

Who Governs the Macro-Region?

A Study of Power Relations within the European Union
Strategy for the Baltic Sea Region

Emmy Harlid

Abstract

The first European macro-regional strategy, *the European Union Strategy for the Baltic Sea Region* (EUSBSR) was launched in 2009. The EUSBSR has been a role model for other macro-regions in the EU, which makes it relevant to study from a governance perspective. This thesis adopts a case study design with the aim of examining how the EUSBSR governance system can be characterised and in what ways the Strategy restructures the political relationships between its stakeholders. Theoretical conceptualisation is achieved by linking theories of governance with theories of power in a framework for identifying power in governance systems.

The main findings include that the EUSBSR governance system is characterised by top-down social relations, despite its attempt at facilitating a bottom-up governance approach. Notably, the EUSBSR have granted the European Commission and the national levels of its Member State a strengthened role vis-à-vis sub-national actors. In addition, asymmetries in the involvement of the Member States of the region are visible where particularly Sweden has been a key actor. The thesis concludes that more research on macro-regional strategies in the EU is required and emphasises the benefits of linking power and governance concepts.

Key words: *EU, Power, Governance, EUSBSR, Macro-region*

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List of Abbreviations

- BDF – The Baltic Development Forum’
BSR – Baltic Sea Region
BSC – The Baltic Sea Commission
BSSSC - The Baltic Sea States Subregional Co-operation
Commission – The European Commission
Council – The European Council
CSDP - Common Security and Defence Policy
DG – Directorate General
ERB – Euroregion Baltic
EU – The European Union
EUSBSR – European Union Strategy for the Baltic Sea Region
EP – European Parliament
FPL – Flagship Project Leaders
HAL – Horizontal Action Leaders
HELCOM – The Helsinki Commission
HLG – High Level Group
MA – Managing Authority
NCP – National Contact Point
ND – Northern Dimension
MLG – Multi-Level Governance
OMC – Open Method of Coordination
PAC – Priority Area Coordinator
PL – Project Leader
SAERG – The Swedish Agency for Economic and Regional Growth
SALAR – The Swedish Association of Local Authorities and Regions
UBC – Union of Baltic Cities
VASAB – Vision & Strategies around the Baltic

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1 Introduction

The EU strategy for the Baltic Sea region [...] has quickly become the major way in which the EU relates to the region, in the process altering relations with and among other institutional actors (Bengtsson, 2011:7).

The European Union represents a unique political entity which features a mixture of governance strategies spread out over many policy areas. Several scholars have discussed the emergence of ‘new’ or ‘softer’ instruments for governing in the EU (e.g. Héritier 2003; Börzel 2011). There are many types of rule mechanisms that can be seen as softer modes of governance, including standards, conventions and other forms of non-legally binding rules that aim at influencing the actions of its recipients (Casula Vifell 2009:202f). This thesis argues that one of these new instruments can be found in the newly developed concept of ‘macro-regions’ in Europe. A macro-region in the EU context refers to “*an area including territory from a number of different countries or regions associated with one or more common features or challenges.*” (Samecki 2009). Connected to these European macro-regions individually tailored strategies can be found, so called ‘macro-regional strategies’.

The first European macro-regional strategy, *the European Union Strategy for the Baltic Sea Region* (EUSBSR)¹, was launched by the Commission in June 2009. This was the first time the EU developed such a comprehensive strategy at the level of a macro-region. In addition the Strategy, although tailored specifically for the BSR, was seen as a forerunner for additional macro-regional strategies within the Union in areas such as the Mediterranean and the Danube Basin (EU 2009). Although, the governance structure of the EUSBSR was promoted by many actors, challenges seemed inherent in the system. For example, the difficulty of governing a strategy without specifically allocated funding, the so called two-tier construction of coordination between the Commission and the

¹ The EUSBSR includes the countries; Denmark, Estonia, Finland, Germany, Latvia, Lithuania Poland and Sweden.

Member States and the asymmetric involvement of participating countries, was early mentioned as problematic (Bengtsson 2009:6f). Within this, questions of ‘if’ and ‘in what way’ the macro-regional approach to governance affects the relations between Member states, the Commission and other stakeholders seem particularly relevant. As it may also influence the creation of future macro-regional strategies in the Union it becomes even more relevant to study the EUSBSR from a governance perspective. However, these types of questions cannot be answered through governance theory alone, but require a theoretical conceptualization of political relationships between actors and institutions. In other words, a power perspective must be applied if we are to describe the political effects of the macro-regional strategy.

The importance of power in governance has been emphasised by Professor Stefano Bartolini who claims that early governance literature often disregards the relationship between the emergence and functioning of new modes of governance and the issues of power distribution among actors (2011:17). With the following statement he pinpoints why this is a mistake in governance research:

“Governance tools emphasize problem-solving needs and issues but they also affect power resources. There are ‘leaders’ and ‘followers’, ‘winner’ and ‘losers’ in shifts from older to more novel forms of governance, raising the question of who sets the trajectory or change and with what consequences” (Bartolini 2011:17).

This quote illustrates how power mechanisms inherited within various forms of governance may effect and shift the political relationships between actors and institutions. It is also in the light of such restructuring effects that this thesis starts off. In sum, it is by connecting the European macro-regional governance instrument to theories of power and that this thesis will attempt to contribute to existing research on macro-regional strategies. Furthermore, the results from this study become highly relevant in the light of additional European macro-regional strategies that are being modelled on the same principles as the EUSBSR governance system.

1.1 Purpose and Research Questions

By attempting to fuse theories of governance and power into an analytical model for empirical research, this thesis has a dual aim: To enhance the empirical understanding of macro-regional strategies in an EU context and to further the theoretical understanding of macro-regions as facilitators of power. With this said, *the purpose of this thesis is to analyse the restructuring effects of the EUSBSR governance system from a governance-power perspective*. In this, the following research questions will be pursued:

- *What characterises the architecture of the macro-regional governance system of the European Union Strategy for the Baltic Sea Region (EUSBSR)?*
- *How has the EUSBSR restructured the political relationships between the stakeholders of the Strategy?*

In search for answers to these questions the thesis takes a constructivist approach to international relations which typically claims that “*structures are social as well as material, and that agents and structures are mutually constitutive*” (George – Bennett 2005:129). This in turn echoes the structure-agent debate which fluctuates between acknowledging the *power of agents* and the relevance of *structural factors* (Dessler 1989:443). For constructivists, the understanding of behaviour in international relations also depends on the recognition of mutually constitutive rules resting on collective intentions:

“These rules may be more or less "thick" or "thin," depending on the issue area or the international grouping at hand. [...] But in any event, these constitutive rules prestructure the domains of action within which regulative rules take effect.” (Ruggie 1998:879).

Despite the more general characteristics outlined above, there are several different strands of constructivism¹ (Ruggie 1998:879) Thus, it is important to clarify that

¹ For an overview of constructivism see John Gerard Ruggie, “What makes the World Hang Together? Neo-Utilitarianism and the Social Constructivist Challenge” (Ruggie 1998).

the social constructivist approach applied in this thesis views both agents and structures as vital elements of political restructuring in an international context. In this both social and material environments as well as rules are important for engaging and constraining actors.

1.2 Previous Research on Macro-Regional Strategies

It has been illustrated above that macro-regions are a rather new phenomenon in the EU. Consequently, scholars have not had a lot of time to analyse its existence and that available research in the field is quite limited. Nevertheless, the EUSBSR has attracted a lot of attention which has resulted in numerous research papers, reports and discussion materials. Some of the earliest literature (Bengtsson 2009a:2009b, Schymik - Krumrey 2009; Joenniemi 2009; Antola 2009a) revolves around the time of the adoption of the strategy. These works focus on describing how the Strategy was created, analysing its content and identifying potential added value and future challenges to its successful implementation. Among the proposed challenges are issues of efficiency and governance of the strategy as well as the community challenge and the external challenge. Salines (2009) also puts focus on conditions for effective macro-regional cooperation by arguing that four success-factors are required. A similar discussion is carried out by Antola (2009b), who discusses the difficulties of implementing the Strategy, especially in the light of the economic crisis. Schymik and Krumrey (2009) took another approach towards reviewing the success of the Strategy when they analysed parts of the documentation offered to the Commission during the consultation procedures. Their conclusion was that the Commission managed to incorporate most of the stakeholder opinions into the Strategy at the expense of a rather wide Action plan.

A more extensive mapping of the macro-regional concept in general and the EUSBSR in particular was published by Dubois et al. (2009). In their scoping study they attempt to understand the emergence of macro-regions in the EU in relation to already existing territorial cooperation. In the end they also identify potential fields of tension for the macro-regional approach.

Later works (Stocchiero 2010a:2010b; Ozolina et al. 2010; Bengtsson 2011a:2011b) goes further in their attempt at analysing the EUSBSR. Stocchiero in particular focuses on the tensions and added value of the strategy while Ozolina et al. offers an initial analysis of the Strategy a year after its adoption. In the latter work, although a comprehensive overview of the general development of the Strategy is given, a primary focus lies on Latvian model for implementation. Bengtsson in turn puts focus on the success or failure and the future prospects of the Strategy.

One of the later works on macro-regional strategies is presented by Dühr (2011) in the form of a working paper which attempts to compare the experiences between the EUSBSR and the Danube Strategy. She identifies the complex governance arrangements and the limited involvement of sub-national and local stakeholders as considerable challenges.

Finally, Vanags 2011 discusses the EUSBSR from an historical point of view and puts it in relation to economic cohesion and integration in the BSR. In his article, Vanags questions the extent of regional cohesion in the BSR and claims that there is limited common interest in the regions apart from the Baltic Sea. However, he concludes on a positive note that increased cohesion might be realised through the EUSBSR.

1.2.1 Relevance and Contribution of this Thesis

Through the introduction on previous research concerning macro-regional strategies, in the EU in general and the EUSBSR in particular, it becomes clear that most of these works revolve around the added value of the Strategy and its potential success or failure. Although parts of the previous research touch upon aspects or tensions related to power, there seems to be a lack of deeper consideration for the power aspects of macro-regional strategies. Especially regarding how macro-regional governance systems influence the political relationships between its participants. This thesis will attempt to elaborate upon such power aspects of macro-regional strategies, thus hoping to make a valuable contribution to already existing research.

1.3 Definitions and Delimitations

The definition of a macro-region is related to the exercise of defining any region, regardless of its prefix – *macro, micro, meso, meta* or *sub-national*. Standing on its own, the term region can reference to anything from an administrative entity to a functional area. Furthermore, the process of regionalisation can in itself be seen as an articulation of power via its strategic and interest-led nature (Dubois et al., 2009:17). In sum, at a general level regions can be defined in terms of how they are created:

“constructed, deconstructed and reconstructed through interaction between various actors in response to changes in their internal and external environment in the basis of what is most appropriate for the pursuit of their commonly held goals” (UNU, 2012a).

The definition of European regions has always been associated with difficulties. With regional disparities placed at the heart of this discussion, the map of regions changes over time as the Commission attempts to identify distinguishing regional situations and fortunes (Newman 2000:900). This thesis will lean on the theoretical definition above as a way of placing emphasises on the *interaction between actors* as a key element in determining and institutionalising a regional space. With this definition, the character of a macro-region in a European context is determined not only via its legal or geographical framework but also through social interaction between its participating actors.

A necessary delimitation of this thesis regards the nature of the EUSBSR. The Strategy is an extensive document which initially featured four distinctive overall objects that later have been revised to three (Commission 2009a:2012). This thesis will not focus on these individual strategic points and will therefore not distinguish between specific structures and actors that might be more relevant in relation to one objective rather than another. Instead the focus is on the governing of the Strategy as a whole and the implications that the EUSBSR governance system might have on the power relationships between the stakeholders.

1.4 Disposition

The first chapter has framed the research problem and put forward the aim and questions that will be pursued in this thesis. In the second chapter, the main theories of power and governance are presented in a theoretical mapping. The chapter proceeds with deriving the theoretical framework consisting of a typology for determining different types of power as well as a model for identifying power in governance paradigms. The chapter ends with an operationalisation of the theoretical concepts which will be utilised in the analysis. The following third chapter outlines the methodological approach and material that will be used.

Together, the fourth and fifth chapters constitute the analytical part of the thesis. They are divided however by their respective connection to the research questions. Chapter four, the empirically heavier of the two, focuses on the characteristics of the governance system of the EUSBSR whereas chapter five deepens the discussion with reflections on the political restructuring effects of that system. The sixth and final chapter will present the conclusions by answering and furthering the discussion around the two initial research questions. In addition it will also present some reflections concerning the theoretical approach and its usefulness in relation to the research aim.

2 Theoretical Mapping and Framework

This theoretical part consists of a general mapping of existing literature within the theoretical fields of power and governance, followed by a discussion of these concepts in relation to the EU. Building on the theoretical mapping, the thesis moves on to outline the theoretical framework that will be applied to the empirical case of the EUSBSR.

2.1 Power

Power is an essentially contested concept (Lukes 1974:9). In a long lasting debate several authors have distinguished between different dimensions of the concept. The one-dimensional or ‘pluralist’ view of power is connected to the ideas of Dahl (Lukes 1974:11) who describes his intuitive notion of power as: “*A has power over B to the extent that he can get B to do something that B would not otherwise do*” (Dahl 1957:202f). For Dahl, the definition of power is not only about the concept in itself, but also means considering related terms such as *influence, control* and *authority* (1957:202). The pluralist tradition claims that power is intrinsically linked to actual or observable conflict. Overall, the one dimensional view of power focuses on behaviour in the making of decisions on issues over which there is an observable conflict of interests (Lukes 1974:12ff).

The two-dimensional view criticises the first dimension of being a too narrow interpretation of power. Bachrach and Baratz instead argues that power has two rather than one face, where the first face is the one already considered by Dahl. The second face is interpreted as the situation in which a person or collective entity – consciously or unconsciously – creates or reinforces barriers to the public exposure of political conflict (Bachrach – Baratz 1962:949). This notion of power is connected to the known concept of organisation as the *mobilisation of bias* which was developed by Schattschneider. It contains the idea that political

organisation is biased in favour of certain issues over others (Lukes 1974:16; Clegg 1989:12). Ultimately, the two-dimensional view on power involves examining both ‘decision-making’ and ‘non-decision-making, thus encompassing *anti-behavioural* ideas where emphasise is put on initiating, deciding, and vetoing (Lukes 1974:18). However, the two-dimensional analysis has one important feature in common with Dahl et al. which is the connection to actual or observable conflict (Lukes 1974:19).

The power debate was further enhanced when Steven Lukes extended the two-faced model by presenting a new view on power. In his famous work *Power: A Radical View* (1974) he introduced the categorisation of ‘dimensions’ into power analysis. In essence the three-dimensional view on power discards the two previous views on the grounds that they are too individualistic in viewing decision-making as only a function of individual decisions and not collective forces and social arrangements (Lukes 1974:21). Furthermore, they are seen as too occupied with behaviourism in the sense that they only study ‘overt’ or actual behaviour in decision-making during situations of conflict. The third dimension of power on the contrary underlines that it is insufficient to presume that power can only be exercised in situations of conflict:

“A may exercise power over B by getting him to do what he does not want to do, but he also exercises power over him by influencing, shaping or determining his very wants” (Lukes 1974:22ff).

With these words, Luke’s radical view brings forward the issue of latent conflicts in which a contradiction between the interest of those exercising power and the *real interests* of those subject to that power. The latter, under the influence of power, may not even express or be aware of their real interests. To summarise, the three dimensional conceptualisation of power focuses on both decision making and other types of control over the political agenda. It considers overt, covert and latent conflict, issues and potential issues and finally both subjective and real interests (Lukes 1974:25) In addition, just as power with its third face can appear in both observable and hidden conflict, power can also be looked at in *transitive* versus *intransitive* terms. The former focuses on conflict-oriented zero-sum games where A exercises power at the cost of B, while the latter relates to collective

outcomes where A and B exercise power by achieving something together (Arts – Tatenhove 2004:347).

Yet, another distinction can be made between the level of focus in power analysis, where some situate power at the level of the *agent* while others place it at the level of *structure* (Arts – Tatenhove 2004:347). This discussion was initialised by Lukes and then reinforced by Giddens who introduced the idea of a ‘duality’ between power and structure, something which he framed within his so called theory of ‘structuration’ (Clegg 1989:15) The main point of the structuration theory is the view that social structures are produced by and acting back on agents who are themselves subjects to those structures (Clegg 1989:15; Giddens 1984:3). An agent can be defined as ‘one who exerts power or produces an effect’, whereas agency, in Giddens view refers not to the intentions people have in doing things but rather to the actual capability of them doing those things (1984:9ff). Giddens also connects structures to institutions by saying that “the most important aspects of structures are rules and resources recursively involved in institutions”. Institutions are furthermore understood as the more enduring features of social life and the institutionalised features of a social system are in turn equal to its structural properties (1984:24).

Unhappy with Giddens interpretation of power, which he considered far to agency-oriented, Clegg introduced his *three circuits of power* (Arts – Tatenhove 2005:348). Power is here regarded as a process running through distinct circuits rather than as having two faces or being layered into three dimensions. The theory revolves around three ‘levels of circuit’ – *agency* (causal power) referring to episodic power relations, *social integration* (dispositional power) referring to rules of practice and *system integration* (facilitative power) referring to domination (Clegg 1989:214). The theoretical framework, presented below (See 2.4) will build upon the conceptualisations of power above. Before this is presented it is however important to elaborate on the basics of the other major theoretical orientation of this thesis, namely Governance.

2.2 Governance

During the 1990s *Governance* was brought onto the research agenda of several scholars. Since then, the concept has become commonly used, but with quite a few different definitions and implications (Pierre – Peters 2000:1). Kooiman (1999:68f) building on the list of Rhodes (1997) classified some of the various ways in which the ‘governance’ concept has been used¹. In addition, scholars have also turned their attention towards different types of *governance frameworks* (Hupe – Hill, 2009:13). Kooiman for example speaks of ‘modern governance and social-political governance’ (1999:70), while John focuses on ‘governance through networks’ (John 2001:9). For other scholars, governance represent little more than government, where governance is referred to as the ‘business of government’ (Pierre – Peters 2005:2). Despite this conceptual confusion embedded in governance, the dominant positions within the governance literature can be separated by their view on the *role of the state*. Here a distinction can be made between the network perspective which sees the state as negligible, and several other governance approaches that see the state as somewhat weakened but still dominating governance (Pierre – Peters 2005:1).

Pierre and Peters sees governance as entailing societal activities that have traditionally been dominated by political institutions, but where recent developments show an increased involvement of societal actors (2005:3). In this sense these processes and the restructuring of the dominant governance actors can illustrate a move from *government to governance*. There are still claims that governments retain a central position in the activity of governance. However, the position of government in governance is no longer considered exclusive but remains central (Pierre – Peters 2005:5).

Another aspect of governance brought forward in recent years is that policy making, especially in an EU context, can no longer be seen as centralised. Instead it can be described as involving at least three layers of government – the

¹ governance as the minimal state, corporate governance, governance as new public management, “good governance”, governance as socio-cybernetic, governance as self-organizing networks, governance as ‘steureung’ or steering, governance as international order, ‘governing the economy’ or economic sectors, governance as governmentability (Kooiman, 1999:68f).

European, national and regional/local – which in academic terms have been referred to as the Multi-level Governance (MLG) (Pierre – Peters 2005:72).

The theoretical approach of MLG was a departure from the traditional view on the process of European integration towards seeing the EU as a political system in its own right (Bache – Flinders 2004:2). Gary Marks was the first one to use the MLG phrase, which he applied in relation to the developments in EU structural funds policy following its reform in 1988. After this initiation of the concept, Marks together with others (e.g. Jachtenfuchs 1995; Hooghe – Marks 1996) developed the concept to apply more broadly to various aspects of EU policy making (Bache – Flinders 2004:2). Early on, Marks defined the MLG concept as “*a system of continuous negotiation among nested governments at several territorial tiers*”. He drew on theories of policy networks to pin-point how supranational, national, regional and local levels of government are entangled in territorially overarching policy networks (Bache – Flinders, 2004:2). Together these processes of interaction created a shift in certain formal tasks that were moved upwards to the EU while other powers were transferred downwards to regional and local actors (John 2006:74). In other words the multi-level governance model acknowledges that national arenas remain important for the formation of national government preferences. However, the model rejects the notion that sub-national governments are nested within the national level, claiming that sub-national actors operate both at the national and supranational arenas, creating transnational associations in the process (Hooghe – Marks 2001:4). Later on a great variety of new terms such as *multi-tiered-, polycentric-, multi-perspectival- and overlapping governance* have been used to describe the same phenomenon (Hooghe – Marks 2004:15).

Although various theories of governance, has gained a lot of ground in the past few decades there is still room for criticisms. Pierre and Peters claim that some analyses of governance and multi-level governance risk falling into the trap of underestimating the importance of institutions. In other words a previously state-centric model of government has been replaced by an approach which almost deems institutions as irrelevant (2004:75). Another critique relates to the notion of network governance in the EU system, which emphasises the involvement of private and societal actors in governance (John 2001:9). Börzel makes an effort to contest this presumed systematic involvement of private actors

which is part of this approach. She shows in a recent article that this type of governance is hard to find in the EU system and that EU policy-making still mostly involves public actors (2010:191).

Additional governance literature has elaborated on so called ‘new modes of governance’. The idea that the policy-making of the EU would take novel and unprecedented forms was predicted as already in the early 1990s when some contemporary European scholars contemplated the future of the Euro-Polity;

“Whatever emerges it will not so much resemble the policy style of any of the existing national member states as constitute something novel. It will be dictated more by the shifting functional and territorial imperatives of the newly emergent polity” (Schmitter 1996:145).

Bartolini defines ‘new governance’, in an EU context, by distinguishing it from the traditional notion of ‘governance’ (that he later refers to as ‘old governance’) which entails the process aspect of government. He sees the newness in ‘new governance’ as connected to the development of multi-level vertical and horizontal patterns (Bartolini 2011:14f). The diversity of the empirical observations made under the label of new modes of governance is vast and ranges from completely new policy processes such as the Open Method of Co-ordination (OMC) to policy instruments such as benchmarking (Carporaso – Wittenbrink 2006:473). New modes of governance can come in various forms and guises, aiming at different objectives and based on numerous different instruments linked to governmental action. However, although different, the common denominator is that they all strive towards increasing effectiveness and efficiency of public policy-making, mostly by using soft instruments (Héritier – Rhodes 2011:163). Furthermore, there have been particular pointers to the existence of these forms of governance at the EU-level:

”The EU is assumed to make use to a much larger degree than national political systems of new or softer modes of governance.” (Tömmel – Verdun 2009:16).

After mapping the general theory behind power and governance concepts, the thesis proceeds to examine how the two theoretical strands can be linked.

2.3 Linking Power and Governance

One important criticism of governance theory relates to the discussion on power within governance approaches. The concept of power is seldom explicitly dealt with in governance literature, something which has been considered a weakness by contemporary scholars. Barnett and Duvall, specifically point to the lack of power discussions in global governance. They maintain that although, governance “*involves the rules, structures, and institutions that guide, regulate, and control social life*”, which can be regarded as fundamental elements of power, there is a lack of linking between the two in academic studies. In fact, they claim that there seems to exist a systematic de-centering of power as an analytical concept in relation to governance (2005:6). Mérand et al. echoes this claim by showing in a study on governance and state power within the Common Security and Defence Policy (CSDP) how governance perspectives often lack an attention to power (2011:122). With this critique against governance theory it becomes relevant to see how the *power concept* can be defined and portrayed in governance.

Barnett and Duvall for example point out how power concept can be masked within ideas of governance. In their view, definitions of governance have liberal undertones which mask the presence of power by focusing on matters such as resolving conflicts, overcoming inefficiencies and finding common purpose between actors (2005:6). In this perception of governance, power is not discussed in a direct manner:

“Certainly scholars are aware that power is frequently important for solving collective-action problems (though sometimes this is called leadership); that hard bargaining can take place between grossly unequal states; that some actors are better positioned than others to affect outcomes and influence the distribution of goods and services [...]. But the choice-theoretic perspective frequently masks the relations of imposition, domination, structural determination, or cultural hegemony.” (Barnett – Duvall 2005:6).

Here, it becomes visible that power in governance can be hidden within related concepts such as *leadership* and *positioning*, which at a closer inspection indirectly rather than explicitly contain aspects of power.

Also, theories on MLG reveals sides relevant for the discussion of power. According to Pierre and Peters, when all levels of government are involved in the same governance process, problems of horizontal as well as vertical coordination may be created. These problems, in turn, create incentives for the governance system to develop means of reducing these contradictions and achieve compatibility between various sources of governance (Pierre – Peters 2005:139). This means that when there are no formalised institutional means for generating greater coherence in policy the alternative becomes systems involving bargaining and negotiation. An alternative which runs the risk of simply becoming a mean for the more powerful actors to enforce their will upon the weaker parties:

“In these settings governance becomes not so much a negotiated outcome among partners as a mechanism for using power” (Pierre – Peters 2005:140).

In addition to these aspects of power in governance, there have been a few attempts at more directly merging governance and power models. One such model has been developed by Barnett and Duvall, who in general terms define power as “*the production, in and through social relations, of effects that shape the capacities of actors to determine their own circumstances and fate*” (2005:8). In their framework they bring up four types of power in global governance: *Compulsory, Institutional, Structural* and *Productive* power (Barnett – Duvall, 2005:12f.). Another model aiming at fusing the concepts of power and policy is presented by Arts and Tatenhove. They draw on the so called ‘policy arrangement approach’ from which they aim to further enhance the power discussion in relation to policy processes by elaborating on three layers of power; *Relational, Dispositional* and *Structural* (Arts – Tatenhove, 2005:341).

After illustrating how theories on governance and power can be linked, the following section departs from the more general theoretical discussion by outlining the theoretical concepts and models used specifically in this thesis.

2.4 A theoretical Framework for Analysing Power in Governance systems

“despite its rules-based nature and sense of collective purpose, a governance system is also a vector of power in which some actors dominate others.” (Mérand et al., 2011:122).

As has been outlined above, there have been several attempts in the literature to define and classify different modes of governance in relation to the EU. One way of conceptualising the issues, problems, interests, goals and solutions involved in policy-making is through the notion of *Policy Paradigms*. A policy paradigm can be described as a shared conceptual framework for ‘how things should be’ and ‘how the world works’ within which issues and social problems can be defined. (Carson et al. 2009:17).

In one of their articles, Tom Burns and Christian Stöhr, leaning on the policy paradigm concept of Carson et al. (2009), proposes a model for determining the architecture of governance systems. They see their model as a tool for better comparability and improved accumulation of knowledge about governance systems (2011:233). Before presenting their framework the authors settle for the following definition of governance:

“a system of public and/or private coordinating, steering and regulatory processes established and conducted for social (or collective) purposes where powers are distributed among multiple agents, according to formal and informal rules.”(Burns – Stöhr 2011:235).

From this they then elaborate upon the concept of *governance systems* which they describe as systems that are applied for purposes of shaping, governing and regulating various objects in modern society. Governance systems in their view are the basis on which to make as well as implement and enforce rules and policies in relation to social life ”(Burns – Stöhr 2011:235). The agents within such systems may be diverse and can consist of any type of social entity that manages activities of deciding, governing, coordinating, regulating or allocating

resources. Furthermore, the actors can be divided along the lines of those directing the system as well as those subject to it (Burns – Stöhr 2011:235).

Governance systems or paradigms define and frame the problems and objects that are to be governed. They are a type of social system characterised by institutional arrangements, organised forms of power, diverse knowledge and conflict struggles within and over the systems (Burns – Stöhr 2011:237). Power and control are thus essential to governance systems, both in their functioning and in process of establishing or altering them. In their functioning, relations of authority and responsibility are inherited within the basic characterisation of the system. It should be stressed that governance systems do not necessarily imply power in the form of “power over” subjects but can also entail variations of agent cooperation where “power with others” are exercised in joint efforts to solve common problems (Burns – Stöhr 2011:237).

Burns and Stöhr, leaning on the *policy paradigm model* developed by Carson et al. (2009:143ff), present a framework for analysing the architecture of governance systems. This model focuses on the elements of governance systems and contains both their major components and linkages which can be characterised within two categories:

- *Their social and organisational features*: which contain the specific groups of involved actors, their roles and relations of power/authority, and procedures for collective decision making.
- *Their normative-cognitive features*: which involve the systems definition of relevant and appropriate “problems”, the goals or priorities relating to those problems and the strategies and methods to solve or handle these issues (Burns – Stöhr 2011:236).

By applying the theoretical notions of social and organizational and normative-cognitive features of governance systems to an empirical case we will gain a systematic knowledge of the nature of the macro-regional governance system of the EUSBSR. A material which will be well for comparisons with other governance paradigms but also for conducting the analysis on power, attempted within the boundaries of this thesis.

2.4.1 Three Types of Power

After introducing a model for characterising governance systems, this thesis picks up on Barnett and Duvall's idea that there is often a lack of traditional power discussions within governance research and that power is systematically 'de-centered' or 'masked' within notions of governance (2005:7). Like them, this thesis understands governance in a contemporary EU context as an attempt at resolving conflict, overcoming inefficiencies and finding common purpose between actors that presumably have shared interests that are in need of collaboration and coordination.

This is furthermore in line with the theoretical ideas of 'new modes of governance' which contrasts traditional authoritative rule-making activities; both in terms of the process of how rules are made and in terms of enforcement. Also, the idea of Multi-level governance, described above, will be utilised in connection to the vertical coordination which is often expressed within European governance issues. In sum, this thesis attempts to apply concepts of power to a case of governance as a way of allowing a more inclusive attention to the *structures*, *processes* and *institutions* that shape and regulate the fate and possibilities for *actors* within governance systems. To further clarify the notion of power in governance, the thesis adopts the power definition presented by Arts and Tatenhove in which power is understood as:

"the organisational and discursive capacity of agencies, either in competition with one another or jointly, to achieve outcomes in social practices, a capacity which is however co-determined by the structural power of those social institutions in which these agencies are embedded" (2005:347).

In other words, the structure-agency dynamic, presented in the power frameworks of Giddens and Clegg (See 2.1) is considered. From this Arts and Tatenhove present a conceptual framework developed from Clegg's three circuit model, in which three types of power – *relational*, *dispositional*, *structural* – are presented.

At the level of relational power, agents can have the capacity to enforce its will on others and/or the capacity to act together to achieve common ends. Specifically, relational power refers to actors, resources and interactions as constitutive elements of power. Here it is important to distinguish between so

called *transitive power* and *intransitive power*, where the former relates to power struggles as a zero-sum game whereas the later sees power as existing in the ‘joint practices’ of actors. At the second level, power is dispositional in the sense that policy agents are positioned vis-à-vis each other according to the organisational ‘rules of the game’ and on the basis of an often asymmetrical division of allocative and authoritative resources which determine what can be achieved in terms of relational power (Arts – Tatenhove 2004:349f).

Finally, processes of transformation within the political domain of society connect to the level of structural power. It refers to the way in which *macro-societal structures* shape the nature and conduct of agents. Here, signification, legitimisation and domination are materialised through discourses and political, legal and economic institutions. Facilitated by these structures, agents give meaning or significance to the social world and consider some acts and thoughts legitimate and others not. Also, domination appears through so called *structured asymmetries of resources* (where agents have uneven access to the constitution and use of resources) they are enabled or constrained to achieve outcomes in social relationships. (Arts – Tatenhove 2004:343:351). The three power types and their respective focus are presented in the figure below:

Figure 1: Three types of power

Type of power	Focus
Relational (transitive & intransitive)	Achievement of policy outcomes by agents in interaction
Dispositional	Positioning of agents in arrangements mediated by rules and resources
Structural	Structuring of arrangements mediated by orders of signification, domination and legitimisation

Source: (Adapted from Arts – Tatenhove 2005:350).

This thesis will incorporate each of the three types of powers presented above into the analysis. However, to further the pursuit of the second research question, the relational aspects of power will be the main focal point. This is because it is the *political relationships* between the participating actors of the EUSBSR that is at the heart of the second research question. Yet, relational power is still linked and

interconnected with both dispositional and structural power in such a way that all of them must be considered.

A deeper connection to the relational power aspects of governance systems is achieved by adding elements from the *social structural approach* utilised by Mérand et al. This approach attempts to go beyond the institutions, norms and ideas that hold a governance system together. By viewing social relations and seeing whether they can enrich, nuance or eventually refute the governance image of a selected policy field, power is incorporated into the analysis (Mérand et al. 2011:128). To do this three core suggestions of cooperation in governance systems are made:

- *Hierarchy in co-operation patterns*: implies co-operation among multiple and diversified administrative and political bodies (as opposed to top-down social relations). This proposition includes the key concepts *centrality* and *brokerage* as measurements of social power. A central actor is powerful because he or she has several social ties in a network whereas a *broker* (also known as a gatekeeper) exercises power by connecting different parts of the network.
- *Multiple levels of governance*: which suggests that both the domestic and EU-level of governance are significant and permeable. This suggestion looks at how many levels of governance are actually involved.
- *Inclusiveness of public and private actors*: governance literature implies that private actors play an increasingly important role in policy making. This proposition asks the question of how many or to what extent non-state actors are involved (Mérand et al. 2011:128ff).

2.4.2 Operationalisation

Moving forward, there is a need to turn the theoretical reasoning above into more concrete analytical indicators that will help address the overarching research questions. The first question, regarding the characteristics of the EUSBSR

governance system will mainly be investigated by applying the model by Burns and Stöhr to the EUSBSR governance system. Indicators for answering the second question concerning restructuring of the *political relationship* between the participating parties of the Strategy will be derived from the theoretical discussion on power in governance above. The idea is that by identifying the different types of powers within the EUSBSR governance system it will be possible to say something about the restructuring of political relationships. The following indicators will serve as empirical guidelines for identifying the different types of power in the empirical material.

Relational power:

Within relational power the actors, resources and interactions are the most important elements. The relational power of any system can also be characterised by whether power is exercised in the form of ‘zero-sum games’ (transitive) or as ‘joint practices’ (intransitive). The questions that will be pursued in the qualitative analysis are:

- Is power exercised in the form of *transitive* or *intransitive* relations?
- Is the governance system of the EUSBSR characterised by cooperation between multiple and diversified bodies (*heterarchy*) as opposed to top-down social relations? Which actors, if any, occupy *central* or *broker roles* within the system?
- Does the system involve, on an equal basis, *multiple levels of governance*?
- Is the system characterised by *inclusiveness* of public and private actors?

Dispositional power:

Dispositional power is visible in how organisational *rules of the game* and the division of allocative and authoritative *resources* determine what can be achieved in terms of relational power in any given governance system. The questions that will be pursued in the qualitative analysis are:

- What *rules* and *organisational features* are visible within the EUSBSR governance system?

- How is the distribution of allocative and authoritative *resources* managed within the system?
- How does these '*rules of the game*' influence the action capabilities of the participating actors?

Structural power:

Structural power discusses in what ways macro-societal structures such as *signification*, *legitimisation* and *domination* shape the nature and conduct of agents. Through this actors are enabled or constrained to achieve outcomes in social relationships. Questions for the qualitative text analysis are:

- What thoughts and actions are considered significant or legitimate in the EUSBSR governance system?
- What indications of *structured asymmetries of resources* (domination) can be found in the system?

3 How to Study a Macro-Regional Strategy?

This thesis will analyse the EUSBSR by applying a qualitative research method. In order to make use of the theoretical concepts in relation to the empirical material, a case study design with theory consuming ambitions is adopted.

Case studies within social sciences are utilised for their strength in the areas where statistical methods and formal models are weak (George – Bennett 2005:19). One of the benefits with case studies is that they have the potential for achieving high conceptual validity, they offer strong procedures for creating new hypotheses, they are useful when examining the role of causal mechanisms and they have the capacity to address causal complexity (George – Bennett 2005:19). This thesis clearly benefits from these factors, especially regarding conceptual validity which is clearly required for a well-founded application of the extensive theoretical framework that has been presented.

The divide between applying a case study design and a comparative approach can be illustrated in the discussion of *within-case analysis* and *between-case analysis*. Advocates for within-case analysis see the potential of achieving trustworthy conclusions as much greater in the analysis of one case within one context over time rather than in the analysis of several cases in different contexts (Esaiasson et al. 2007:120). This study is made out of a classical individual case study design and thus constitutes a within-case analysis. The reason for this choice lies in the belief that the theoretical framework will benefit from a deeper analysis in one case rather than a shallow one in several cases.

The within-case analysis focuses on the causal path in a single case and typically features an operative analysis based on either *process-tracing* – a procedure for identifying steps in a causal process – or/and *congruence testing* – a procedure that assesses the ability of a theory to predict outcomes (George – Bennett 2007:176:179). At a first glance, process-tracing offers an intriguing

opportunity at an in-depth analysis of the EUSBSR governance system. However, the method features two key constraints; including the need of establishing an unbroken causal path between presumed causes and observable effects and the risk of there being more than one potential causal mechanism consistent with any set of process-tracing evidence (George – Bennett 2007:222) With this said, both the limited amount of time that has passed since the adoption of the EUSBSR and a lack of available empirical material makes process-tracing an unmotivated choice of approach. Instead, the congruence method, which focuses on the applicability of theoretical predictions in a chosen case, will be pursued.

The congruence method has many attractive features. First, it does not require a full tracing of the causal process that leads from the independent variable to the case outcome. Therefore, the method does not require too extensive data on the selected case. Secondly, the method has considerable flexibility in the sense that it can contribute to theory development in several ways. The theory employed might be either well-established or it may be formulated or hypothesised by the researcher for the first time on the basis of mere intuition that it might prove valid. Also, in the case where a theory is too loosely formulated or lacking in clarity, the congruence method may be used in order to refine and develop that theory rather than testing it (George – Bennett, 2007:182).

One general standard requirement for congruence tests is congruity between the relative strength and duration of hypothesised causes and effects. More concretely, the researcher starts out with determining the independent variable in the selected case and then proceeds with stating the expected outcome of the dependent variable that should follow from the selected theory. If the outcome of the case proves to be consistent with the theory's predictions, the analyst has strengthened the possibility of a causal relationship (George – Bennett, 2007:181). In this study, the main idea that is entertained is that the '*introduction of macro-regional strategies in the EU leads to restructuring of the political relationships between the involved stakeholders*'. To further assess the relevance of this notion in the case of the EUSBSR, the theoretical framework presented above will be utilised as a guideline for the empirical analysis.

Finally, within social science methodology a distinction can be made between studies that are *theory consuming* in the sense that they place a case at the centre of the analysis and *theory testing* in which theory is the focal point (Esaiasson et

al. 2007:42:122). In this thesis, a theory consuming approach is adopted where the empirical realities of the EUSBSR stands at the centre of the theoretical analysis.

3.1 Why the Baltic Sea Region and the EUSBSR?

Although there are many advantages to a case study design both in terms of theory testing and theory development potential problems include case selection potential selection bias and lack of generalisation possibilities (George – Bennett, 2005:19f). In this study, the selection of the BSR context in general and the EUSBSR case in particular can be motivated in several ways.

Firstly, the Baltic Sea region has been described as particularly relevant from a governance perspective. For one thing the region can be considered a miniature version of a wider Europe where West and East come together (Joas et al. 2008:4) and were patterns of power between small, medium and large member states mirrors patterns for whole of the EU (Antola, 2009a:19). This in turn makes the EUSBSR an ideal test case for conducting an analysis of power in governance systems. The relevance of the BSR in relation to governance is further expressed in the following quote:

“The Baltic Sea Region is of special interest for research because it is widely regarded as a pioneer in the introduction of new modes of governance.” (Joas et al. 2008:4).

In this sense, the BSR shows great promise as a case for the study of new modes of governance. Also, as has been argued above, the introduction of the first European macro-regional strategy took place within the BSR, making it the most suitable case for the study of macro-regional strategies.

Furthermore, transnational governance is a unique regional feature of the BSR for which similar arrangements cannot be found in other comparable regions. In the Baltic Sea region there is both an active civil society and cross-nationally oriented cities and regions which complement existing forms of governance (Kern 2011:31). The fact that the BSR already has many active stakeholders makes it

especially interesting to study how the introduction of a new kind of governance system such as the EUSBSR restructures the political relationships in the region. A critique against the study of such a newly developed phenomenon as the EUSBSR can of course be presented. The Strategy, being just a few years into its implementation phase could be seen as far to novel to tell us anything about potential restructuring effects. This might on the one hand be a valid objection to this study. Yet, on the other hand, as has been pointed out by Rostoks, the evolving nature of the Strategy with its continuous Action Plan is in itself an argument for conducting an academic analyses of the principles on which the Strategy is based (2010:9f). This is why it becomes important with an early analysis of the principles on which the Strategy has been created and the involvement of stakeholders, structures and institutions.

Second, the EUSBSR is not only the first and most evolved case of a macro-regional strategy in Europe. Early on, it was also described as a ‘role model’ for other European macro-regional strategies:

“This is the first time that the EU has developed such a comprehensive strategy at the level of a “macro-region”. It could inspire similar approaches in areas such as the Mediterranean or Danube basin.” (EU 2009)

Today, the macro-regional idea first attempted in the BSR has been put to use also in the Danube region (Bengtsson 2011a:7) Because of this it becomes important to analyse the Strategy also in relation to other cases of macro-regional strategies, which most likely will showcase the same structures as the EUSBSR. This is furthermore where the contribution of generalisation between cases is made possible. If the finding from this study prove significant in relation to the structure and constitution of the EUSBSR, these conclusions may have bearing also in the case of other European macro-regional strategies.

3.2 Qualitative Text Analysis

What Esaiasson et al. refers to as qualitative text analysis as a systematic analysis of text material. This approach puts focus on determining the most relevant

contents of any text material through thorough reading of the parts, whole and context of the text (2007:237). There are many reasons to choose a qualitative text analysis over a more quantitative approach. One important argument is that analysing a whole text, placing it in its appropriate context gives a more nuanced picture of a phenomenon than simply looking at selected parts of the same text. Another reason is that the sought after content may be hidden underneath the surface of a text and can only be revealed through extensive reading of the material. In sum, qualitative text analysis revolves around an active reader, posing relevant questions to the text and determining whether the text can answer these questions (Esaiasson et al. 2007:237). As has already been mentioned, the operationalisation (See 2.4.2) will be the guideline in terms of the questions that will be posed in the text analysis.

3.2.1 Material

The empirical material of this thesis will consist of both primary and secondary sources. Primary material concerning the Strategy such as official publications, reports, communications and information material will be used. The EUSBSR was initially described in three documents¹. In addition, a progress report on the implementation of the Strategy (Commission, 2011a) was presented some time before the first revision of the initial strategy (Commission, 2012). Other primary sources include available documents from the consultation process of the Strategy, stakeholder opinions and position papers. In addition, information from one interview with the *Horizontal Action Leaders* for Multi-level governance within the Strategy will be utilised. This is included as empirical material due to the important role that this particular actor has in relation to strengthening multi-level governance of the Strategy. Also, the opportunity to analyse the EUSBSR has been seized by several researchers and a number of papers have been written since 2009 (see chapter 1:2). This thesis will therefore, in addition to the primary sources, build upon previous research of the Strategy.

¹ The first was a Communication from the Commission to the Council and the Parliament (Commission 2009a). The second was a simultaneously presented Action Plan which complements the Communication (Commission, 2010a) and the third consisted of a Working Document of the European Commission's Services that presented the background, approach and content of the Strategy (Commission, 2010c).

4 The Governance System of the EUSBSR

In the European Union ‘White paper on Governance’, governance is defined as the “*rules, processes and behaviour that affect the way in which powers are exercised at European level*” (Commission 2001:8). In this document, the Commission hinted at the need for greater flexibility in the means of implementing programmes and policies with a strong territorial impact. It was indicated that “*the implementation of certain EU policies could be better achieved by target-based tripartite contracts.*” which should be established between Member States, regions and localities and the Commission (2001:13). The idea of creating a kind of governance model focused on a specific geographic areas of the EU, which is the case for macro-regional strategies, was hence expressed already in 2001, as part of a more decentralised EU governance approach.

A few years later this attempt took form when the first macro-regional strategy, the EUSBSR, was established in the EU. This chapter will present an analytical discussion concerning the nature of the EUSBSR governance system. It starts off with a general description of macro-regions in the EU and then continues with outlining the process of creating the EUSBSR. Thereafter it continues with describing how the Strategy is governed today and its structural features.

4.1 Macro-Regions in the EU

Although the macro-regional concept might seem relatively new in an EU context, there are several examples both inside and outside Europe that tangent the contemporary use of the concept.

Traditionally the term macro-region was used in relation to the scholarly field of International Relations where the concept was associated with the idea that

regionalisation only took place between sovereign nation states. Today, this traditional approach has been widened to also include other groups of sub-national units into the macro-region (Dubois et al. 2009:9ff). The ‘macro-regional’ concept has been the object of various definitions in the literature. It has gone under the label of both *international regions* and *world-regions* which generally refer to large territorial units that comprise several states. An early definition of the macro-region as “*a limited number of states linked together by a geographical relationship and by a degree of mutual interdependence*” was coined by Joseph S Nye. A later definition by Barry Buzan was “*A spatially coherent territory composed of two or more states*” (UNU 2012b). In practice, the term macro-region has been used both as a description of global groupings of countries such as the EU, ASEAN and so on, but it has also been associated with groupings of administrative regions *within* countries for example in Australia and Romania (Samecki 2009). In the discussions of regional structures in Europe, Newman brings up the attempt to redefine regions at a supranational scale within the conceptualisation of ‘Super-regions’ in the EU. In the late 1990s, the Commission and the Member States related European space to economic trends by pointing to ‘super-regions’ as a phenomenon which transcended national boundaries (Newman 2000:900). In other words, the idea of super-regions can be regarded as a prequel to the idea of macro-regions.

It has been highlighted that macro-regions have become a setting where various actors, state and non-state, public and private are equally interested in the process of regional integration and cooperation. This in turn, creates new conditions for cooperation:

“The (macro-)region has become a scenario [...] forming a new multi-levelled structure of cooperation that brings with it different levels of governance, power, resources and capabilities” (Dubois, et al. 2009:15).

As is shown by the quote above, the macro-regional governance structure can be seen as a new type of governance system which changes the conditions for regional cooperation. Such a change also raises questions regarding the restructuring of political relationships in the region. With this said, the chapter continues with outlining the historical process of creating the Strategy as well as the structure and agency of the EUSBSR today.

4.2 The Baltic Sea Region and the Creation of the EUSBSR

The fall of the ‘iron curtain’ transformed the Baltic Sea Region from being a part of the post-Soviet era to becoming virtually an inland sea of the European Union. During this period of change, a great variety of transnational institutions and initiatives at governmental, intergovernmental and non governmental levels emerged (Vanags 2011:91). Alf Vanags points out that asymmetries and disparities between the merging countries was an inescapable starting point during these changes. Hence, it was not surprising that the new states of Lithuania, Latvia and Estonia looked at and were inspired by their richer neighbours in the Nordic and Scandinavia. Also it was not unlikely that the more established nations in the north would take the lead in international regional initiatives, something which was reinforced by the fact that these states were also considered the ‘payers’ (2011:91f). Vanags argues that this development has resulted in a long term asymmetrical relationship in the region:

“Arguably, this has led to a political environment where the richer countries have set the agenda of regional action. EU accession in 2004 has in part levelled the playing field but even now there remains an imbalance” (Vanags 2011:92).

When Estonia, Lithuania, Latvia and Poland joined the EU in 2004 a whole new situation arose for the BSR. The fact that eight out of nine states bordering the Baltic Sea were now members of the EU was early on recognised as important by the European Parliament (Swedish Government 2010:4). Hence, the origins of the EUSBSR stretches back to 2005 when the idea of a common strategy for the BSR was introduced by an informal group of seven MEPs (Beazley et al. 2005). The idea, although not initially met with a positive response (Schymik - Krumrey 2009:5) was nevertheless endorsed in a European Parliament resolution in November the following year (EP 2006). Yet, the subsequent presidencies of the EU, Finland and Germany showed no willingness of embracing the new initiative. Instead, it was Sweden who encouraged the Council to pursue the issue (Schymik - Krumrey 2009:5). In the spring of 2007, the Swedish government presented their

intentions of making the common strategy for the BSR a prioritised issue during its presidency of the EU in 2009. Simultaneously, the Swedish government began drafting a concrete proposal of the content and substance of such a strategy while also initiating consultations with other member states (Swedish Government 2010:4). Thereafter, the European Council in its Presidency Conclusions invited the Commission to present such a strategy (Council 2008:17). A decision which has been depicted as partly influenced by Swedish lobbying efforts:

“14 December 2007: under the decisive influence of Sweden, the European Council, in its Conclusions, invites the Commission to present a Strategy for the Baltic Sea Region” (CPMR 2010:2)

The process of drafting the Strategy and the accompanying Action Plan has been highlighted by the Commission and others (e.g. Shymik - Krumrey) as featuring a wide stakeholder process. It included three principal components; non-papers from governments and other official bodies in the region, stakeholder events to allow NGOs and private participants to contribute and public consultations through the Europa website (Commission 2010c:10). The public consultation process was also underlined as rendering a wide ranging response in the sense that the Commission received over one hundred written contributions¹ from various stakeholders (Commission 2010c:154). Although, this indicates a solid effort at including all relevant stakeholders in the region, the consultation process should not be assessed based solely on the number of contributions and proposals that were received. There are at least two other views that deserves consideration.

Firstly, one interesting aspect relates to the involvement of various member states. Even though all eight member states bordering the Baltic Sea contributed with position papers pre-dating the drafting of the Strategy (Commission 2010c:154) it becomes important to note that the asymmetry of Swedish influence on the strategy stretches even further than to lobbying efforts during the Swedish presidency. For example, a closer inspection of the documents provided by regional and local authorities and organisations during the internet consultation in 2008 (DG Reg, 2012-06-28) show that 12 out of the 25 responses available at the

¹ In total 109 authorities, institutions or individuals responded to the consultation; The eight MS bordering the Baltic Sea, who each submitted a position paper; three non-MS (Belarus, Norway, Russia); 31 regional and local authorities; 48 intergovernmental and non-governmental bodies, 19 representatives from the private sector – of which two were experts/researchers and three were individuals (Commission 2010c:154).

Direktorat General (DG) for Regional Policy's website, nearly 50 percent came from Swedish organisations (See Appendix 2). This, although not statistically relevant, indicates that Swedish authorities both at national and sub-national levels have seized the opportunity to influence the Strategy to a greater extent than many of the other member states. What is also worth mentioning is that within the same responses, only four contributions came from countries in the eastern part of the region (Poland, Estonia, Latvia, and Lithuania). Indeed, this might to some extent be explained by the varieties in the national administrative systems where some of the countries have more developed regional and local administrative systems. But, still this apparent division in participation from the local and regional levels suggests that there are asymmetries in the allocation of authoritative resources between the participating countries.

A second concern relates to the range of organisations that participated in the consultations. Only 19 representatives from the private sector contributed to the consultation, whereas only three were individuals (Commission 2010c:154). This in turn signifies that the public and private involvement in the drafting of the Strategy was quite limited. In sum, the process of creating the EUSBSR seems to have involved some actors to a greater extent than others, something which indicates that the EUSBSR was characterised by an asymmetrical relationship from the beginning. This is something to bear in mind in relation to the governance of the Strategy today and the restructuring of political relationships following its establishment.

4.3 The Strategy Today

In its Presidency conclusions, the Council presented the EUSBSR in the following terms:

“This Strategy constitutes an integrated framework to address common challenges [...] The European Council calls upon all relevant actors to act speedily and ensure full implementation of the Strategy, which could constitute an example of a macro-regional strategy” (Council 2009:11)

The *integrated framework* of in the Strategy “allows the European Union and Member States to identify needs and match them to available resources through coordination of relevant policies.” (Commission 2010c:7). It aims at the coordination of all relevant actors including EU, national, regional and local levels towards a more effective development in the region (Commission 2012:2). Furthermore, it requires both multi-level and trans-national governance to be included for an effective coordination of instruments, financing and policies (Stocchiero 2010b:3). This means that both horizontal and vertical arenas are included in the governing of the Strategy, making the it a system of both multiple actors and multiple structures. Hence, rather than viewing the EUSBSR as a policy in the traditional manner of a legally binding and authoritative regulation or decision it can be viewed as a system for coordinated implementation of commonly established goals and actions. This way, it also fits into this thesis’ understanding of ‘new’ modes of governance.

4.3.1 Agency – Who Governs?

In accordance with the theoretical framework, the social organisational features of the EUSBSR are examined through an outline of the specific groups of involved actors and their roles and relations of authority within the governance system. Also, the procedures for collective decision making within the EUSBSR system are discussed.

The partnership aspect of the EUSBSR has encouraged a wide range of stakeholders to be actively involved in the Strategy. This includes EU institutions, international financial institutions and other political institutions. Also, actors operating at the macro-regional level such as regional organisations, organisations specialising in certain policy fields, NGOs and individual regions and cities can be added (Commission 2011b:6f). In its conclusions on the 2011 review of the EUSBSR the Council requested a clarification of the roles what it referred to as key EUSBSR implementing stakeholders¹ (Council 2008:3). Consequently, the organisational structure of the EUSBSR governance system was recently specified in a Commission staff working paper (2011b). Here, the organisation of the

¹ National Contact Points (NCPs), Priority Area Coordinators (PACs), Horizontal Action Leaders (HALs) and Flagship Project Leaders (FPLs) (Council 2008:3).

system with its key actors is divided into levels; The *European Union level*, the *EU Member States level*, the *Baltic Sea Region level* and the *Regional and local level* (Commission 2011b:5).

At the EU level the Commission is the primary actor with the role of overall coordinator in which it assists relevant stakeholders, monitors, reports and evaluates on the progress of the Strategy (Commission 2012a:5). The Commission, via its DG for Regional Policy, is also responsible for large parts of the communication about the Strategy where the operation of the targeted website and regular newsletter are included. In addition, it organises an Annual Forum where it present the Strategy and its progress to stakeholders in the region. Input from this forum should also be incorporated within the Commission's annual reporting on the implementation process of the Strategy (Commission 2011b:5). The role that has been placed on the Commission grants it extensive influence within the governance system of the EUSBSR. In other words, it can be seen as one of the actors with formal authority to resolve and address key issues within the system. In addition, the DG for Regional Policy within the Commission, in co-operation with other Commission services, is responsible for the general coordination, monitoring and reporting to the Council. To ensure a broad support for the Strategy Inter-Service Working group has been established and in addition officials from various DGs meet regularly to create a link between the Strategy and separate policy areas (Commission 2011b:5). The Council in turn, which also operates at the EU level is in charge of the broader policy development of the Strategy (Commission 2011b:5). In other words, it constitutes the decision making level where larger changes to the Strategy and its future is decided.

The ‘Pan-European’ nature of the Strategy binds together the EU-level with the Member State level. This ambition is ensured by the use of a *High Level Group* (HLG) of national experts and advisors on the Strategy, nominated by all Member States. This group consults on a regularly basis with the Commission on the developments of the Strategy.

At the Baltic Sea Regional level, *National Contact Points* (NPs) have been appointed by the participating Member States, to assist in the national implementation of the Strategy (Commission 2011b:5). Another group of key actors for the implementation are the *Priority Area Coordinators* (PACs) who are the overall contact points for their area of the region. These coordinators have the

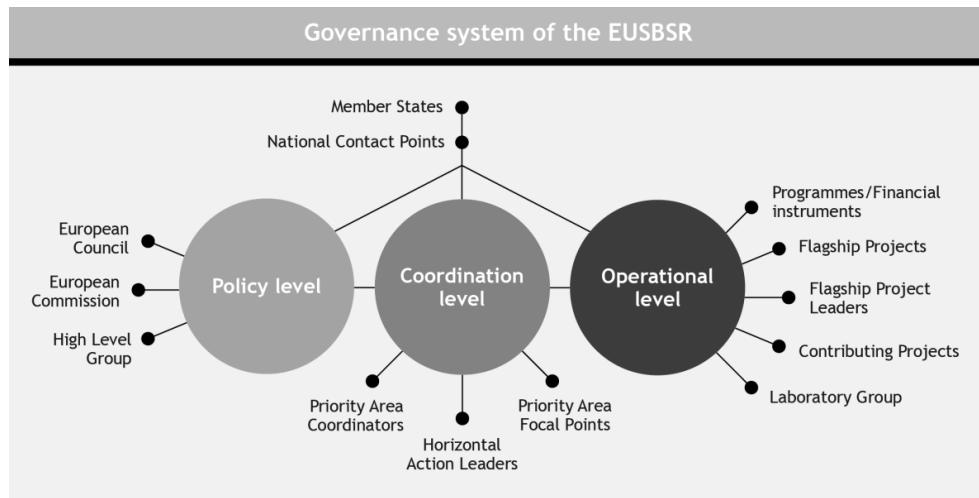
role of facilitating the goal fulfilment of the priorities in the Action Plan and supporting the involvement and cooperation of relevant stakeholders from the entire macro-region. In addition, they pursue policy discussions and policy development with the support of the so called *Flagship Project Leaders* (FPL), who have a dual responsibility of both achieving concrete implementing results and identifying possibilities for policy development (Commission 2011b:5f). In their role, the PACs have also emphasised the need for establishing national focal points for each EUSBSR country, and of developing guidelines for the assessment of flagship projects (Commission 2011b:10).

Horizontal Action Leaders (HALs) are another set of actors within the Strategy, responsible for ensuring cross-cutting and cross-sectoral connections across the whole Strategy. In this they have a the role of communicators between PACs and other stakeholders (Commission 2011b:6).

At last the *Regional and local levels* are identified as important for the realisation of the Strategy. Here, organisations with a macro-regional focus, regional organisations and NGOs as well as individual regions and cities of the MS are included (Commission 2011b:7).

The general governance structure of the EUSBSR such as it has been described above, is outlined on the Strategy's official website. Although it does not offer a full coverage of the relational aspects of the system it gives an overview of the key groupings of the system:

Figure 1: The Governance system of the EUSBSR



Source: (EUSBSR(a), 2012-04-24).

Regarding the public representation aspects, these are facilitated through the European Parliament involvement in the strategy. Namely, through the already mentioned informal Baltic Intergroup which is composed by MEPs from the Baltic Sea Region and Regional Policy Committee members. The role of this group is to represent the public in the support and promotion of the EUSBSR (Commission 2011b:7). In other words, the formal decision making procedure of the EUSBSR is placed with the Council whereas public representation in that decision-making process is mainly facilitated through the EP. The informal decision making consisting of the day-to-day governance of the Strategy is however a more complex matter in which the actors above each form a piece in the organisational puzzle of the system.

It is however clear that the most important steering document, the Action Plan is drafted mainly by national governments and the Commission, through a consultative process featuring various stakeholders (Stocchiero 2010a:6). This way, the formal decision-making procedure of the EUSBSR, is ultimately managed via the Council, who is responsible for major policy changes. Yet, the ‘day-to-day’ decision-making of the EUSBSR is handled mostly between the Commission and the MS (via the HLG), albeit in collaboration with other relevant actors via the stakeholder process outlined above. All, in all it is however the Commission staff, via DG Regional Policy, that finally drafts the strategic document and decides what stakeholder input to include.

With this said, the actors are only one part of the governance system which must also be connected to matters of substance and structure. Therefore, the next chapter continues with outlining the cognitive-normative or structural aspects of the EUSBSR.

4.3.2 Structures – The Three No’s

This section discusses the normative-cognitive features of the EUSBSR. In other words the problems identified within the EUSBSR and the goals and priorities relating to those problems as well as the strategies and methods to solve or handle them will be analysed.

When the EUSBSR was adopted by the European Council in October 2009 it brought up the common challenges and contributions that would be addressed by the Strategy. Among these were urgent environmental challenges related to the Baltic Sea and efforts contributing to social and territorial cohesion, competitiveness and economic success of the EU (Council 2009:11). These aspirations were also mirrored in the four goals or priorities of the Strategy:

- To enable a sustainable environment
- To enhance the region's prosperity
- To increase accessibility and attractiveness
- To ensure safety and security in the region (Commission 2009a:4).

An analysis of the consultation process leading up to these strategic priorities found that the Commission had done well in incorporating the stakeholder's wishes into the final documents. In fact, they claimed that the accompanying Action Plan may have taken too many stakeholder opinions into consideration, making the Strategy lack a clear focus (Schymik – Krumrey 2009:16). However, the merits of a wide stakeholder process has been emphasised as a way of ensuring democratic legitimacy by avoiding the exclusion of any major stakeholders from the Strategy (Ozolina et al. 2010:21). Yet, the criticised lack of clarity and focus seemed to have gained ground in the 2012 revision of the Strategy which narrowed the strategic objectives down to three main priorities: *To Save the Sea, To Connect the Region and To Increase Prosperity* (Commission 2012a:3). In other words, it seems as if the inclusion of all relevant stakeholders into the Strategy was successful in the initial stages of the Strategy, but the question remains whether this is achieved also in implementation and revision?

The priorities in the Strategy are to be achieved with the help of the integrated approach that features inclusion of all political levels and relevant policy areas in the region (See 4:3). This approach has been accompanied by an important structural innovation within the EUSBSR governance system; namely the incorporation of the so called *three no's*. This approach aims at realising the Strategy's objectives without adding any new institutions, legislation or funding to the implementation of the EUSBSR (Samecki 2009:5).

First, the No new institutions rule was motivated by the fact that various established institutions were already present in the BSR (Stocchiero 2010a:8). Further it was emphasised that the BSR already had a history of cooperation and networking and that the strategy would offer an opportunity of moving this cooperation forward from words to action (Commission 2009a:11). The No institutional rule, however, offers somewhat of a contradiction. It has in relation to the EUSBSR been pointed out that political space cannot operate without institutions. Therefore the No new institutions idea presented by the Commission is a contradiction in itself (Antola 2009b:153). Instead of proposing a new institutional structure, the Strategy is supported by a type of ‘multi-level’ and ‘multi-actor’ governance, described by Stocchiero as structured around five related governance levels (Stocchiero 2010a:8). The first level is formed by the Commission as the overall coordinator and facilitator of the Strategy. At the second level the Commission elaborates upon the strategy together with the NCPs, under the Prime or Foreign Affairs Ministries in the Member States. The third level is made out of the PACs, which are typically central administrations or rarely regions or intergovernmental bodies. At the fourth level, the flagship projects with their FPLs (in general, various agencies and institutions in the region) are the main implementers of the Strategy (Stocchiero 2010a:8). The final fifth level returns to the top of the EU policy-making process and features the Commission that interacts with and convenes the HLG from the Member States (2010a:8).

The same structure has been commented on by other scholars who see it a complex formation of responsibility, which purpose is to make sure that responsibility remains with the Commission, that priority areas are mostly managed by national governments and that there is a particular government, non-governmental or regional organisation responsible for each of the flagship projects (Ozolina et al. 2010:24). This core institutional structure, which should be achieved without providing any new institutions, is backed up by consultations and organised participation of various stakeholders in the region (Stocchiero 2010a:8). In other words, even if no new institutions are presented in support of the strategy, it still contains an institutional framework where some actors and levels have a more prominent position than others. The influential role for the Commission and the HLG in the governance system has also been discussed in

the Council conclusions on the review of the EUSBSR in 2011. In its presidency conclusions on the *governance* of the Strategy the Council supports the existing structure and also encourages a strengthening of it by inviting the Commission to:

“strengthen its role in EUSBSR strategic coordination, in facilitation of information flows internally and towards Member States” [...] as well as encouraging it to “reinforce the role of the EUSBSR High Level Group, meeting on a regular basis, as the main operational forum for key steering debates” (Council 2011:3).

The idea of not creating any new institutions for the management and coordination of the EUSBSR has implications for the relational power inherited in the governance of the strategy. It can in fact be claimed that even if no new formal institutions are created in support of the Strategy, the governing of the EUSBSR still features a institutional structures for solving the common goals of the Strategy. The results of this being that new roles have been created and strengthened which grants the Commission, the national administrations of Member States and the HLG key positions in the governance of the EUSBSR.

The second No consists of a veto against any new legislation for the management and implementation of the Strategy. Instead the main content consists of the preparation and implementation of the Action Plan which is derived from the Strategic communication on the Strategy (Stocchiero 2010a:6). Yet, without any new legislation the Strategy has still been placed within an already existing jurisdiction. In other words, the Strategy has been framed as an EU internal Strategy that aims at regional development. This means that it has been designed to support the three regional policy objectives for the current European funding period 2007-2013, (regional convergence, enhanced competitiveness, and territorial cooperation) objectives which will most likely remain also for the next period. This framing in turn places DG Regional Policy in a key position regarding both the preparations of the Strategy and its implementation (Bengtsson 2011a:12).

However, achieving the goals of the Strategy requires consideration of several external aspects, and many of its priorities cannot be met without including external BSR actors such as Russia (Ozolina et al. 2010:32). This in itself is an example of how one of the EUSBSR’s structural features, internal framing, as a

means of solving common regional challenges has implications on the political relationships with external actors.

Finally, the third veto entails that no new funding should be allocated to the realisation of the Strategy. Instead, the funding of the implementation should be managed through aligning already existing financial instruments and funding sources in the region (Stocchiero 2010a:7). On this part, the Commission in its Communication is very clear stating that future progress in the BSR should be achieved through better coordination and a more strategic use of for example Structural funds programmes (2009a:11). Furthermore, the Commission points out that Programming authorities can review their allocation criterions to match the Strategy's objectives and welcomes appropriate modifications of the programmes (Commission, 2009a:11). On the EUSBSR website the following can be read under the headline of alignment of funds:

“The Member States and the bodies in charge of the implementation of the programmes and financial instruments are encouraged to allocate sufficient funding to contribute to the implementation of the Action Plan” (EUSBSR(b), 2012-04-24).

Hence, the MAs of operational programmes that are relevant for the BSR have an important role circumventing this third No, by steering operational funding in line with the EUSBSR's objectives. In fact, most of the MAs have already either modified, or have plans to modify their national and regional programmes to include a reference to the strategy. In addition, many of them have adopted additional selection criterions which incorporate the EUSBSR into their frameworks. For example, Sweden has introduced a new selection criteria which gives priority to projects that are directly linked to the Strategy, while one Finnish regional programme privileges projects that support the EUSBSR (Commission 2011b:6). In the Swedish case, the EU's structural funds organisation added a new selection criterion where the applicants are required to clearly state how their project contributes to the implementation of the Strategy (SAERG, 2011:5).

So, what does this alignment of funding mean from a power perspective? First, the alignment of funding may be seen as a mechanism for supporting but also steering the direction of the implementation process. In other words, if an initialised project in the BSR applies for funding through one of the EU

programmes relevant for the region, a correspondence between the project and EUSBSR objectives may be conditioned. This in turn, indicates that the actor who has the most influence over and knowledge of the EUSBSR will also gain power in terms of accessibility to the financial support of various funds and programmes.

This notion becomes increasingly interesting in the light of future developments concerning the alignment of funds. In a recent press-release, the Commission speaks of the need for even further efforts to align funding:

“All EU programmes in the Region are expected to contribute to the Strategy by aligning their priorities, projects and funding. [...] It is important that increasingly, all available sources of funding are aligned with Strategy objectives” (Commission 2012b:2).

In addition to this aim by the Commission, there has also been indications that connecting macro-regional strategies to the future operational programmes of 2014-2020 (CoR 2011:6). As a final remark, it should be noted that the European Parliament, in one of its resolutions has stressed the importance of seeing the developments of macro-regional strategies as a complementary in their nature, meaning that they should not aim to replace the EU financing of individual local and regional programmes as a funding priority (EP 2010:4). If a further alignment of funding becomes a reality and if the future, it may lead to asymmetries of resources for the participating stakeholders that are meant to implement the Strategy.

Also, the concern expressed by EP is an important one, especially as it might lead to a failure in recognising specific national, regional and local needs in relation to the goal priorities of the Strategy. Something, which in turn would grant even more influence to the key actors of the EUSBSR decision-making process and in the long run also influence the action capabilities of actors with less influence.

5 Power in the EUSBSR Governance System

“Any given governance system organizes specified actor categories or roles vis-à-vis one another and defines their rights and obligations [...] Each specifies to a greater or lesser extent who may, should, or must participate (and who is excluded), who may or should do what, when, where, and how, and in relation to whom.” (Burns 2006:422).

5.1 Relational Power

The way that power is exercised within the EUSBSR is an important aspect of the relational power in the system. The integrative approach of the Strategy implies intransitive power rather than a transitive power within the governance system. In other words, the system strives to govern through joint cooperation between the participating actors rather than within zero-sum games. However, when viewing the external relations with actors such as Russia, it becomes clear that the internal framing of the Strategy has effects on how power is exercised vis-à-vis stakeholders outside the EU (See 5.2). Other important measurements of relational power can be found within the *Hierarchy*, *Multi-level cooperation* and *involvement of public and private actors* within the governance system.

5.1.1 Hierarchy

Hierarchy in cooperation patterns suggests cooperation between multiple and diversified bodies as opposed to top-down social relations (See 2:4:1). When looking at the social organisation of the EUSBSR we have found that the formal responsibilities of its governing are formally divided between the participating

levels and actors. For example, the Commission, although with the approval of the Member States in the region, has attained the role of the Strategy's 'overall coordinator' and 'external facilitator'. In this, the Commission with its promoted openness to all relevant stakeholders, its European wide mandate and extensive policy expertise has been granted the role of an 'impartial honest broker' (Samecki 2009:4). This position has furthermore been described as generative of a form of '*soft power*' for the Commission (Stocchiero 2010a:8). The Commissions role in the EUSBSR governance system must from a relational power view be considered as *central* in the sense that the Commission has many connections and social ties within the governance system. The notion of the Commission as an important and influential actor in terms of relational power is further supported by the following quote:

“[...] the strategy has in a very short time come to be perceived as the central way in which EU institutions, regional organizations and Baltic Sea states relate to each other, implying the contours of a new division of labour in operative terms and contributing to changing patterns of agenda-setting and power projection, underlining the key role of the EU institutions, notably the Commission.” (Bengtsson 2011a:16).

While the Commission has an overall responsibility of coordinating and monitoring the Strategy, the Member States of the BSR have divided responsibility of the various actions among themselves. According to Bengtsson, this type of structure may imply that some countries in the region become more centrally involved in the strategy than others (2009a:7). Furthermore, an overview of the strategies initial division of priority areas between member states shows that the Baltic States (Here referring to Poland, Latvia, Lithuania and Estonia) were the ones least involved in the coordination (See Appendix 1). Although this might have been a structure of their own choosing it can be suspected that the lack of coordination responsibility has reduced rather than enhanced the role of the Baltic States within the EUSBSR.

Another way in which the varied roles between member states become visible is in the Swedish involvement in creation of the EUSBSR. As was described above, Sweden has had a very prominent role in the creation and drafting of the Strategy. For example, the Swedish view of the EUSBSR has been kept very close

to the Commissions. In fact the two actors have been described as working together in a type of tandem relationship during the drafting of the strategy (Bengtsson 2009b:135). Also, Sweden as a role model has also been of interest for other Member States of the BSR, where for example the Baltic Sea Region team at the SAERG (Tillväxtverket) has been invited by other MS to present the Swedish structure for implementation (SAERG, 2011:5). These observations indicate that Sweden as a member state seems to occupy a central role in the system. Its connection to the Commission indicates that it has extensive ties at the EU-level while its role-model status vis-à-vis other member states points to several relational connections also at a member state level.

Looking at the vertical aspects of the relational power within the system, the national level; namely the member states with their national administrations possess a *brokerage role* via the HLG. This nationally elected group of ‘experts and advisors’ has the capability of influencing what national, local and regional issues reaches the EU-level. In this sense, the HLG with its national representatives can potentially act as gatekeepers between the EU and sub-national levels of the governance system.

The validity of this observation also gains support if connected to an EP resolution from 2010. In its resolution, The EP stresses that the state of the EUSBSR macro-regional system for cooperation is in fact characterised by a top-down approach:

“[...] the new ‘macro-regional’ framework of cooperation has a strong ‘top-down’ approach, with the Member States having a decisive role in its development, and creates a new level of governance” (EP 2010:4).

This quote indicates a lack of heterarchy in cooperation patterns and adds to the picture of a strong EU-level and an empowered national level where the Member States with their national administrations has a key role. This points to a system characterised by a top-down approach to social relations rather than a bottom-up. It is also possible that the brokerage role for the HLG and the national administrative levels will also influence the degree of multi-levelness of the EUSBSR governance system.

5.1.2 Multi-Level Cooperation

The multi-levelness of the EUSBSR governance system can in accordance with the theoretical framework be measured via how many levels of governance are involved in the system. Multiple levels of governance suggests that both the domestic and EU-level of governance are significant and permeable (See 2.4.2)

Although, the analysis so far has shown that all levels – EU, national, regional and local – are mentioned in the EUSBSR documents, the significance and permeability between levels can be critically analysed.

First, the role of the Commission can yet again be discussed. For example, when the strategy was initialised in 2009, Commissioner Paweł Samecki expressed its role within the strategy in the following way:

“Because the macro-regional approach involves multiple administrations the Commission may have a role as the overall coordinator and facilitator. But this should not be seen as an attempt by the Commission to extend its influence. Rather it is recognition that the Commission has ‘soft power’ in this area that can enhance the strategic approach by empowering different levels” (Samecki, 2009:6).

According to this quote, the Commissions role within the EUSBSR should not be interpreted as a restructuring towards an increased influence of this institution in the BSR. Rather it is described as a tool for enhancing the roles of other stakeholders, situated at various levels in the system.

The need of including all political levels of the BSR in the EUSBSR has also been expressed by other actors. The EP for example, has pointed to the importance of an effective multi-level structure for cooperation. It has expressed that the development of macro-regional strategies should contribute to enhancing the role of the local and regional levels in the implementation of EU Policy (EP 2010:4). The question then becomes whether the Commission, as overall coordinator, has succeeded in empowering different levels and thus attaining multi-levelness in the EUSBSR governance system?

In their analyses of the consultation process of the Strategy, Schymik and Krumrey point to a diffuse standing by the stakeholders on the issue of MLG, caused by a central contradiction. One the one hand, many of the stakeholders requested a strong bottom-up approach to implementation, calling for the

involvement of actors from all levels and sectors. On the other hand, the need for a more concrete and strong leadership, also referred to as ‘top-down’ leadership was also expressed (2009:10). In this, the stakeholders seemed to expect a clear leadership from the Commission, something which was especially asked for at the level of national governments (Schymik – Krumrey 2009:10). In the light of these mixed signals concerning the MLG perspective, it is interesting to note that since the initialisation of the implementation phase of the EUSBSR, several stakeholders, including the Commission, has expressed a lack of local and regional involvement.

It was noted in the implementation report by the Commission in 2011 that the realisation of the EUSBSR had involved many actors including EU bodies, financial institutions, political organisations, macro-regional organisations, NGOs and individual regions and cities (2011a:6ff). In the same report it was however pointed out that the Strategy needed to be more embedded in political and administrative structures at all levels (EU, National and Regional) and that PACs and the ‘Line Ministries’ in the member states typically needed to take a more active role in implementation (Commission, 2011a:6ff). While the report expresses a wide ranging involvement from actors at all levels of the EUSBSR governance system, it fails to express more specifically to what extent the various levels were engaged.

By looking closer at the assessment made by other stakeholders it becomes clear that there is a perceived lack of local and regional involvement in the Strategy. In 2010, the CoR articulated that cooperation within Macro-regions must not evolve into a new institutional level situated only between the EU and the Member-States, but must also include the regions. The CoR further pointed out that despite the considerable role that regions could play in flagship projects, no stakeholder at the regional level had at the time been allocated the lead role in any of the 78 flagship projects of the Strategy (CoR 2010:1).

The need to increase the local involvement in the Strategy was also expressed as late as in 2012, when civil servants at the Swedish Association of Local Authorities and Regions (SALAR) pointed out that there is still a want for a ‘local tone’ in the Strategy. It was then claimed that there is a clear need for a greater involvement of the local level in designing the structure of various parts of the

Strategy and that so far there has been too little mentioning of the role of the local level in implementation (Ivarsson et al. 2012:23).

As a response to the lack of multi-level engagement in the EUSBSR governance system, the Commission introduced a new Horizontal Action (HA) on ‘strengthening multi-level governance, place-based spatial planning and sustainable development’, into the Action Plan (Commission 2011a:9). This horizontal action aims at establishing a ‘Baltic Sea Dialogue’ between actors at all levels of governance in the BSR¹. The Horizontal Action Leaders (HAL) for this task are two Swedish Regions, Kalmar and Västerbotten (Commission 2012c:74).

In Kalmar, the role of HAL for multi-level governance was initialised as a response to the view that the EUSBSR had become too national in its character. Jan Martinsson, one of the responsible civil servants for the HAL assignment in Kalmar emphasises that the bottom-up character of the EUSBSR is a relative conceptualisation. He argues that the need for a bottom-up approach within the Strategy almost single handedly refers to the need to improve cooperation between national levels and the EU, thus in many ways making the national level the ‘bottom’ of the system. The argument is exemplified by the fact that, at least in Sweden, almost all of the PACs come from the national administrative level (Martinsson 2012). In other words, he sees that there is deficient regional and local influence and participation in the Strategy, an issue which the horizontal action for multi-level governance attempts to address (Martinsson 2012).

This notion is echoed in a 2011 position paper by Euroregion Baltic (ERB)² where the need to improve the multi-level governance and regional anchorage of the Strategy was highlighted. In the paper the ERB further recommended that local and regional actors should be involved as flagship coordinators and that the EUSBSR Annual Forum should develop to become an arena for *all* stakeholders to meet (ERB 2011:5). Hence, at a closer inspection of the turnout of the EUSBSR implementation process it becomes clear that some levels, notably the local and regional ones, can not be deemed as significant and permeably involved in the implementation and decision making regarding the Strategy.

¹ The HA specifically refers to the European Commission, national ministries and authorities, local/regional authorities, macro-regional organisations, financial institutions, VASAB and HELCOM (Commission 2012c:74).

² Euroregion Baltic is a political cooperation in the south-east of the BSR, consisting of eight regions of Denmark, Lithuania, Poland, Russia and Sweden (ERB 2012).

5.1.3 Involvement of Public and Private actors

The third factor of relational power concerns the inclusiveness of public and private actors. As has been illustrated in the theoretical framework, this proposition looks at how many or to what extent non-state actors are involved in the system (See 2.4.2).

The involvement of private actors into the EUSBSR governance system is not explicitly expressed in the initial Strategy and accompanying Action Plan which only refers to cooperation between the Commission and the Member-States and Regional and Local authorities, International, Inter-Governmental organisations and Non-Governmental bodies (Commission 2009:4, Commission 2010a:3). Yet, private bodies are mentioned indirectly for example in relation to their potential role as contributors of funding for project (Commission 2010a:70). Also, in the Commission's implementation report from 2011, the need to involve the private sector is mentioned (2011a:8).

Looking at the involvement during the creation of the Strategy it has been noted above, that 19 out of 109 contributions from the consultation process came from the public or private sector (See 4:2). Although it is difficult to determine whether this figure indicates a high or low level of engagement in the initial stages of the EUSBSR, it reveals at least that the public and private sector has had the opportunity to contribute. Despite these initial contributions and the expressed wish to include the private sector in the implementation of the Strategy, there are indications that this sector is not involved to any great extent today.

For example, research has concluded that the engagement in the Strategy has so far been mostly governmental in character (Bengtsson 2011b:16). According to Bengtsson, this has not been seen as surprising given that governments and their sub-organisations are leading the work as PACs and NCPs, but it nevertheless signals that public involvement from the civil society and private commitment via the business community is underdeveloped (2011b:16).

A similar remark can be noted in the Commission's 2011 implementation report which stated that organisations holding important links to the business sector, such as the Baltic Development Forum (BDF) need to be improved:

”The informal Baltic Sea Group of EU Regional offices or the BDF’s links to important businesses in the Region, are existing examples of what needs to be further encouraged.”(Commission 2011a:8).

The statement above also indicates that there is more to develop regarding public and private engagement in the Strategy. All in all, the EUSBSR governance system does not seem to allow for the inclusiveness of public and private actors, to any large extent.

5.2 Dispositional Power

Dispositional power is visible in the positioning of agents vis-à-vis each other according to organisational structures, rules and divisions of allocative and authoritative resources. This power in turn often contributes to determining what can be achieved in terms of relational power (Arts – Tatenhove 2004:349f).

Within the Strategy, the rules of decision-making in terms of drafting and deciding the substance of the Strategic documents are questioned by Stocchiero. He asks himself whether the macro-regional strategy of the EUSBSR is truly a ‘bottom-up’ process or if it in fact constitutes a means of policy re-nationalisation (2010a:6). Hence, although the drafting of the Strategy has been highlighted as a very inclusive process (Commission 2010c:10), there still exists some question marks relating to the validity of this claim.

Various sources support the notion that the Strategy has not been altogether successful in establishing wide spread horizontal and vertical stakeholder involvement. For example, the Conference of Peripheral Maritime Regions (CPMR), a regional network independent of the EU institutions points to some discrepancies in the consultative process. Their analysis claims that the majority of those who took part in the various events of the process were either representatives of the European Commission or representatives of the different national institutions or governments (CPMR 2009:4). Also, according to the calculations of CPMR, representatives from regions or regional networks only amounted to 12.5 percent of the speakers compared to the Commission and

National bodies which stood for 25 and 30 percent of the speaking time respectively (2009:4). In this, the conclusion reached by CPMR was that:

“So even at the consultation phase, the Member States/Commission “couple” controlled the definition of the challenges of the future Strategy for the Baltic Sea Region”

This finding inevitably leads to the finding that the division of authoritative resources was asymmetrical already in the drafting phase of the Strategy. This in turn indicates a situation where dispositional power has created a restructuring of the political relationships between participating stakeholders.

Also, the CPMR criticises the structure for implementation of the EUSBSR for minimising the role of local and regional actors:

“Looking at how the Strategy will be implemented, here again the role of sub-regional authorities is a secondary one. Each of the Strategy’s actions is led by an identified actor. In the majority of cases, this is a Member State, a group of Member States, or a competent national organisation.”(CPMR, 2009:4).

A similar claim has been made by another European network, namely the Assembly of European Regions (AER). Not only does the organisation see the EUSBSR governance approach as remaining top-down and member state driven it also questions the mere consultative nature of local and regional involvement in the Strategy (AER 2009:14). In relation to the claim of a minimised role for local and regional authorities it should be pointed out that a suggestion for better involvement of this governance level was brought forward in the consultative process of 2008. Then a grouping referring to itself as the Baltic Sea Organisations¹ presented a position paper on the content of the Baltic Sea Strategy as early as 2008. In this document they expressed their full support for the creation of a joint Strategy for the region. Yet, they also offered their shared view on the content of such a Strategy. One of these suggestions was that in addition to a Strategic document and an Action Plan, there should also be a *Plan for Implementation* and a clear governance structure connected to the Strategy (Baltic

¹ The grouping consisted of the following organisations: The Baltic Sea States Subregional Co-operation (BSSSC), B7 Baltic Islands Network, Euroregion Baltic (ERB), Baltic Development Forum (BDF), Conference of Peripheral Regions (CPMR) - Baltic Sea Commission (BSC) and Union of the Baltic Cities (UBC).

Sea Organisations 2008:2:10). The position paper suggested a model for governance which was more than a voluntary forum for exchange and where a clear and transparent decision-making structure would be adopted. The model (See Appendix 3) was suggested to combine top-down and bottom-up processes in a governance model consisting of the European Commission in a chair position of a decision-making body made up of all the political levels and a Baltic Sea Forum as the consultative body (Baltic Sea Organisations 2008:2:10). The idea of this proposed governance model was to have two main bodies, one which should involve elected representative from each political level in the region and one which should incorporate other actors in the BSR to discuss and suggest projects to the decision-making body (Baltic Sea Organisations 2008:2:11). This suggestion, although supported by some of the largest sub-regional organisations and networks in the BSR was not incorporated into the final Strategy which instead features the governance structure outlined above (See chapter 4). Together, these empirical findings suggests that an asymmetrical division of authoritative resources exists, which creates a positioning for the Commission and Member States vis-à-vis regional and local actors in the BSR.

Another aspect of dispositional power relates to the political framing of the EUSBSR as an EU internal Strategy. In the initial discussions concerning the political aspects of a new Strategic instrument for the BSR, the EP conceptualised the Strategy as a comprehensive approach that would *include* EU external actors such as Russia in Baltic Sea Cooperation Bengtsson 2011a:12). Later, when the political extent and width of the new Strategy was formally developed, primarily by the Commission, the EUSBSR was instead framed as an EU internal Strategy. The relations with Russia were instead to be managed under the already established Northern Dimension (ND) scheme. This meant that despite the importance of Russia as a central actor in BSR, this country was not included fully into the EUSBSR (Bengtsson 2011a:12). The framing of the EUSBSR as an EU internal Strategy, inevitably creates a restructuring of the political relationships in the Region. Although the cooperation between individual member-states and external actors such as Russia are mentioned in the strategic documents, the partial exclusion of these actors from the EUSBSR governance system may very well complicate and potentially obstruct cooperation in the region.

In terms of dispositional power the internal framing may be seen as a rule-mechanism which ultimately changes the distribution of authoritative resources in the region and positions the internal and external actors in the region against one another, something which can ultimately lead to effects on what can be achieved in terms of relational power. With the introduction of an internal EU strategy dealing with issues concerning the whole BSR, it is possible to say that what can internally be considered in terms of intransitive power (joint practices of power) runs the risk of becoming an external transitive power struggle (zero-sum practices of power).

5.3 Structural Power

To identify structural types of power, it is necessary to move beyond the paradigm of the EUSBSR and look at the way in which *macro-societal structures* shape the nature and conduct of agents. Here, structuring of arrangements according to what thoughts and actions are considered legitimate in the system is of importance as well as indications of structured asymmetries of resources (See 2.4.2).

Kern has written about governance in the BSR and found examples of such macro-societal structures leading to asymmetrical access to resources. She brings up ‘Europeanization’ of the BSR. Today, all EU Member States bordering the Baltic Sea are directly influenced by decisions made in Brussels (Kern, 2011:30f) In this sense it can be supposed that the macro-societal structure of increased Europeanisation in the BSR is to some extent echoed in the perception of what is considered a legitimate power structure within the EUSBSR.

Another aspect relates to the fact that cooperation at the international level can become hindered when countries that are meant to co-operate start out from very different positions (Kern, 2011:32). As has been described above, the Baltic Sea region has undergone a great transformation with the merging between the former-Soviet states and their western neighbours under a European Union mandate. As has been described above (see 4.2), *asymmetries* and *disparities* were an inescapable part of the starting point for Baltic Sea Cooperation and parts of it seems to still remain (Vanags, 2011:91). These nation state discrepancies can be

distinguished in the process of creating the EUSBSR. Vanags brings up the endorsement of the Strategy by the Council in October 2009 as an example of an asymmetrical power relation in the BSR. He describes how the strategy was originally written and proposed by the Baltic Strategy Working Group (Beazley et al. 2005) of the ‘Baltic Europe’ Intergroup. This working group included seven MEPs from both Latvia and Estonia but none from for example Sweden (Vanags 2011:92). Although one of the Swedish parliamentarian of that time, Cecilia Malmström was a member of the larger Baltic Europe Intergroup (Bengtsson 2009b:131) she was not involved in the initial drafting of the 7 MEPs (Beazley et al. 2005). Hence, the concept of macro-regions was born from an initiative of mostly Baltic countries, yet later promoted and lobbied to a great extent from the Swedish government (Stocchiero 2010a:3). In this sense the strategy was effectively transformed and later recognised as a ‘Swedish policy’ (Vanags, 2011:92). The implications of the structural power relations in the BSR for the creation of the EUSBSR are further expressed in the following quote:

“Of course, it has been important for the Strategy that it should have executive support but nevertheless the way in which it has been transformed into a ‘Swedish policy’ illustrates the asymmetries of power relations in the region” (Vanags, 2011:92).

This example further supports the idea of structural power playing a part in determining the political relationships between Member States within the EUSBSR governance system.

Forth and finally, as has been discussed above, the role of local and regional levels within the EUSBSR system is problematic. Kern points out that even though the implementation phase of EU policies is often placed at local and regional administrative levels, the role of these levels in the BSR has long been neglected (2011:33). Consequently, also local and regional actors seem to suffer from structured asymmetries of resources in relation to the implementation of EU policies. Something which in turn may have contributed to their lack of relational power in the EUSBSR governance system.

6 Conclusion

In this final chapter the findings of the analysis will be tied together by answering the initial research questions. Furthermore, some concluding remarks on the theoretical ambition, its usefulness in relation to the research aim and a request for further research, will be presented.

6.1 What Kind of Governance System?

The analysis strove to examine the characteristics of the EUSBSR with the help of two categories of governance systems presented in the theoretical framework. The hope was to find an answer for the first research question:

- *What characterises the architecture of the macro-regional governance system of the European Union Strategy for the Baltic Sea States (EUSBSR)?*

The analysis showed that the governance system of the EUSBSR is featured by a social organisational framework in which some of the involved actors assume key roles of relational authority while the roles of other actors are less prominent.

The Commission and the Member States level of the BSR, particularly seem to occupy key roles in the system. The Commission, not surprisingly has a *central* role. By being the overall coordinator and main facilitator of the involved stakeholders it has social ties within the whole EUSBSR governance system. Furthermore, since the main drafting of the strategic documents connected to the EUSBSR takes place within the Commission, namely within DG Regional Policy, it also operates as a *broker* or ‘gatekeeper’ in the sense that it has been allocated extensive authority to determine what stakeholder input to incorporate into the strategic documents of the EUSBSR. Furthermore, the HLG can also be seen as occupying a *broker* role by acting as a linkage between the EU and sub-national levels in the system. While NCPs and PACs

are key actors in implementation of the Strategy, it has been illustrated that these actors mostly operate at the national level of the Member States, thus positioning them in a way which gives them the authority of brokers or gatekeepers against for example sub-national authorities. In sum, when viewing the EUSBSR from a MLG perspective it can be argued that the system, although attempting to facilitate a more bottom-up governance approach, with the involvement of all relevant stakeholders, still bears indicators of a more hierarchical and top-down approach to governance.

The normative cognitive features of the EUSBSR are in turn characterised by a framing around the issues of the environment of the Baltic Sea, economic development and social and territorial cohesion in the region. The solution to these collective problems of the BSR lies in the *integrated approach* that strives to connect all relevant policy areas and levels of administration in the region. This is further supported by the structure of the three No's – *no new institutions, legislation or funding*.

6.2 Restructured Power Relations

The analysis of the three types of power identified in the theoretical framework will serve as the base for answering the second research question:

- *How has the EUSBSR restructured the political relationships between the stakeholders of the Strategy?*

The analysis points to several restructuring effects of the political relationships in the region. First, the *integrated framework* within the EUSBSR can be seen as an example of an intransitive or joint power aspiration, emphasising the coordination of resources and powers of the individual actors. In this sense, what was before cooperation between individual EU Member States in the BSR has within the EUSBSR governance system become a more formalised cooperation towards commonly established goals. Hence, in terms of relational power, the political relationships between the EUSBSR actors can say to have been restructured in favour of joint practices, due to the governance systems clear intransitive power focus.

Despite this intransitive focus, the division of authority and responsibility between various actors within the system has also restructured the political relationships between stakeholders. For example, the lack of any new institutions has forced institutional leadership to be assumed at the EU-level via the Commission in collaboration with other key actors such as the HLG. Also, the framing of the Strategy as an EU internal Strategy has placed DG Regional Policy in a key position of authority to steer the drafting of the Strategy. This, together with the comprehensive nature of the Strategy, creates a restructuring of the political relationship in the BSR where the EU-level has become influential in an extensive range of policy areas of concern to the region.

Furthermore, an example of relational power and political restructuring is connected to an identified East-West divide within the governance system. As has been shown in the analysis, it seems as if Baltic states have been less involved both in the consultation and coordination phases of the Strategy. Put in a bigger perspective this can be interpreted as an echoing of structural power relations between the Northern countries and the Baltic States, were historically the former part has taken precedence in Baltic Sea regional cooperation.

In addition, Sweden stands out as having played a large part both in the drafting and implementation of the Strategy and can therefore be said to have a more prominent role in the system than several of the other Member States. The transformation of the EUSBSR into a ‘Swedish Strategy’ and the position of Sweden as a role model for other stakeholders are two examples of this which further points to a restructuring of power relations between the participating Member States.

In addition, the relational dimension can be illustrated through the three power aspects; *hierarchy in cooperation patterns*, the degree of *multiple levels of governance* and the *inclusion of public and private actors*. None of the conditions suggested by each of these power indicators have been fully realised in the EUSBSR governance system. As has been pointed out above, the system seems to feature a more hierarchical and top-down rather than bottom-up approach to governance, thus professing a lack of hierarchy in cooperation patterns.

Regarding the multiple-levels of governance the analysis also found that it has been difficult for sub-national actors to take active part in preparations, decision-making and implementation of the Strategy. In fact, the EUSBSR seems to have restructured the political relationship in such a way that local and regional actors have a hard time shaping and influencing the outcome of policy documents, structures and

solutions for implementation within the system. Instead key roles are situated at the EU or national levels of government which points to a restructuring of political relations in favour of a policy re-nationalisation in which the national levels have claimed control over macro-regional developments.

Furthermore, the framing of the EUSBSR as EU internal has implications for the external aspects of the Strategy. The internal framing can be said to have restructured the political relationship between the EU internal and external Baltic Sea actors, such as Russia, towards transitive power relations. In other words, the internal and external actors of the EUSBSR seem to have become positioned vis-à-vis each other.

At the level of structural power there are indications of *macro-societal structures* which have come to shape the conditions for dispositional and relational power within the EUSBSR governance system. For example the asymmetrical division of authoritative resources within the BSR, where it seems as if the Northern countries have a history of taking the lead in Baltic Sea regional cooperation. Also the neglected roles of the local and regional level of the BSR seems to have historical connections, pointing to structured asymmetries of resources between them and other levels in the system. These examples support the notion that structural power plays a part in determining the political relationships between Member States within the EUSBSR governance system.

6.3 Final Reflections and Further Research

Although, a restructuring of the political relationships between actors can be considered a natural consequence of introducing a common and comprehensive Strategy at the level of a macro-region, it is important to reflect upon its wider outcomes. If the Strategy fails to bring together the participating actors in such a way that power and resource asymmetries are minimised, the project as a whole runs the risk of not reaching its full potential. While, altering the impact of structural power aspects on the political relationships in the region can be considered a long-term process, organisational features and structures of the EUSBSR governance system, such as the Three No's and the practices for stakeholder involvement could be adjusted in favour of a more bottom-up approach to social relations.

Putting it in a larger perspective, it is important to remember that the governance design of the EUSBSR has served as a role model for other macro-regions in Europe. Hence, while the political restructuring effects of the EUSBSR should not be over generalised, the fact still remains that many of its governance features have been adopted in other macro-regions and may therefore lead to similar developments.

This thesis has attempted to analyse governing through a macro-regional strategy from a power perspective. The intention has not been to determine the success or failure of the EUSBSR, but to analyse the implications of introducing such a strategy. The study has attempted this by adopting a theoretical framework that links theories of power and governance. While this framework has been successful in painting a general picture of the macro-regional governing system and point to some of its restructuring aspects, it may still be considered lacking the more fine-tuned analytical precision needed to fully comprehend the complexities of power in governance. Consequently, it raises new questions and demands for further research. Additional and more extensive single case studies of other EU macro-regions matched with comparative between-case research would be especially interesting.

To conclude, one of the things that this thesis has attempted to show is the benefits of linking theories of power to governance research. Together, these theoretical perspectives can form a more nuanced analysis of new modes of governance, in which traditional power perspective adds a critical actor-structure dimension. In a scientific climate where governance is one of the most common catch phrases, there is risk of missing valuable analytical observations by overlooking the power perspective. Therefore it is highly relevant for scholars interested in governance research to turn their attention towards theoretical models that attempt to link governance and power perspectives, also in the future.

7 Executive Summary

The European Union features many different kinds of governance modes, spread out over many policy fields. However, several scholars have pointed to the emergence of ‘new’ or ‘softer’ modes for governing in the EU (e.g. Héritier 2003; Börzel 2010). This thesis argues that one of these softer modes of governing can be found within the concept of macro-regional strategies in the EU.

The first macro-regional strategy, the *European Union Strategy for the Baltic Sea Region* (EUSBSR) was launched by the Commission in June 2009. The Strategy represented a comprehensive strategy at the level of a macro-region and was seen as a forerunner to additional macro-regional strategies. With its introduction questions of ‘if’ and ‘in what way’ the macro-regional approach to governance affects the relations between the stakeholders in the region seem particularly relevant. However, these types of questions cannot be answered through governance theory alone, but require a theoretical conceptualization of political relationships. In other words, a power perspective must be applied if we are to describe the political effects of macro-regional strategies.

With this said, the thesis has a dual aim: first, to enhance the empirical understanding of macro-regional strategies in an EU context and second to further the theoretical understanding of macro-regional strategies as facilitators of power. The purpose of the thesis is thus *to analyse the restructuring effects of the EUSBSR governance system from a power perspective*. It is pursued by asking the following research questions:

- *What characterises the architecture of the macro-regional governance system of the European Union Strategy for the Baltic Sea Region (EUSBSR)?*

- *How has the EUSBSR restructured the political relationships between the stakeholders of the Strategy?*

So far most of the research conducted on macro-regional strategies have revolved around the added value of the Strategy and its potential success or failure. In addition, there seems to be a lack of deeper consideration for the power aspects of macro-regional strategies. This thesis attempts to elaborate upon such power aspects, thus hoping to make a valuable contribution to already existing research.

It picks up on Barnett and Duvall's idea that there is often a lack of traditional power discussions within governance research (2005:7). In their view, power is systematically 'de-centered' or 'masked' within notions of governance. To overcome this theoretical deficiency, the thesis attempts to apply concepts of power to a case of governance as a way of allowing a more inclusive attention to the *structures*, *processes* and *institutions* that shape and regulate the fate and possibilities for actors within governance systems. In order to characterise governance systems and thus which types of power they contain a model developed by Burns and Stöhr is applied (2011:236). In addition, three power concepts derived from the conceptual framework of Arts and Tatenhove - *relational*, *dispositional* and *structural* – are used. Within the first category a deeper connection to power is achieved by adding the concepts of *Hierarchy in co-operation patterns*, *Multiple levels of governance*, *Inclusiveness of public and private actors* to the analysis.

In terms of methodology, a qualitative research method is applied in the form of a case study approach. The case of the EUSBSR is an ideal test case for analysing power in governance systems. For one thing the region can be considered a miniature version of a wider Europe where West and East come together (Joas et al. 2008:4) and were patterns of power between small, medium and large member states mirrors patterns for whole of the EU (Antola, 2009a:19).

For the reading of the empirical material a qualitative text analysis is adopted which puts focus on determining the most relevant contents of any text material through thorough reading of the parts, whole and context of the text. The empirical material consist of both primary and secondary sources where the former is made out of official publications from the EU institutions such as reports, communications and information material concerning the Strategy alongside stakeholder opinions, position papers and one informative interview with the Horizontal Action Leaders for Multi-level governance within the

Strategy. Secondary sources are utilised in the form of previous studies and research papers.

In the analysis it is found that the macro-regional governance structure of the EUSBSR can be seen as a new type of governance system which changes the conditions for regional cooperation. The Strategy was created in the context of the Baltic Sea Region which features historical aspects that have resulted in a long term asymmetrical relationship in the region which still remains today (Vanags 2011:91f). The origins of the EUSBSR stretches back to 2005 when the idea of a common strategy for the BSR was introduced by an informal group of seven MEPs (Beazley et al. 2005). The idea was later endorsed in a European Parliament resolution in November the following year (EP 2006). In effect, the European Council in its Presidency Conclusions invited the Commission to present such a strategy (Council 2008:17), a decision which has been described as partly influenced by Swedish lobbying efforts (CPMR 2010:2).

The process of drafting the Strategy and the accompanying Action Plan has been highlighted as featuring a wide stakeholder process. The public consultation process was especially emphasised for generating over one hundred written contributions from various stakeholders (Commission 2010c:154). However, the asymmetry of Swedish influence on the strategy stretches even further than to lobbying efforts during the Swedish presidency. For example, a closer inspection of the documents provided by regional and local authorities and organisations during the internet consultation in 2008 (DGReg, 2012-06-28) showed that 12 out of 25 responses came from Swedish organisations while only four contributions came from countries in the eastern part of the region (Poland, Estonia, Latvia, and Lithuania). This indicates that Swedish authorities both at national and sub-national levels have seized the opportunity to influence the Strategy to a greater extent than many of the other member states.

The strategy today is featured by an *integrated framework* which “allows the European Union and Member States to identify needs and match them to available resources through coordination of relevant policies.” (Commission 2010c:7). It aims at the coordination of all relevant actors including EU, national, regional and local levels towards a more effective development in the region (Commission 2012:2).

An outline of the roles of the actors within the EUSBSR governance system shows that the Commission is the primary actor. It possesses the role of overall coordinator in which it assists relevant stakeholders, monitors, reports and evaluates on the progress of the Strategy (Commission 2012a:5). It is also illustrated that while the formal decision-making procedure of the EUSBSR, is ultimately managed via the Council, the ‘day-to-day’ decision-making of the EUSBSR is handled mostly between the Commission and the MS, albeit in collaboration with other relevant actors via the stakeholder process. The structural features of the EUSBSR include an important innovation within commonly referred to as the *Three No’s* which aim at realising the Strategy’s objectives without adding any new institutions, legislation or funding to the implementation of the EUSBSR (Samecki 2009:5).

The three types of powers are identified within the EUSBSR. First, relational power can be illustrated through the three aspects; *hierarchy in cooperation patterns*, the degree of *multiple levels of governance* and the *inclusion of public and private actors*. The analysis showed that none of the conditions suggested by each of these indicators have been fully realised in the EUSBSR governance system. The search for dispositional power led to the finding that the division of authoritative resources was asymmetrical already in the drafting phase of the Strategy, with the Commission and the Member States having much influence over the stakeholder process. Hence, the empirical findings suggested that an asymmetrical division of authoritative resources exists, which creates a positioning for the Commission and Member States vis-à-vis regional and local actors in the BSR. In terms of structural power, several examples of historically based structured asymmetries of resources in BSR seems to have contributed both to an asymmetrical involvement of the Member States of the region and the lack of regional and local involvement.

The conclusion attempts to answer the initial research questions. Regarding the first question, the EUSBSR governance systems is characterised by a social organisational framework in which some of the involved actors assume key roles of relational authority while the roles of other actors are less prominent. The Commission and the member states, particularly via the DG for regional policy and the HLG seem to occupy key roles of relational authority in the system. Also, when viewing the EUSBSR from a MLG perspective it can be argued that the

system, although attempts at facilitating a more bottom-up governance approach, with the involvement of all relevant stakeholders, still bears indicators of a more hierarchical and top-down approach to governance. The normative cognitive features of the EUSBSR are in turn characterised by a framing around the issues of the environment of the Baltic Sea, economic development and social and territorial cohesion in the region. The solution to these collective problems of the BSR lies in the integrated approach which is supported by the structure of the Three No's.

The answer to the second question is that the political relationships in the region seems to have been restructured in several ways following the introduction of the EUSBSR. First, the *integrated approach* can be seen as an example of how the political relationships between the EUSBSR actors can say to have been restructured in favour of an intransitive rather than transitive power focus. One exception to this feature concerns the external aspects of the EUSBSR which are implicated by the internal framing of the Strategy. In this, the political relationship between the EUSBSR stakeholders and external actors such as Russia, can be said to have been restructured towards transitive power relations.

This also connects to dispositional power for which the ‘rules of the game’ of the EUSBSR have restructured the political relationship in such a way that local and regional actors have a hard time shaping and influencing the outcome of policy documents, structures and solutions for implementation within the system.

Finally, at the level of structural power there are indications of *macro-societal structures* which have come to shape the conditions for dispositional and relational power within the EUSBSR governance system. For example the asymmetrical division of authoritative resources within the BSR, where it seems as if the Northern countries have a history of taking the lead in Baltic Sea regional initiatives.

The concluding reflections state the thesis attempt to analyse the macro-regional strategy of the BSR, by applying a theoretical framework that links theories of power and governance. While this framework has been successful in painting a general picture of the macro-regional governing system and point to some of its restructuring aspects, it may still be considered lacking the more fine-tuned analytical precision needed to fully comprehend the complexities of power in governance. Consequently, it raises new questions and demands for further

research. Additional and more extensive single case studies of other EU macro-regions matched with comparative between-case research would be especially interesting. To conclude, one of the things that the thesis emphasises is that linking theories of governance with theories of power can form a more nuanced analysis of new modes of governance, in which traditional power perspective adds a critical actor-structure dimension. Therefore it is highly relevant for scholars interested in governance research to turn their attention towards theoretical models that attempt to link governance and power perspectives, also in the future.

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Appendix 1

Table illustrating the division of priority areas between member states¹

Table 1: Pillars and priority areas of the EU Strategy for the Baltic Sea Region.

Pillar/priority area	Coordinating country/-ies	Number of actions
<i>Pillar I: To make the Baltic Sea an environmentally sustainable place</i>		
1. To reduce nutrient inputs to the sea to acceptable levels	Poland/Finland	5
2. To preserve natural zones and biodiversity, including fisheries	Germany	2
3. To reduce the use and impact hazardous substances	Sweden	3
4. To become a model region for clean shipping	Denmark	2
5. To mitigate and adapt to climate change	Denmark	3
<i>Pillar II: To make the Baltic Sea region a prosperous place</i>		
6. To remove hindrances to the internal market in the Baltic Sea	Estonia	6
7. To exploit the full potential of the region in research and innovation	Sweden/Poland	2
8. Implementing the Small Business Act: to promote entrepreneurship, strengthen SMEs and increase the efficient use of human resources	Denmark	9
9. To reinforce sustainability of agriculture, forestry and fisheries	Finland	7
<i>Pillar III: To make the Baltic Sea region an accessible and attractive place</i>		
10. To improve the access to, and efficiency and security of the energy markets	Latvia/Denmark	3
11. To improve internal and external transport links	Lithuania/Sweden	5
12. To maintain and reinforce attractiveness of the Baltic Sea region in particular through education, tourism and health	Tourism: Germany [Mecklenburg-Vorpommern] Health: Northern Dimension Partnership on Public Health Education: Germany	10
<i>Pillar IV: To make the Baltic sea region a safe and secure place</i>		
13. To become a leading region in maritime safety and security	Finland/Denmark	4
14. To reinforce protection from major emergencies at sea and on land	Denmark	2
15. To decrease the volume of, and harm done by, cross border crime	Finland	3
<i>Horizontal Actions</i>	European Commission	10

Note:

Adapted from the Action Plan accompanying the Commission communication (Commission 2009b).

¹ Source: Bengtsson, Rikard, 2009 "An EU Strategy for the Baltic Sea Region: Good Intentions Meet Complex Challenges" Swedish Institute for European Policy Studies, European Policy Analysis Vol. 9-2009.

Appendix 2

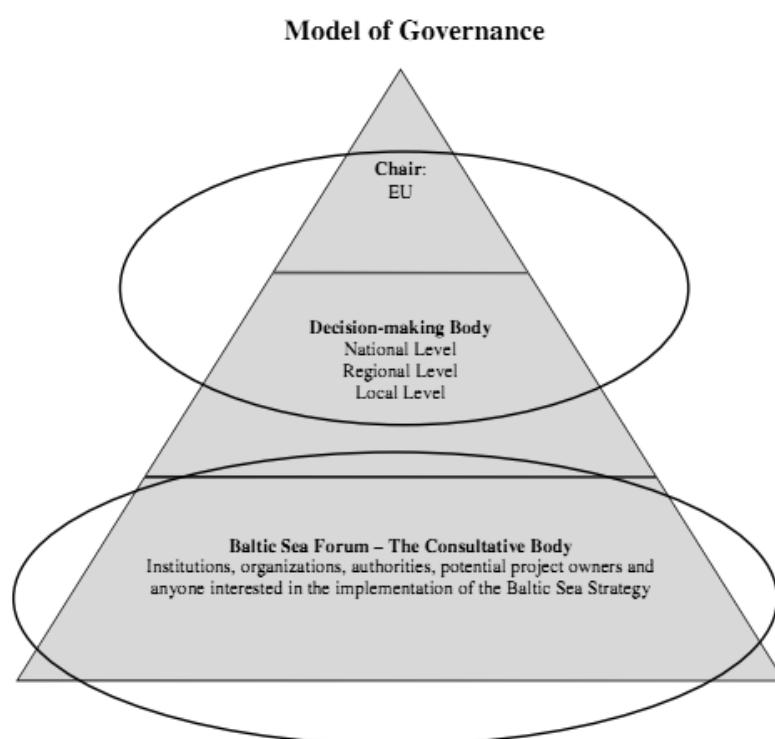
List of analysed consultation documents from regional and local authorities¹

Regional and local organisation	Country
Association of Estonian Cities	ES
The Barents Regional Council	SW;FI;NO;RU
Capital Region - Berlin Brandenburg	GE
The regional council of Central Finland	FI
Eastern Norway County Network	NO
The Association of Finnish local and regional authorities	FI
Karlskrona municipality	SW
Mecklenburg-Vorpommern	GE
Local Government Denmark	DK
Convent of Marshals of the Republic of Poland	PO
Parlamentsforum Südliche Ostsee c/o Landtag Mecklenburg-Vorpommern	GE
NSPA Northern Sparsely Populated Areas	SW;FI;NO
Regional Council Päijät-Häme	FI
Region Blekinge	SW
Regionförbundet Örebro	SW
Region Skåne	SW
Stockholmsregionens europakommitté (SEU)	SW
Stockholms läns landsting	SW
City of Tallinn	ES
Warmińsko-Mazurskie Voivodeship	PO
County Administrative Board of Västernorrland	SW
Västra Götalands regionen	SW
Ålands landskapsregering	FI
The Öresund Commiteé	DK;SW
Regionförbundet Östsam	SW

¹ Source: European Commission - Directorate General for Regional Policy, “Consultation on the EU Strategy for the Baltic Sea Region” [Electronic] Available: http://ec.europa.eu/regional_policy/archive/consultation/baltic/consultation_en.htm, 2012-06-27.

Appendix 3

A Model of Governance suggested by the Baltic Sea Organisations¹



¹ Source: Baltic Sea Organisations = BSSSC, B7 Baltic Islands Network, Euroregion Baltic, Baltic Development Forum, CPMR - Baltic Sea Commission and UBC – Union of the Baltic Cities, 2008. "A Competitive Region in a Globalized World" *Joint Position Paper on the EU Strategy for the Baltic Sea Region*, December 1 2008.