion bodies in the BSR’ (Commission 2013: 140) in order to combine strengths and competencies countries around this region have, and based on this cooperation to strengthen global competitiveness. The flagship project ‘Baltic Supply’ is a good example of concrete actions working towards cross-border cooperation. It is a project establishing a service network of regional development agencies, business development organisations, government agencies and knowledge institutions to help to join forces across regional boundaries (Commission 2013: 140).

One more example of cross-border cooperation initiatives for attraction of a business audience to the BSR is the investment promotion work package in ONE-BSR project under HA ‘Promo’. The overall aim with this package is to increase foreign investments into the region and at the same time to strengthen BSR’s image as an appealing investment location (ONE-BSR 2). The base for achievement of these goals is the creation of a common neutral platform for meetings for national investment promotion agencies to discuss possibilities to cooperate and pool resources and experiences to attract big investments to the BSR (Dygul 2013, interview). However, the biggest challenge today is a competition among these agencies in the region. This competition is especially high among small countries. Such a situation is counterproductive on the regional level, especially when aiming to attract investments form big companies or from such countries like China (Dygul 2013, interview). So this project underlines that in order to compete for investments on global level, collaboration opportunities should be discovered. Therefore this ONE-BSR work package aims to bring national and regional investment promotion agencies to a find common ground for it.

So generally speaking about BSR attractiveness for a business audience, the Action Plan shows awareness that today, the BSR is a fragmented region with a hidden and undeveloped potential. This document points both to the reasons of this underdevelopment and also lists a number of activities to reveal the region’s potential. In this document two challenging tasks for investment attraction to the region can be detected. First there is a need to develop and promote sectors where the BSR is strong so that they could grow and attract more investments. Therefore activities and projects to reveal the potential of the region in research and innovation are listed in the Action Plan. The second challenge is that the BSR is not promoted to international investors as a coherent region. The lack of links among businesses and lack of cooperation in
particular sectors and also the low collaboration among national investment promotion agencies are serious problems for this region in aiming to compete for investments as a unit in global markets.

Even though the Action Plan presents investment attraction as important for global competitiveness and points to the main reasons why the potential of the BSR to attract investments is still underdeveloped, this communication channel is not covered by a specific priority area. Analysing activities connected with investment promotion spread among few priority areas in the Action Plan, several goals for coping with challenges for investment attraction can be observed. The Action Plan aims to develop particular sectors in which the BSR is strong since these are potential sectors to attract foreign investors. Also there are initiatives to promote more collaborative businesses in such leading sectors in order to improve cooperation among investment promotion agencies. A number of actions and flagship projects are in line with these goals and can be seen as promising to develop the image of the BSR as an appealing investment location. Finally, the Action Plan shows the understanding that global opportunities can be embraced only by collaboration and cooperation among different organizations across different levels. Based on it, a number of actions and projects are listed in order to promote close cooperation among business organizations, trade and investment promotion bodies on local, national and regional levels.

4.5 People as communication channel of the BSR

The idea about people as a communication tool to promote the place and to create its positive image can be approached from few different perspectives on macro-regional level. According to Anholt, people can be a specific advertising mean communicating complex identity of the place a great tool of public diplomacy through people-to-people relations (Anholt 2007:105). Furthermore, the educated population is a great communication channel for building a positive and highly attractive image of the place. In addition, education is also important in retaining and attracting youth and talents. As Anholt states ‘[e]ducation plays an important role in establishing the image of the country for future generations and building future visitors, residents, investors, advocates and supporters’ (Anholt 2007: 107). Finally, quality of life which is linked to high education levels but also to openness of society and possibilities for self-realization in it are highly important qualities of the place in helping to foster active citizenship. As
a result, people become more enthusiastic and prouder advocates of the place they live. So actions and activities listed in the Action Plan (table 5) will be analysed trying to see how population as a channel communicating a specific image of the BSR is sustained.

Table 5: Initiatives towards population empowerment within the Action Plan

<table>
<thead>
<tr>
<th>Priority Area (PA) or Horizontal Action (HA)</th>
<th>Actions</th>
<th>Flagship projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>People - PA Education; Developing innovative education and youth and HA promo: Boosting joint promotion and regional identity building actions</td>
<td>a. Making lifelong learning and mobility a reality within the BSR, b. Enhance cooperation – on a voluntary basis – between the regional universities of the BSR; c. Closer integration and cooperation of youth policy structures, d. Social inclusion</td>
<td>Baltic University Programme, Baltic Sea Labour Forum. Potential flagship projects: Baltic Summer job programme, Baltic Sea Youth Forum,</td>
</tr>
<tr>
<td>HA promo: Boosting joint promotion and regional identity building actions</td>
<td>Building regional identity, Boosting joint promotion of the region</td>
<td>newsWave - regional daily news website, And ONE-BSR Talent retention</td>
</tr>
</tbody>
</table>

In recent study of communication in the BSR, external communication is underlined with a goal to ‘increase the overall knowledge and awareness of the general public about the situation in the BSR, which should eventually lead to a change in behaviour’ (INTERACT 2012: 49). By ‘changing behaviour’ it is meant wider involvement of the citizens in regional affairs and cooperation which can foster identification with the BSR. This can help to make the population of this region more enthusiastic and prouder advocates of the region and its values. In aiming to empower the population of the BSR as a channel communicating about the region, identification with the region and its values should be achieved. The BSR comprises ten different countries with ten different languages, cultures and public spheres. Therefore, a common regional public sphere is a greatly needed in the region to explore and reveal the values and advantage its population can be united upon and to promote them in the wider international context. In order to employ population as a communication channel of this region, mutual concern and mutual understanding about BSR issues are seen as
highly important to raise bottom of consciousness and active citizenship in this region (Axel 2012). So for this reason communication tools were employed by the EUSBR for this goal including the ‘newsWave’ project in the Action Plan under the HA ‘Promo’. Since there was no media covering the Baltic Sea Area as such before, the ‘newsWave’ website is the first regional news exchange platform communicating and sharing transnational topics of interest. Launched February 2013 ‘newsWave’ is the first news website for the BSR communicating regional news, identity debates and results of EU-projects to general audience. With this project the ambition is to improve information exchange with the overall aim to promote a more distinct regional identity (Axel 2012).

The aims to have an educated population and active citizenship in order to retain and attract talent in the region and at the same time to cope with population loss are listed in the PA ‘Education: Developing innovative education and youth’. Under this priority area we see the standpoint that in the BSR ‘the quality of life is linked to high education levels and open societies’ (Commission 2013: 76). So in order to achieve quality of life, this priority area brings number of actions (see table 5) to stimulate transnational cooperation on education, youth and labour mobility within the BSR. The action ‘Enhance cooperation – on a voluntary basis – between the regional universities of the BSR’ focuses on coordination of activities among universities ‘in order to establish BSR as a region of sustainable development’ and to stimulate political decisions supporting education for sustainable development (Commission 2013: 80). One flagship project under this action is the Baltic University Programme - the largest university network in the BSR. This innovative network strives to foster cooperation among universities and novel ways of interaction between universities and society, to have strong local and international educational communities (BUP). This programme has been functioning since 1991, however, the status of flagship project this program got under the EUSBER shows that it is taken as an example encouraging this kind of cooperation among higher education institutions in the region.

Also in the Action Plan, policies in education and youth affairs are seen as a tool to improve quality of education, youth living conditions and at the same time to foster active citizenship (Commission 2013:76). The action ‘Closer integration and cooperation of youth policy structures using the “Structured dialogue” as an influential instrument for involving young people in decision-making’ is interesting example of initiatives for youth policy. It aims to promote professionals and youth exchange in the
region on local, regional and national levels and increase participation of young people in policy building processes (Commission 2013: 81).

Emphases towards the young part of the BSR population and its empowerment are also made in the actions ‘Making lifelong learning and mobility a reality within the BSR’ and ‘Social inclusion’. These actions are meant to foster social dialogue and cooperation supporting lifelong learning and mobility (Commission 2013: 79). So in general, these actions are significantly contributing to the idea of the BSR as a highly educated area with a mobile workforce. The flagship initiative Baltic Sea Labour Forum (BSLF) should be mentioned as illustrating what kind of ways the Action Plan suggests in order to achieve mobility and social inclusion of in the region. BSR LF is a cooperation body bringing representatives from trade unions, employer organisations, parliaments and governmental organisations to work together for sustainable regional labour markets within in the BSR (BSLF 1). Recently the focus of this forum is youth employment and mobility of labour (BSLF 2). Also it is stated that activities under PA ‘Education’, will be closely coordinated with activities under other priority areas, in particular ‘Innovation’ and ‘SME’ (Commission 2013: 77). This means that in the Action Plan important steps are taken in order to create greater opportunities for educated youth and at the same time to employ their knowledge and skills for the development of the region. Certainly implementation of such initiatives should be seen as highly beneficial for the region’s competitive identity branding it as an innovative area in the world having first-class higher education institutions, and a highly educated and mobile workforce.

Finally in connection with attempts to create an attractive image of the region through its population, ONE-BSR project under HA ‘Promo’ is important to mention again. In this project talent retention and attraction policies are seen as a foundation for the successful branding of the BSR. One of its packages focused on talent retention strives to ‘improve the image of the Baltic Sea Region as an open, international and skilled higher education area’(ONE-BSR 3). To make this this image true, the project aims to increase triple helix cooperation - intensive cooperation between the industry, academia and the public sector- in talent retention (ONE-BSR 3). Case studies of several different countries in the region are in progress and the aim is to prepare recommendations for other countries in the region to facilitate their policy-making processes for talent retention involving key stakeholders in the region (cities,
development agencies, businesses, universities and ministries) (Wristel 2012, interview).

So in a number of priority areas of the Action Plan we see different actions and projects aiming to create an innovative and inclusive environment for people living in the region. However, in order to empower the population as a channel communicating a specific image of the BSR, identification with this region should be achieved first. For this reason the first regional news webpage is included in the Action Plan as serving to create a common public sphere. It is seen as a tool to explore and reveal the values of the region, raise awareness about processes in the region and to create a we-feeling. Furthermore, for creation of more and equal opportunities in education and labour market, the inclusive youth and education policies listed in this plan are great contributions to creating active citizenship. This can help to make the population of the BSR, especially the young part of it, to be more enthusiastic and prouder advocates of the region and its values. Moreover, the focus on innovative education in the Action Plan is a good initiative since it is essential in trying to retain and attract youth to the region. In addition, social inclusion, approached in a number of actions, is an important characteristic of the region both for retaining and attracting talents. So all mentioned actions and activities from the Action Plan show that this document helps to create an image of the region which is attractive for the people and because of the educated and active people. The Action Plan can be seen as framework enabling the use of population as a beneficial channel for communicating the region in the global context.

4.6 Brand(s) of the BSR. The idea of cross-sectoral branding cooperation

In general, place brand is the subject/object the place is associated with and which has great effect on the place image and competitiveness. According to Anholt, ‘[b]rands are […] increasingly important vectors of national image and reputation even of culture’ (Anholt 2007: 91). In the model of competitive identity presenting a brand as communication channel, Anholt refers to export brand of the country. It is seen as powerful ambassador of each country’s image abroad. But the BSR, as a collection of countries and space of various flows, does not have an export brand. However, as was mentioned in the part discussing recent changes in the Action Plan, creation of the
BSR’s brand is an important issue in this document. So this part will discuss what kinds of brands are suggested in the Action Plan and what are the general ideas and suggestions for the BSR.

Under the already discussed new HA ‘Promo’ we see the approach that ‘[b]randing and regional identity building is a cross-cutting topic’ (Commission 2013: 166). As it was mentioned discussing this new horizontal action, this statement shows a double idea about branding in the case of the BSR. First, that branding is closely connected with identity building of the region and second, that brand creation on the macro-regional level should be seen as a complex issue contributed by a number of areas in the region. In the Action Plan, we see that the most promising areas to maintain and reinforce attractiveness of the BSR, so at the same time to build the brand on, are education and youth, innovation, health, tourism and culture. So accordingly, a number of actions and projects related with branding topics in previously mentioned areas can be found. Some of them were shortly mentioned while discussing other communication channels and related actions. However while analysing branding issues in this section some of them will be noted again as contributing to specific ideas for the BSR brand.

The PA ‘Education’, which is one of the few areas in the Action Plan listed as directly addressing competitiveness of the region, contributes to the image of BSR as the innovative area characterised by first-class higher education institutions and a highly educated workforce. Under PA ‘Innovation’ two of the flagship projects should be mentioned because of the suggested brands for the region. The first of them is the ‘BSR Stars’ project which aims to build new brand of the BSR on smartness and innovation (Commission 2013: 101). The second one is ‘ScanBalt Health Region’ project the goal of which is to build the brand of region based on high level modern life sciences (Commission 2013: 102). In connection to the idea about ScanBalt Health region, one more suggested option in the Action Plan is to brand the BSR as a destination for health tourism (Commission 2013: 98). Finally, beside the smartness and excellence in these particular innovative areas, natural and cultural heritage of this region can be also seen as qualities on which the building of the BSR’s brand is possible. As priority areas ‘Tourism’ and ‘Culture’ suggest, specific thematic brands for the region can be created highlighting its common cultural and natural heritage and history (Commission 2013: 142). In these priority areas we see the approach that the branding of the region is
closely connected with the regional identity. And this approach is important to notice in trying to understand the general idea about BSR branding.

Particular suggestions for the brand strategy of the BSR can be seen following the HA ‘Promo’. The main roles of this action are ‘to collect information on and communicate about various branding and regional identity-building actions and to boost cross-sectoral branding cooperation’ (Commission 2013: 165). These aims and also a number of previously mentioned branding options for the region shows that the creation of a brand for the BSR reflects an already mentioned Kavaratzis’ ideas about brand as ‘embodied in various and diverse actions and objects where some of them directly aimed at the creation of the brand, while others might aim at other goals but still have a significant effect on the place’s brand’ (Kavaratzis 2004: 64). Based on this idea, the Action Plan promotes application of a strategic and audience-aware approach to branding, connecting a variety of areas in the region. And the EUSBSR aims to become a framework for coordination and collaboration of these areas (Commission 2013: 165). With the HA ‘Promo’, the Action Plan tries to stimulate cross-sectoral branding initiatives. The main targets with this HA are an increased number of joint marketing campaigns, events and products, joint cultural collaborations which by the 2016 can form a framework for coherent and long-lasting collaborations (Commission 2013: 167). Though, as previous initiatives to brand the BSR in the BaltMet promo project suggested, some kind of basic brand and communication platform is needed in aiming for coherence and collaboration in branding the region (BaltMet Promo 2011:1, Andersson 2013, interview).

Here the ONE-BSR project under the HA ‘Promo’ should be mentioned again. Being an umbrella project with the vision ‘to increase the Baltic Sea Region competitiveness by branding it as one unity’ (ONE-BSR 4), this project should be definitely seen as a project directly aiming to build the BSR brand. Next to mentioned work packages concerning tourism, investments and talents, the package ‘Locals’ is important to note as directly contributing to regional branding debates bringing together different stakeholders. The objective of this package is ‘to fuel dialogue on BSR branding elements and to increase understanding of many diverse identities in the Region’ (ONE-BSR 5). Here it is important to note that project do not aim to create overall regional branding strategy. Branding this complex region, it aims to collect several ideas, the most attractive stories and compile a portfolio which can stimulate and
concretize BSR branding discussions and actions for the future (Andersson 2013, interview). The work package ‘Locals’ is functioning based on the idea that branding and identity building talks shall be stimulated by cases from real life, giving room for various images and identities of BSR (ONE-BSR 5). In other words, passive branding strategy for the BSR is suggested, meaning that it is not a brand management as it can be understood in a commercial sense. In the BSR case, the goal is to create a brand based on regional identity, values and benefits from the different areas of the region. Aiming to brand the region as a one unit, in longer perspective all these ideas and stories might become different sub-brands gathered under the umbrella brand (Andersson 2013, interview, Lahdensuo 2013, interview).

So with the ONE-BSR project as flagship project the Action Plan not only demonstrates initiative to create a brand communication platform but also shows a specific approach to it. The Action Plan reveals that a brand or brands of the BSR can be built on the strengths of some areas and sectors in this region. Education and youth, innovation, health, tourism and culture are prioritized areas. The Action Plan shows that in order to increase competitiveness of the BSR by branding it as one unit, there is a need of direct actions with inclusive consultation process among the regional key stakeholders. The dialogue among them can reveal main stories about the BSR which comes from real life. So in this way branding is seen as a dynamic, bottom-up process.

Speaking about complementation to the brand as communication channel, the Action Plan should be seen as the document providing with a long-term perspective for the region’s branding and identity-building efforts. However, the on-going ONE-BSR project shows that the goal is not a creation of an overall regional branding strategy, but passive branding of the region. This means that in developing BSR branding strategy room should be given to various BSR images and identities. In longer term sub-brands, taken from different strong and attractive areas of the region, could be created and gathered under an umbrella brand.

4.7 Policy

Analysing the policy as an angle in the hexagon of competitive identity, its meaning in a context of the competitive identity theory and also its application to the Action Plan should be clarified. Presenting the model of competitive identity, by policy Anholt means governmental policy, ‘[t]he policy decisions of the country’s government,
whether if its foreign policy that directly affects overseas population, or domestic policy that gets reported in the international media’ (Anholt 2007:25). From this point of view, ‘public diplomacy is clearly a component of competitive identity’ (Anholt 2010: 94). However, in his later book (Anholt 2010) we find explanation that public diplomacy in the model of competitive identity should be understood as ‘an instrument of policy rather than the method of communication’(Anholt 2010: 100). By public diplomacy it is meant a variety of methods which are ‘used in order to bring about changes in the behaviours of populations [...] to cause them to bring policy changes’ (Anholt 2010: 101). So by policy as a communication channel of the BSR this paper means policy and public diplomacy methods used to manage a dialogue which can create positive perception of the region both internally and externally. Previously mentioned channels were analysed in the Action Plan trying to see how this document contributes to particular areas complementing regions’ competitive identity directly. Policy could be seen as having more indirect influence creating image and competitive identity of the region but at the same affecting all other mentioned communication channels.

Speaking about an external communication and public diplomacy methods which affect public perceptions of the BSR, in some sense the entire Strategy with the accompanying Action Plan should be seen as a political statement creating the image of a united and coordinated region. Anholt states that suggestive and remarkable policies are symbolic actions highly contributing to the image of the place (Anholt 2010:13). So creation of the EUSBSR and the Action Plan for its implementation is already a symbolic action in the EU context, since with this strategy the BSR is presented as united entity, a strong and highly developed region which can significantly contribute to the implementation of Europe 2020 Strategy (Commission 2013: 39).

In talking about internal policies and methods to promote regional cooperation to foster competitiveness of the region, all actions suggested in this Action Plan stimulating regional cooperation of stakeholders in one or other priority area can be seen as policy useful for creating the competitive identity of the BSR. However, the HA ‘Involve: Strengthening multi-level governance including civil society, business and academia’ is included in the Action Plan namely to foster domestic dialogue and cooperation among variety of stakeholders and regional players to achieve objectives of the Strategy (Commission 2013: 152). Since improved global competitiveness of the BSR is one of the sub-objectives of the Strategy, it is interesting to see what kind of
actions and projects are suggested in the Action Plan (table 6) to achieve this and other objectives.

Table 6: Promotion of multi-level governance with the Action Plan

<table>
<thead>
<tr>
<th>Priority Area (PA) or Horizontal Action (HA)</th>
<th>Actions:</th>
<th>Flagship projects:</th>
</tr>
</thead>
<tbody>
<tr>
<td>HA Involve: Strengthening multi-level governance (MLG) including civil society, business and academia</td>
<td>Definition and knowledge of Multi-Level Governance (MLG)</td>
<td>Mapping of the current MLG-situation in different priority areas in the BSR countries.</td>
</tr>
<tr>
<td></td>
<td>Develop tools for Multi-Level Governance (MLG) and the involvement of civil society, business and academia in PA and HA</td>
<td>Ensure the consideration of MLG including the involvement of civil society, business and academia aspects in each of the priority areas.</td>
</tr>
<tr>
<td></td>
<td>Communication and information</td>
<td>Ensure the highlighting of the MLG aspect in the Annual Forum as well as the involvement of civil society, business and academia.</td>
</tr>
<tr>
<td></td>
<td>National NGOs as a resource for involving civil society, business and academia</td>
<td></td>
</tr>
</tbody>
</table>

According to Anholt, ‘[n]ational governments are simply not in control of all of the forces that shape their country’s image, and neither is any other single body within the nation’ (Anholt 2010: 99). In the case of the BSR, which does not have central governance, this is even bigger challenge since the region is characterized by dense network of intergovernmental organisations and a variety of cooperation based on local, regional and international levels. Moreover, it is underlined in the competitive identity theory that ‘[n]ational image is communicated through a complex web of channels and sectors, and none of the “owners” of those channels have absolute control over all the factors that affect their interests’ (Anholt 2010: 100). The HA ‘Involve’ shows understanding of this complexity and therefore aims to involve not only actors at all levels of governance but also civil society, business and academia in the implementation of the Strategy (Commission 2013: 152). Multi-level governance (MLG) is the way suggested in the HA ‘Involve’ to achieve the involvement of all parts of a complex web of channels and sectors in the implementation of the Strategy. According to the Action plan, ‘MLG is about securing the integration of different
administrative levels in the development and the implementation of the EUSBSR according to their responsibilities’ (Commission 2013: 154).

As it was stated earlier, public diplomacy is a variety of methods which are used to change the behaviours of population in order to change or implement policies (Anholt 2010: 101). Several actions and flagship projects under the HA ‘Involve’ should be mentioned to indicate public diplomacy methods suggested in the Action Plan in order to promote multi-level governance and to develop tools aiming to implement objectives of the EUSBSR, so also the objective to strengthen the competitive identity of the region. The action ‘Definition and knowledge of MLG’ shows the need to communicate the idea of multi-level governance in the BSR and to increase knowledge at the local and regional level both about the EUSBSR and the aspects of multi-level governance which are useful influencing and implementing this Strategy (Commission 2013: 153). With the flagship initiative ‘Mapping of the current MLG-situation in different priority areas in the BSR countries’, horizontal action leaders aim to analyse the situation of how different administrative levels and different actors in the respective BSR countries are involved in implementing the goals of different priority areas (Commission 2013: 153). Moreover, with other actions the HA ‘Involve’ aims to include not only actors at all levels of governance in the BSR but also civil society, business and academia in respective priority areas and flagship projects (Commission 2013: 154). Involvement of these players is highly important for competitiveness of the region because civil society, business and academia can significantly contribute to different communication channels.

Other actions under the HA ‘Involve’ shows how the Action Plan tries to employ information sources, pan-Baltic organisations and a network of NGOs to spread knowledge about the EUSBSR and encourage involvement in its implementation. The action ‘Communication and information’ aims to ensure that aspects of multi-level governance are taken into consideration in all information and communication about the EUSBSR. For example the need of HA ‘Involve’ leaders to be involved in the planning of the EUSBSR Annual Forums is emphasized in order ‘to secure the involvement of local and regional authorities and stimulate all types of relevant actors to participate in the Forum’ (Commission 2013:154). Furthermore, from the Action Plan it is clear that involvement of intergovernmental and non-governmental organizations (NGOs) is seen as highly important method integrating different actors from different levels in
implementation process of the EUSBSR. There is one action for the involvement of pan-Baltic organisations and there are three different actions aiming to include NGOs. These organizations are seen as a tool to involve civil society, business and academia. With these actions, the main goal is the capacity-building of the region through inclusion of experts from NGOs and support for NGOs’ transnational cooperation within the BSR (Commission 2013: 155). Also national NGOs are important in cooperation for implementing the EUSBSR and its objectives, because national platforms of NGOs are seen as potential providers of information, education, and meetings to potential beneficiaries or people interested in the implementation of the EUSBSR on national level (Commission 2013: 155).

So the policy revealed within the HA ‘Involve’, the main aim of which is to involve actors at all levels of governance together with civil society, business and academia in the Baltic Sea region, is highly important for creating a competitive region. It is because the region as such is a space of flows and dense network of cooperation in different areas and sectors, so in trying to use the potential of these networks and flows to strengthen global competitiveness of the BSR, cooperation among them and in all levels is vital. A number of actions listed in the Action Plan under different priority areas aims to stimulate regional cooperation of stakeholders in tourism, culture, investment promotion and education in order to strengthen competitiveness of the region in particular sectors. So promotion of multi-level governance and the involvement of civil society, business and academia in priority areas and horizontal actions should be seen as a great contribution creating more cooperative nature in the region. And as it was mentioned before, cooperation and pooled resources are the keys for creating competitive identity of the BSR. So the horizontal action ‘Involve’ promoting the ideas of multi-level governance can be seen as a great contribution to every previously discussed priority areas and their goals to foster cooperation among different stakeholders for the common regional promotion.

So analysing how the EUSBSR through its Action Plan contributes to the aims to create the competitive identity of the Baltic Sea macro region, this part aimed to show how every communication channel from the competitive identity model is
approached in the Action Plan through different actions. Actions and flagship projects contributing to each channel were listed and described in order to see the contribution/input of the Action Plan to the six particular areas on which competitive identity is built. In summaries of analysis, the main contributions from the Action Plan made to each channel were briefly overviewed. But a more detailed summary of how the Action Plan contributes to BSR competitive identity building will be given in the next part answering the second question of this research- what suggestions does the Action Plan reveal for creation of competitive identity in the global cloud of trust for macro regions? The answer to this question will be based on a summary of specific aspects of how the Action Plan contributes building BSR competitive identity and discussions in the theory part about the macro-region as a particular kind of space.
5. What suggestions does the Action Plan reveal for creation of competitive identity in the global cloud of trust for macro regions?

With a new regionalization process in Europe, a number of macro-regions are appearing. The Baltic Sea region is an example of regions, connecting number of countries which are united towards common challenges. As it was discussed, macro-regions are ‘unusual’ or ‘non-standard’ regions. Based on the case of the BSR, we can claim that macro-regions are functional regions and spaces of flows among a variety of initiatives and cooperation in different areas, which makes them different from such places as countries or cities. In this thesis, the BSR is seen both as the pioneering case but also the strongest example of macro-regions and a case which can be seen as a ‘model’ in the sphere of macro-regions which is currently expanding with the creation of the Strategy for the Danube macro-region and the proposals to create the Atlantic Arc and the Mediterranean macro-region.

According to Anholt, one of the great benefits of the rapid transformation of the world from global battleground to global marketplace is that ‘it enables smaller countries to find a profitable niche, and compete on the basis of their cultural, environmental, imaginative and human qualities rather than on raw power’ (Anholt 2010: 37). So like countries or cities, macro-regions aim at developing or increasing the competitiveness in global markets for products or funds, but also for ideas, influence and reputation, and for trust, attention, and their visibility in the global cloud of trust. However, how does such a complex entity as a macro-region is able strengthen its competitiveness and its position in the global cloud of trust? The key aspects/suggestions in the process of creating competitive identity for macro regions can be revealed from the analysis of the Action Plan which is a tool to implement objectives of the EUSBSR among which is also a goal to improve global competitiveness. Since the BSR today is commonly considered as being ‘one of the most regionalized parts of Europe’ and as ‘a showcase laboratory’ for the European integration process (Salines 2010: 6), based on the analysis of Action Plan for EUSBSR several main suggestions for a creation of competitive identity for macro-regions can be revealed.
5.1 Multi-level governance and coordinating frameworks

As was presented in the theoretical part, macro-regions are new type of regions. The new regionalism is about ‘governance’ instead ‘government’ and the combination of private, public and non-profit interests. As a new type of region, the macro-region should be seen as maintained not only through relations between nation states, meaning governmental and trans-governmental actors, but the process among a variety of international organizations, non-state actors such as private institutions, universities, movements, civil society actors, private firms or any other type of stakeholder and their networks (Dubois et al. 2009: 14). All of them are important for promoting regional integration, regional development and also building regional competitiveness. Because of such nature of these regions, as is also suggested in the Action Plan, multi-level governance is the way to coordinate creation of competitive identity of macro-regions. This type of governance can secure the integration of different administrative levels, developing spheres of tourism, culture, education, investment promotion or branding and in this way contributing to all communication channels of the macro-regional competitive identity.

However, besides the need to deepen communication and cooperation between actors in all levels of governance, it is very important to encourage cooperation between civil society and the public sector in different levels in the macro-region. Involvement of civil society, business and academia can significantly complement to different communication channels. Pan-regional organisations and a network of NGOs should be seen as platforms for cooperation and networking on different levels (local, national, regional) and sources to strengthen macro-regional capacities in such sectors as culture, tourism and education. Also through involvement of the civil society, a bigger part of general population can be involved in regional matters. Such involvement can create stronger identification with the values of the region and appreciation of the benefits regional cooperation gives. And through involvement of civil society active regional citizenship can be created.

Also from analysis of the Action Plan, we see that the common and main contribution of this document to all communication channels and to the aim to create competitive identity of BSR is the initiatives to create comprehensive institutional and policy frameworks. In order to strengthen one or another communication channel, the Action Plan lists a number of actions and projects to develop efficient frameworks for
cooperation among stakeholders in the areas of culture, business, tourism and education. As the HA ‘Promo’ shows, cooperation among these stakeholders is also highly needed in order to have joint branding activities for this region. So the creation of coordinated institutional frameworks on the macro-regional level is the other suggestion for macro-regions to build their competitive identity.

Also next to institutional frameworks, the policy frameworks are also an important aspect to boost the synergies in the region in order to strengthen individual communication channels and competitiveness of the BSR in general. In connection to this, the Action Plan lists a number of actions and flagship initiatives to create strategies which can provide targets and common goals for stakeholders within different areas and at the same time be a stimulus for cooperation. So both initiatives seen in the Action Plan to create institutional and policy frameworks are very important since competitiveness of such a complex entity as the macro-region is highly dependent on abilities to channel behaviour of different stakeholders towards cooperation and development within the areas on which competitive identity is built.

5.2 Employing population to create positive perception of the region

The population of the macro-region can be a strong communication channel of this entity. However, in aiming to galvanize people to become representatives of the region, common identification with the region and its values should be achieved first. Macro-regions are connecting a number of countries with different languages, cultural background and public spheres. Therefore, a common public sphere is a great need in the macro-region to explore and reveal values and advantages its population can be united upon and identify with. As was stated when presenting the channels in the competitive identity model, if the substantial part of the population is motivated and energized through benign national ambition, people use the opportunity to tell the world about their county. So a common macro-regional public sphere could be a sphere to create a we-feeling and possibly to formulate regional ambition which can inspire the population to spread ideas about the region and its values. In order to create the public sphere on a macro-regional level, a number of communication means could be employed to share news and stories among countries in the macro-region. This can raise mutual concern and mutual understanding about
regional issues. This is highly important to raise regional consciousness and increase active regional citizenship.

Furthermore, an educated population is a great communication channel for building a positive and highly trustful image of the place. So one suggestion for countries of macro-regions would be to stimulate cooperation among education institutions in order to increase the level of education in macro-region. Focus on education exchange also stimulates mobility of the population and at the same time creates more open societies on national and regional levels. This is highly important for retaining and attracting talents and a younger population in and to the region. As the case of the BSR shows, education policies together with youth policies can be the tools to improve a quality of education, living conditions and at the same time to foster active citizenship. Active citizens most likely can become a ‘mouth-piece’ of the region’s values and qualities and in this way the specific channel in communicating a complex identity of the macro-region.

5.3 Competiveness based on industrial/clusters identities and cooperation strategies

From the analysis of the Action Plan we, see that this document is contributing to the creation of BSR competitive identity through a number of communication channels. However, some of them receive more attention or more direct and concrete actions than others. The most attention in the Action Plan is given to the communication channels ‘tourism’, ‘culture’ and ‘people’. All of them are covered by separate priority areas and they are recognized as highly contributing to the sub-objective of the Strategy to increase competitiveness of the region. However, taking into account how many actions and projects are listed in connection with different communication channels, the strongest Action Plan contribution to BSR competitive identity is through support to education, tourism, research and innovation areas (strengthening such channels as ‘people’, ‘tourism’ and ‘investments’). Actions and initiatives under priority areas and/or horizontal actions in connection to these communication channels are the most promising and most concrete, and also their results can be delivered in a shorter perspective.

Such an approach to particular communication channels of the region is not surprising since the previously mentioned areas and sectors are ones the region is
already gaining benefits from and is known for. In the Action Plan it is stated that ‘growth in the tourism sector has been supporting the economic recovery in the Baltic Sea region’ (Commission 2013: 141). Also we read that ‘the region has the best results in the EU on reading literacy, upper secondary completion rate and public investment in education’ (Commission 2013: 76) and that ‘the BSR includes some of the innovation top-performers in Europe’ (Commission 2013: 99). So in order for macro-regions to strengthen their competitiveness, focus and resources should be provided for the development of already strong sectors. Moreover, as it is suggested under PA ‘Innovation’, the cluster approach is the way to explore regional strengths further (Commission 2013: 99). This approach suggests the creation of regional clusters which are groups of organizations that are located within a region producing similar products or services (Romanelli - Khessina: 2005:346). In the case of the BSR, the creation of clusters in the strongest areas such as health care, life science, ICT is seen as a useful method in strengthening the competitiveness of the region. So from the example of the BSR another important suggestion for creation of competitive identity of the macro-region is the creation of industrial identities based on regional clusters. The main benefit of these clusters for the regions is that they characterise the industrial identities of regions (Romanelli - Khessina 2005:347). These industrial identities first of all attract the attention of a business audience by region’s reputation as a suitable destination for investment. However, having specific industrial clusters as a loud voice communicating about the region, in the longer run industrial identities can help to gain not only strong industrial influence in global markets but also international economic and political voices. In other words, through strong industrial identities, a macro-region can gain soft power in the wider international arena.

However, the creation of clusters is just one of the possible forms of collaboration for macro-regions to become visible and competitive. As the Action Plan shows, macro-regions can embrace global opportunities only by cooperating on different levels and among different stakeholders (for example clustering creative industries or tourism stakeholders). By pooling resources of countries of the macro-region, this new type of entity can strengthen the capacities of its cultural, environmental, imaginative and human qualities and increase its opportunities to compete in global marketplace. This collaboration should be also cross-sectoral, establishing a service network of regional development agencies, business development
organisations, government agencies and knowledge institutions to help to join forces across regional boundaries. As the Action Plan shows, triple helix cooperation - intensive cooperation between industry, academia and the public sector – can be useful not only in the business sector for attracting new investments but also for attracting and retaining talents. So cooperation strategies in all sectors and all levels are one more key suggestion for the macro-region.

5.4 Sub-brands and umbrella brand

As mentioned in the previous part, if a macro-region has several strong sectors, they can create particular cluster or industrial identities. Macro-regions can also build their brands on these identities and in this way to strengthen their competitiveness. Such idea is also present in the Action Plan. For example, we can see the suggestions to brand the BSR as ScanBalt Health Region or as a destination for health tourism because of highly developed life science in this region. In addition, there are suggestions to brand the region as a smart and innovative region or to create thematic BSR brand(s) highlighting common cultural and natural heritage and history. However, by creating brands of macro-region on specific strong areas, these brands tend to exclude some countries of the or some sectors the macro-region is good at. Because of the hubs of power and managerial elites in macro-regions, and as a result, the number of competing ideas about the region and its strengths, the creation of one brand for this type of entity is very complicated. The suggestion in such situation based on the analysis of the BSR case would be the creation of several sub-brands and one umbrella or basic brand for macro-region in order to strengthen its visibility.

The umbrella and sub-brand strategy is the strategy applicable especially to supra-national units because the main idea behind it is that ‘the umbrella brand and the sub-brands are to some degree perceptually linked, but only to the extent that more general values are transferred between the brands’ (Andersson - Paajanen, 2012: 59). In some sense creation of an umbrella brand and sub-brands is a creation of a supranational brand. Such brands are seen as highly beneficial for small countries which often are poorly known in the target market or are quite far from the target market (Andersson 2012: 58). Countries forming such macro-regions as the BSR or the Danube region are relatively small, so by pooling their resources together on the macro-regional level, they
can employ their cultural, environmental, imaginative and human qualities under sub-brands or umbrella brand.

However, when applying umbrella bran and sub-brands strategy, according to Supphellen, it is important that there is communication and collaboration between these sub-brands in a kind of alliance (interview with Supphellen cited by Andersson 2007: 124). And to achieve this alliance, a common communication platform needs to be created (BaltMet Promo 2011: 1). Such ideas have begun to be implemented in case of the BSR by the BaltMet Promo project, and are currently promoted with the ONE-BSR umbrella project. As initiatives under this project show, a dialogue among a variety of stakeholders on the macro-region’s branding elements should be maintained. This dialogue is important for several reasons. First, since macro-regions are complex social entities based on a variety of initiatives and purposes on which regional integration is driven, this dialogue serves to collect a variety of stories on which macro-regions can build sub-brands. Moreover, in the longer run this dialogue can help to find and maintain ‘a unified purpose, a kind of core idea or brand story’ (Andersson 2007:125). This core idea or brand story can be seen exactly as an umbrella brand for the entire macro-region. However, in order to come up with this core brand story two main aspects are needed: clear and comprehensive common interests and/or a shared sense of a common identity (Andersson 2007:125). Speaking about this first aspect, the already mentioned institutional and policy frameworks along with multi-level governance can be seen as creating conditions for clear and comprehensive common interests in macro-regions. The aspect of shared common regional identity will be mentioned in connection with last suggestion for macro-regions creating their competitive identity.

5.5 Employing culture

Form the analysis of the Action Plan we can see culture is an important resource for a macro-regions both internally and externally. So employment of culture is the last suggestion for macro-regions aiming for competitive identity. Macro-regions have a better chance to become more visible and competitive in the marketplaces of tourism, investment and ideas if they share a sense of common cultural identity. In the case of the BSR, culture has been acknowledged as an important part of the development power in the region just recently with the latest edition of Action Plan.
However, since the BSR is seen as a model for other macro-regional projects currently in progress, this example can possibly stimulate employment of culture in other macro-regions.

Regional culture is important in itself, but also because of its close connection to other communication channels. Through the creation of macro-regional cultural identity and promotion of common cultural heritage, this communication channel is closely connected with attraction of tourists. Touristic products created in order to highlight the common cultural and natural heritage and history can help the macro-region to become an attractive destination and bring economic benefit, but also significantly contribute to the perception of the region as attractive place to live, work and invest. Through creative industries, culture stimulates strategic investments and also contributes to retention and attraction of talents to macro-regions. Also from the BSR case, we see that culture can be employed as a tool to reach territorial and social cohesiveness which are valuable characteristics of a place trying to channel behaviour in direction towards competitive identity.
Conclusions

The rapid transformation of the world from global battleground to global marketplace created a state of competition among the different entities in the international arena. Growing acknowledgement of the influence of global public opinion and market forces on international affairs created a need to brand places in order to strengthen their competitiveness. Macro-regions as new kinds of entities, along with countries or cities, are also in need to develop or increase their competitiveness in such a context. In this thesis aiming to contribute to the still limited research on branding activities of such supranational entities as macro-regions, Anholt’s model of competitive identity was applied to the case of Baltic Sea macro-region. The research framework was constructed by applying the hexagon of competitive identity to the recently edited Action Plan for the EUSBSR. The initiatives to brand the BSR have been present for over a decade but they got an important place on the high-level political agenda just recently with the EUSBSR. The current Action Plan shows that regional branding and visibility are becoming more important issues in the framework of the Strategy. Extensive overview of the actions and projects under the latest Action Plan in the framework of competitive identity theory provided the answers to two research questions.

How does the EUSBSR strategy, through its Action Plan, contribute to creating a competitive identity of the Baltic Sea macro region? To answer this question, priority areas/horizontal actions and the initiated actions/projects under them were analysed in the attempt to see how the Action Plan, through these initiatives and activities contributes to communication channels from the competitive identity model. The analysis shows that this document is contributing to the creation of BSR competitive identity through all communication channels from the hexagon. However, summarising the overviews of the tables 2 – 5, it is clear that the strongest way that the Action Plan contributes to BSR competitiveness is through support to education, tourism, research and innovation areas (strengthening such channels as ‘tourism’, ‘investments’ and ‘people’).

Tourism sector is highly important to the BSR since it has been supporting the economic recovery of the region recently. Therefore the creation of a competitive
tourism sector is supported by the actions to create networks and clusters in this sector and mobile the full potential for sustainable tourism in the region. Projects to develop strategies for sustainable tourism and to improve an image of the Baltic Sea Region as a roundtrip travel destination illustrate how the Action Plan contributes strengthening tourism as communication channel of the BSR.

The Action Plan also sufficiently contributes to create an image of the BSR as an attractive direction for a limited pool of international investments. Even if this communication channel does not have a particular priority area, a number of initiatives and actions are found under several priority areas and horizontal actions. In order to strengthen competitive identity of the BSR through this channel, the Action Plan aims both to support already competitive sectors and to reveal particular sectors in which the BSR has the potential to become particularly strong. Aiming to strengthen the BSR’s image as appealing investment location, the Action Plan lists initiatives to establish a common BSR innovation strategy and to foster cooperation among national investment promotion agencies. Moreover, the Action Plan aims to foster cross-border cooperation between business organisations, local, regional and national authorities, and trade and investment promotion bodies in the BSR. These actions show understanding that the success of BSR in embracing global opportunities depends on wide regional collaboration on all levels.

Finally the Action Plan shows potential to contribute to the creation of a competitive region through its population. The document focuses on creating an attractive region with an open society, high quality education and well educated mobile workforce. Moreover, the young part of the population is in focus. With the actions aiming to include youth in regional policy and provide them lifelong learning and good working opportunities, the Action Plan shows investment in the young population, which in the longer run can foster active citizenship. It increases the possibilities that a significant part of population can become enthusiastic and prouder advocates of the region and its values.

Reflecting on Andersson’s idea that the BSR deserves to be known but still is a well-hidden secret, the latest Action Plan might be seen as having potential to contribute to creation of the BSR’ competitive identity significantly and to make this region a ‘magnet for capital, talent, tourism and innovative thinking’ (Andersson 2010:10). However, it should be noted that the Action Plan is just an attempt to frame
different initiatives in the BSR and that this document is not binding countries or any stakeholders. So the future of the implementation of this Plan, so also the success creating competitive identity of the region depends on a variety of factors.

The second research question was what suggestions does the Action Plan reveal for creation of competitive identity in the global cloud of trust for macro regions? In this research, the BSR was chosen as a role model for other macro-regions in the EU, so using the same extensive overview of the actions and projects under the latest Action Plan, the most important aspects of creating competitive identity for macro-regions are revealed based on this single case study. This question was raised in line with the aim to stimulate a more flexible application of the competitive identity model to different entities and in this way to complement to discussions/debates within competitive identity theory. Based on the BSR case and discussions in the theory part about the macro-region as a particular kind of space, several suggestions for macro-regions in creating competitive identity in order to appear in the global cloud of trust were revealed. The main of them are listed below.

**Multi-level governance.** As was presented in the theoretical part, macro-region is new a type of region. The new regionalism is about ‘governance’ and the combination of private, public and non-profit interests. So as a new type of region, the macro-region should be seen as maintained not only through relations between nation states on the governmental level. Next to this level dynamic processes are taking place among a variety of international organizations and non-state actors such as private institutions, universities, different organizations, movements, civil society actors, private firms and their networks. Because of this nature of the macro-region, multi-level governance, which is securing the integration of different administrative levels, is the suggested way to coordinate the creation of competitive identity of macro-regions, covering all the channels.

**The need of institutional and policy frameworks** in order coordinate every communication channel is another suggestion for macro-regions. Initiatives to create institutional and policy frameworks seen in the Action Plan are very important since competitiveness of such a complex entity as the macro-region is highly dependent on the ability to coordinate behaviour of different stakeholders within different areas.
Population is an important channel for communicating about the macro-region. In order to employ this channel, a common macro-regional public sphere is greatly needed in order to explore and reveal the values and advantages of the region that its population can be united upon and identify with.

Industrial/clusters identities and cooperation strategies. In order to strengthen their competitiveness, focus and resources should be given to the development of already strong areas and sectors of macro-region. Clustering of specific industries can help to achieve industrial or cluster identities which attract the business audience. Moreover, clustering or pooling resources is highly beneficial in all the areas and levels for the macro-region because cooperation can strengthen capacities of the region.

Sub-brands and umbrella brand. In presenting the brand as a communication channel of the place, Anholt refers to an export brand of the country. But macro-regions as collections of countries and spaces of various flows do not have export brands. Still, the macro-regions aim to create attractive brand(s) (the BSR’s brand is an important issue in the Action Plan). The umbrella brand and sub-brands strategy is the branding strategy suggested for such supra-national units as macro-regions.

Employing culture. On the macro-regional level, culture can be employed as a tool to reach territorial and social cohesiveness. Regional culture is important itself but also because of its close connection to other communication channels like tourism or investments. In creating institutional and policy frameworks in the cultural area of the macro-region, culture can be employed as an important part of the development power in the region.

Limitations and shortcomings of the study

In the model of competitive identity presented, communication channels are refer to national competitive identity, so this model is constructed to be suitable to use for the investigation of competitive identity of countries. Despite that, the model of competitive identity is called the new brand management for nations, cities and regions. So in aiming to stimulate a wider application of the competitive identity model to different entities, interpretation of those channels more applicable to a macro-regional level were applied in analysing the case of the BSR. For example, the idea about the brand as an export brand is not applicable to macro-regions (the same can be said about
policy as communication channel). However, as the case of the BSR shows, there are active initiatives to create a brand of this region, so the research focused on the general idea and suggestions for BSR branding. On one hand, it can be seen as a too flexible application of the competitive identity model, changing or distorting it, but on the other hand, since the research aimed to complement discussions within competitive identity theory, the specific interpretation of six communication channels in macro-regional frame is seen as justifiable.

The question about external validity of single case study was already discussed in a separate part of this thesis. However, in connection to this part it might be asked if we can generalize findings from the case study of the BSR and apply them to other macro-region if in macro-regions which are currently in progress the governance logic and building of the region is/might be different. However, characteristics/features of macro-region such as multifunctionality or space of flows are seen as applicable to other regions in progress (Danube or Mediterranean) too. So based on this assumption, the answers to the second research question base on the case of one macro-region are seen as justified.

**Recommendations for future studies**

Recently the BSR is seen as the only strong exemplifying case of European macro-regions because of its clear institutionalized strategy with the Action Plan listing actions to strengthen cooperation for its implementation. Thus this research was based on a single-case analysis. However, the sphere of macro-regions is recently growing. So in future, deeper studies of macro-regional competitive identity can be achieved with comparative studies of macro regional strategies, for example, comparing and analysing two already existing macro-regional strategies i.e. the EUSBSR and the Strategy for the Danube Region. Moreover, it would be interesting to investigate implementation process of the Action Plan for EUSBSR after some time, aiming to see how communication channels are developing and which of them are the strongest.
Executive Summary

The model of competitive identity, presented by Anholt (one of the world's leading specialists in creating brand strategies), is seen as the model for enhanced national or regional competitiveness in the global world, which ‘is a world made almost entirely of brand value: we hardly ever do business with people we really know, and consequently live, work, and trade almost exclusively among clouds of trust’ (Anholt, 2010: 23). In this model six channels most countries use to communicate with the rest of the world are specified: tourism promotion, export brand, policy decisions of the county’s government, investment promotion, culture and people (Anholt 2007:26). In the current global system not only companies or countries are in need of trust building and broadcasting. Supranational entities such as regions also are trying to gain their places in the global cloud of trust. So as countries applying branding strategies actively seek to create a unique and competitive identity (Andersson 2007: 122), regions are also in need of competitive identity, in order to compete in a single, global community with fused marketplaces which are not just markets of products or funds, but of ideas, influence, culture, reputation, trust and attention (Anholt 2007, Szondi 2008, Volcic - Andrejevic 2011).

The idea of branding the Baltic Sea macro region (BSR) to gain a competitive position in fused global markets can be traced back to 2001. Since then discussions and investigations of the potential for building a brand for this region are present focusing on promoting it both in Europe and globally (Andersson 2007: 121). In 2009, the European Commission concluded the Strategy for the Baltic Sea region (EUSBSR). One of the challenges stated in the recent Action Plan for the EUSBSR is the need to enhance region’s prosperity and strengthen competitiveness of the region. In this document, the Commission emphasized the problem that the BSR does not have a recognised image and that there is a lack of joint activities for branding this region (Commission 2013: 165). Because the recent edition shows that branding and visibility are becoming more important issues in the framework of the Strategy, it is good timing for investigation of competitive identity of the BSR in the framework of the Action Plan.

This research has double aim. First, to apply the theory of competitive identity to the case of Baltic Sea macro-region in order to contribute to the still limited
researches on branding activities of such supranational entities as macro-regions. The second aim is stimulate a more flexible application of the competitive identity model to different entities and in this way complement discussions about competitive identity theory. To accomplish these aims close analysis of the recent Action Plan for the EUSBSR is the core of this research. By creating an extensive overview of the actions and projects under this Action Plan in the framework of competitive identity theory, this study aims to see how the creation of competitive identity and visibility of the region is being built in the BSR.

The main questions of this research are: How does the EUSBSR strategy, through its Action Plan, contribute to creating a competitive identity of the Baltic Sea macro region? In connection to this, what suggestions does the Action Plan reveal for creation of competitive identity in the global cloud of trust for macro regions?

In trying to fulfill the aim to contribute to limited research on branding activities of such supranational entities as macro-regions, a single case study of the BSR was chosen for this research. Because today the BSR is considered as an area of cooperation ‘where new ideas and approaches can be tested and developed over the time as best practise examples’ (Joenniemi 2009: 4), this case is taken as a case which can illustrate features of competitive identity creation on the macro-regional level. The main sources for this case study of the creation of the BSR competitive identity are the recently changed version of the Action Plan for the EUSBSR, the Strategy for this region launched in 2009, additional information from articles as well as information about different projects under this strategy, which is available from internet sources. In addition, several expert interviews were conducted too as complement information in analysing the Strategy and the Action Plan and focusing on actions, projects and initiatives under it.

In aiming to answer the research questions, the hexagon of competitive identity is applied to the new setting of horizontal actions and priority areas under the EUSBSR Action plan. Seeing the Action Plan as a collection of initiatives under different areas connected with communication channels from the hexagon, the theoretical model of competitive identity is seen as a frame indicating what priority areas and horizontal actions should be studied when analysing the competitive identity of BSR.
The investigation of the Action Plan starts with the overview of changes in this document. The creation of a new horizontal action which is meant to bring together different branding and regional identity building activities in the region shows that both stakeholders involved in the improvement of EUSBSR and the European Commission see the focus on regional promotion activities as a significant part of the strategy. So this also confirms that the creation of competitive identity should be seen as an important goal within this Action Plan and the Strategy.

Analysis of the Action plan shows that this document is contributing to creation of the BSR’ competitive identity through all communication channels from the hexagon. By summarising an extensive overview of priority areas/horizontal actions and the initiated actions/projects under them, this research shows that the strongest Action Plan contribution to the BSR’s competitiveness is through support for education, tourism, research and innovation areas (strengthening such channels as tourism, investments and people). Reflecting on the idea that the BSR deserves to be known but is still a well-hidden secret, the latest Action Plan might be seen as having potential to significantly contribute to the creation of the BSR’ competitive identity significantly and make this region a ‘magnet for capital, talent, tourism and innovative thinking’ (Andersson 2010: 10).

Based on the BSR case study and discussions about a macro-region as particular kind of space, several suggestions for macro-regions to create competitive identity in order to appear in the global cloud of trust are revealed. Among them is the application of multi-level governance and institutional and policy frameworks in order to channel the behaviour of different stakeholders towards creating the competitiveness of such a complex entity as macro-regions. Another suggestion is to employ culture and population as important communication channel of the macro-region. Finally, in order to increase the visibility of macro-regions, creation of industrial/cluster identities and sub-brands along with an umbrella brand are suggested.

The thesis includes reflections on the shortcoming and limitations of the research. Some of them are coming from theoretical background while other limitations are connected with the nature of the Action Plan for EUSBSR. The author shows an awareness of all of these limitations and still sees them as advantages providing the chance to conduct one of the first studies on this new EU document.
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Lahdensuo, Riikka 2013. Project coordinator at City of Helsinki. Phone interview 22 April 2013

Schindler, Franziska 2013. Project manager at the cultural network ARS BALTICA. Phone and email interviews 3 May and 12 May 2013
Appendix I – List of interviewees

- Marcus Andersson – former Head of Public Affairs at Baltic Development Forum, the author of a number of articles and several reports on the BSR promotion and branding efforts, one of the practitioners in finished BaltMet promo project under BSR identity and branding work package. As representative from Tendensor- branding consultancy in the intersection of society and business – is involved in the current ONE-BSR project.

- Camila Wristel - programme manager at Swedish Institute (Si), coordinator of Talent retention package under ONE-BSR project.

- Katarzyna Dygul – project manager at Baltic Development Forum, coordinator of Investment promotion package under ONE-BSR project.

- Torben Aaberg- Head of Public Affairs at Baltic Development Forum, who was closely following recent changes of the Action Plan under the EUSBSR, promoting Horizontal Action ‘Promo: Boosting joint promotion and regional identity building actions’. He is also now one of the coordinators of this Horizontal action.

- Riikka Lahdensuo - lead partner of ONE- BSR project, coordinating different packages in this project, also partner in previous identity and branding project BaltMet promo. Riikka Lahdensuo as a representative of City of Helsinki was closely involved in promotion of the Horizontal Action ‘Promo: Boosting joint promotion and regional identity building actions’ in the recent plan.

- Franziska Schindler – project manager at the cultural network ARS BALTICA (institution connecting the Baltic Sea states in a cultural collaboration, lead partner under several flagship projects under PA Culture).